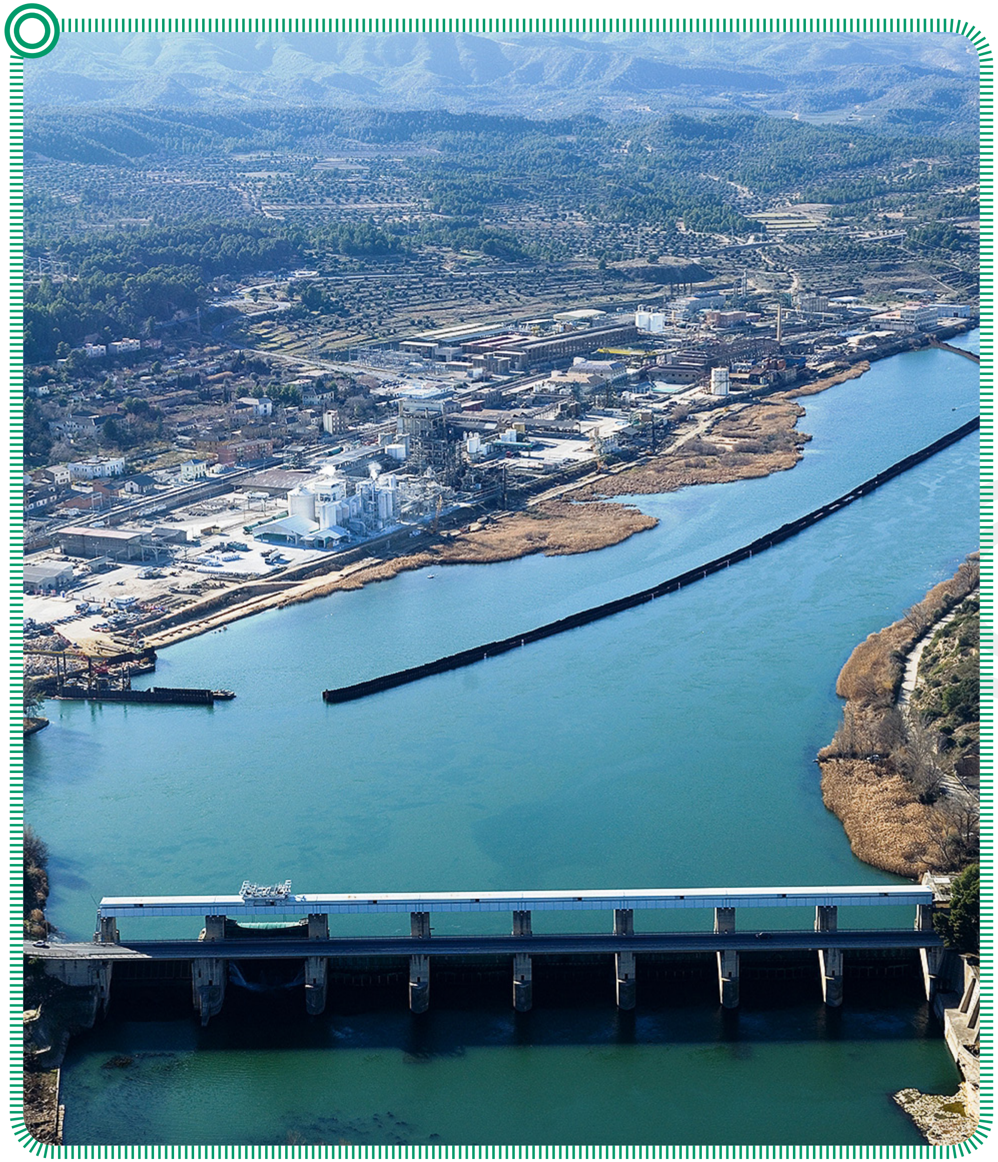

CONSOLIDATED GROUP

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 35). In the event of a discrepancy, the Spanish-language version prevails.

CONSOLIDATED BALANCE SHEET

FOMENTO DE CONSTRUCCIONES Y CONTRATAS , S.A. AND SUBSIDIARIES FOR THE YEAR ENDED 31 DECEMBER 2013 (IN THOUSANDS OF EUROS)

ASSETS	31/12/13		31/12/12 (*)	
NON-CURRENT ASSETS		8,442,388		10,593,513
Intangible assets (Note 7)		2,857,263		3,821,713
Concessions (Notes 7 and 11)	1,241,958		1,144,232	
Goodwill	1,446,518		1,971,234	
Other intangible assets	168,787		706,247	
Property plant and equipment (Note 8)		3,734,068		4,620,674
Land and buildings	969,627		1,239,200	
Plant and other items of property, plant and equipment	2,764,441		3,381,474	
Investment property (Note 9)		16,827		70,668
Investments accounted for using the equity method (Note 12)		368,709		935,039
Non-current financial assets (Note 14)		383,532		412,630
Deferred tax assets (Note 25)		1,081,989		732,789
CURRENT ASSETS		7,159,560		9,129,536
Non-current assets classified as held for sale (Note 4)		2,172,503		1,476,190
Inventories (Note 15)		798,029		1,128,668
Trade and other receivables		2,733,676		4,837,241
Trade receivables for sales and services (Note 16)	2,282,468		4,241,536	
Other receivables (Note 16)	417,045		569,892	
Current tax assets (Note 25)	34,163		25,813	
Other current financial assets (Note 14)		401,842		437,212
Other current assets		75,760		83,981
Cash and cash equivalents (Note 17)		977,750		1,166,244
TOTAL ASSETS		15,601,948		19,723,049

The accompanying Notes 1 to 35 and Appendixes I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2013.

(*) The 2012 column was restated to include the impact of applying the amendments to IAS 19 “Employee Benefits” (see Notes 2, 20 and 26).

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 35). In the event of a discrepancy, the Spanish-language version prevails.

CONSOLIDATED BALANCE SHEET

FOMENTO DE CONSTRUCCIONES Y CONTRATAS , S.A. AND SUBSIDIARIES FOR THE YEAR ENDED 31 DECEMBER 2013 (IN THOUSANDS OF EUROS)

EQUITY AND LIABILITIES	31/12/13		31/12/12 (*)	
EQUITY (Note 18)		242,756		1,696,990
Equity attributable to the Parent		3,184		1,246,906
Shareholders' equity	330,953		1,674,432	
Share capital	127,303		127,303	
Retained earnings and other reserves	1,680,144		2,884,197	
Treasury shares	(6,103)		(345,019)	
Profit (loss) for the year attributable to the Parent	(1,506,305)		(1,027,963)	
Other equity instruments	35,914		35,914	
Valuation adjustments	(327,769)		(427,526)	
Non-controlling interests		239,572		450,084
NON-CURRENT LIABILITIES		3,472,310		7,587,157
Grants		226,254		220,239
Long-term provisions (Note 20)		1,091,981		1,154,967
Non-current financial liabilities (Note 21)		1,136,907		5,105,892
Debt instruments and other marketable securities	402,411		1,130,327	
Bank borrowings	518,026		3,220,073	
Other financial liabilities	216,470		755,492	
Deferred tax liabilities (Note 25)		802,757		907,266
Other non-current liabilities (Note 22)		214,411		198,793
CURRENT LIABILITIES		11,886,882		10,438,902
Liabilities associated with non-current assets classified as held for sale (Note 4)		1,729,203		970,355
Short-term provisions (Note 20)		340,087		303,575
Current financial liabilities (Note 21)		6,398,483		4,324,620
Debt instruments and other marketable securities	448,700		14,350	
Bank borrowings	5,709,081		4,026,930	
Other financial liabilities	240,702		283,340	
Trade and other payables (Note 23)		3,413,817		4,832,407
Payable to suppliers	1,486,538		2,410,701	
Other payables	1,902,132		2,384,458	
Current tax liabilities (Note 25)	25,147		37,248	
Other current liabilities		5,292		7,945
TOTAL EQUITY AND LIABILITIES		15,601,948		19,723,049

The accompanying Notes 1 to 35 and Appendixes I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2013.

(*) The 2012 column was restated to include the impact of applying the amendments to IAS 19 "Employee Benefits" (see Notes 2, 20 and 26).

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CONSOLIDATED INCOME STATEMENT

FOMENTO DE CONSTRUCCIONES Y CONTRATAS , S.A. AND SUBSIDIARIES FOR THE YEAR ENDED 31 DECEMBER 2013 (IN THOUSANDS OF EUROS)

	31/12/13	31/12/12 (*)
Revenue (Note 29)	**6,726,488**	**7,429,349**
In-house work on non-current assets	99,608	60,599
Other operating income (Note 28)	226,373	327,529
Changes in inventories of finished goods and work in progress	(56,039)	(90,759)
Procurements (Note 28)	(2,604,687)	(2,691,270)
Staff costs (Note 28)	(1,995,593)	(2,154,928)
Other operating expenses	(1,886,044)	(1,872,574)
Depreciation and amortisation charge (Notes 7, 8 and 9)	(423,531)	(487,224)
Allocation to profit or loss of grants related to non-financial non-current assets and other grants	2,138	2,830
Impairment and gains or losses on disposals of non-current assets (Note 28)	(238,739)	(200,976)
Other gains or losses (Note 28-e)	(153,108)	(175,207)
PROFIT (LOSS) FROM OPERATIONS	(303,134)	147,369
Finance income (Note 28)	71,257	88,676
Finance costs (Note 28)	(510,041)	(461,867)
Changes in fair value of financial instruments (Note 28)	22,586	(51,584)
Exchange rate differences	(11,158)	530
Impairment and gains or losses on disposals of financial instruments (Note 28)	(89,232)	2,132
FINANCIAL PROFIT (LOSS)	(516,588)	(422,113)
Result of companies accounted for using the equity method (Note 28)	58,956	14,061
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	(760,766)	(260,683)
Income tax (Note 25)	135,502	37,956
PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	(625,264)	(222,727)
Profit (loss) for the year from discontinued operations, net of tax (Note 4)	(905,158)	(869,465)
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR	(1,530,422)	(1,092,192)
Profit (loss) attributable to the Parent	**(1,506,305)**	**(1,027,963)**
Profit (loss) attributable to non-controlling interests (Note 18)	**(24,117)**	**(64,229)**
EARNINGS PER SHARE (Note 18)		
Basic	(12.73)	(8.97)
Diluted	(12.73)	(8.97)

The accompanying Notes 1 to 35 and Appendixes I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2013.

(*) The 2012 column was restated for comparison purposes, in accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, in order to include the results of discontinued operations recognised in 2013 (see Note 4).

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 35). In the event of a discrepancy, the Spanish-language version prevails.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOMENTO DE CONSTRUCCIONES Y CONTRATAS , S.A. AND SUBSIDIARIES FOR THE YEAR ENDED 31 DECEMBER 2013 (IN THOUSANDS OF EUROS)

	31/12/13		31/12/12 (**)	
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR		(1,530,422)		(1,092,192)
Income and expense recognised directly in equity		(15,281)		(94,971)
Revaluation of financial instruments	(2,952)		(195)	
Cash flow hedges	21,977		(68,019)	
Translation differences	(52,397)		23,258	
Actuarial gains and losses (*)	6,760			
Companies accounted for using the equity method	7,103		(63,364)	
Tax effect	4,228		13,349	
Transfers to income statement		121,376		93,491
Revaluation of financial instruments			14,900	
Cash flow hedges	81,813		85,058	
Translation differences	7,949			
Companies accounted for using the equity method	54,624		20,695	
Tax effect	(23,010)		(27,162)	
TOTAL COMPREHENSIVE INCOME		(1,424,327)		(1,093,672)
Attributable to the Parent		(1,390,830)		(1,025,684)
Attributable to non-controlling interests		(33,497)		(67,988)

(*) Amounts that may not be recognised in the consolidated income statement under any circumstances.

(**) The 2012 column was restated to include the impact of applying the amendments to IAS 19 "Employee Benefits" (see Notes 2 and 20).

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CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

FOMENTO DE CONSTRUCCIONES Y CONTRATAS , S.A. AND SUBSIDIARIES FOR THE YEAR ENDED 31 DECEMBER 2013 (IN THOUSANDS OF EUROS)

	Share capital (Note 18-a)	Share premium and reserves (Note 18-b)	Interim dividend	Treasury shares (Note 18-c)	Profit (loss) for the year attributable to the Parent	Other equity instruments (Note 18-d)	Valuation adjustments (Note 18-e)	Equity attributable to shareholders of the Parent	Non-controlling interests (Note 18.II)	Equity
Equity at 31 December 2011	127,303	2,969,654	(80,616)	(347,479)	108,248	35,914	(434,140)	2,378,884	536,056	2,914,940
Total income and expenses for the year					(1,027,963)		2,279	(1,025,684)	(67,988)	(1,093,672)
Transactions with shareholders or owners										
Capital increases/(reductions)									684	684
Dividends paid		(74,370)						(74,370)	(4,454)	(78,824)
Treasury share transactions (net)		(2,312)		2,460				148		148
Other transactions with shareholders or owners										
Other changes in equity		4,202	80,616		(108,248)		4,335	(19,095)	(2,579)	(21,674)
Equity at 31 December 2012	127,303	2,897,174	—	(345,019)	(1,027,963)	35,914	(427,526)	1,259,883	461,719	1,721,602
Adjustment due to application of IAS 19		(12,977)						(12,977)	(11,635)	(24,612)
Equity at 31 December 2012	127,303	2,884,197	—	(345,019)	(1,027,963)	35,914	(427,526)	1,246,906	450,084	1,696,990
Total income and expenses for the year		6,305			(1,506,305)		109,170	(1,390,830)	(33,497)	(1,424,327)
Transactions with shareholders or owners										
Capital increases/(reductions)									784	784
Dividends paid									(4,699)	(4,699)
Treasury share transactions (net)		(143,853)		338,916				195,063		195,063
Other transactions with shareholders or owners										
Other changes in equity (Note 18)		(1,066,505)			1,027,963		(9,413)	(47,955)	(173,100)	(221,055)
Equity at 31 December 2013	127,303	1,680,144	-	(6,103)	(1,506,305)	35,914	(327,769)	3,184	239,572	242,756

The accompanying Notes 1 to 35 and Appendixes I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2013.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 35). In the event of a discrepancy, the Spanish-language version prevails.

CONSOLIDATED STATEMENT OF CASH FLOWS (INDIRECT METHOD)

FOMENTO DE CONSTRUCCIONES Y CONTRATAS , S.A. AND SUBSIDIARIES FOR THE YEAR ENDED 31 DECEMBER 2013 (IN THOUSANDS OF EUROS)

	31/12/13		31/12/12 (*)	
Profit (loss) before tax from continuing operations		(760,766)		(260,683)
Adjustments to profit (loss)		1,509,055		1,437,430
Depreciation and amortisation charge (Notes 7, 8 and 9)	423,531		487,224	
Impairment of goodwill and non-current assets (Notes 7 and 8)	346,334		249,900	
Other adjustments to profit (loss) (net) (Note 28)	739,190		700,306	
Changes in working capital		257,316		145,660
Other cash flows from operating activities		(240,530)		(163,414)
Dividends received	14,141		23,114	
Income tax recovered/(paid) (Note 25)	(111,970)		(148,930)	
Other proceeds/(payments) relating to operating activities	(142,701)		(37,598)	
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		765,075		1,158,993
Payments due to investments		(507,770)		(437,443)
Group companies, associates and business units	(20,226)		(50,461)	
Property, plant and equipment, intangible assets and investment property (Notes 7, 8 and 9)	(447,236)		(341,236)	
Other financial assets	(40,308)		(45,746)	
Proceeds from disposals		313,171		198,080
Group companies, associates and business units	221,734		113,713	
Property, plant and equipment, intangible assets and investment property (Notes 7, 8 and 9)	63,818		47,150	
Other financial assets	27,619		37,217	
Other cash flows from investing activities		(247,899)		(187,168)
Interest received	36,101		55,525	
Other proceeds/(payments) relating to investing activities	(284,000)		(242,693)	
TOTAL CASH FLOWS FROM INVESTING ACTIVITIES		(442,498)		(426,531)

The accompanying Notes 1 to 35 and Appendixes I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2013.

(*) The 2012 column was restated for comparison purposes, in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", in order to include the results of discontinued operations recognised in 2013 (see Note 4).

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 35). In the event of a discrepancy, the Spanish-language version prevails.

CONSOLIDATED STATEMENT OF CASH FLOWS (INDIRECT METHOD)

FOMENTO DE CONSTRUCCIONES Y CONTRATAS , S.A. AND SUBSIDIARIES FOR THE YEAR ENDED 31 DECEMBER 2013 (IN THOUSANDS OF EUROS)

	31/12/13		31/12/12 (*)	
Proceeds and (payments) relating to equity instruments (Note 18)		246,487		(51,819)
Issues/(redemptions)	183		682	
(Acquisitions)/disposals	246,304		(52,501)	
Proceeds and (payments) relating to financial liability instruments (Note 21)		(203,888)		(1,007,497)
Issues	368,303		1,642,808	
Repayments and redemptions	(572,191)		(2,650,305)	
Dividends and returns on equity instruments (Note 6)		(4,488)		(152,522)
Other cash flows from financing activities		(371,466)		(396,813)
Interest paid	(402,096)		(371,044)	
Other proceeds/(payments) relating to financing activities	30,630		(25,769)	
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES		(333,355)		(1,608,651)
Effect of foreign exchange rate changes		(11,487)		6,185
Cash and cash equivalents of assets held for sale and of discontinued operations, reclassified		(166,229)		(266,393)
OTHER CASH FLOWS		(177,716)		(260,208)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(188,494)		(1,136,397)
Cash and cash equivalents at beginning of year		1,166,244		2,302,641
Cash and cash equivalents at end of year		977,750		1,166,244

The accompanying Notes 1 to 35 and Appendixes I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2013.

(*) The 2012 column was restated for comparison purposes, in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", in order to include the results of discontinued operations recognised in 2013 (see Note 4).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND SUBSIDIARIES AT 31 DECEMBER 2013

1. GROUP ACTIVITIES

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

- **Environmental Services.** Services related to urban cleaning, industrial waste treatment and waste-to-energy systems.
- **Integral Water Management.** Services related to the integral water cycle: collection, treatment and distribution of water for human consumption; wastewater collection, filtering and treatment; design, construction, operation and maintenance of water infrastructure for municipal, industrial, agricultural and other services.
- **Construction.** This area specialises in infrastructure construction projects, building construction and related activities, such as motorways, freeways and other roads, tunnels, bridges, hydraulic construction works, ports, airports, residential property developments, housing units, non-residential building construction, lighting, industrial air conditioning and heating systems, environmental restoration, etc.
- **Cement.** This area engages in the operation of quarries and mineral deposits, the manufacture of cement, lime, plaster and related pre-manufactured products and the production of concrete.

International operations, which represent approximately 42% of the FCC Group's revenue (38% in 2012), are carried on mainly in the European, US and Latin American markets.

The FCC Group is undergoing an internal reorganisation process with the aim of focusing on its core activities. As a result of this process, which was set out in the 2013-2015 Strategic Plan, the Group is implementing a divestment plan for its non-core assets which, at the reporting date, are presented as non-current assets classified as held for sale in the consolidated balance sheet and as discontinued operations in the consolidated income statement (see Note 4 "Non-Current Assets Classified as Held for Sale and Liabilities Associated with Non-Current Assets Classified as Held for Sale and Discontinued Operations"). The main effects of this process are described in the following paragraphs.

Pursuant to the Group's new business strategy, "Integrated Water Management", which was previously included in Environmental Services, was recognised as a business area, and Versia was eliminated. Versia's main activities, i.e. logistics and street furniture (Cemusa group), were integrated in the latter and are being sold (see Note 4).

With regard to the Renewable Energies Area, it is important to note that, as notified to the Spanish National Securities Market Commission (CNMV) on 30 December 2013, pursuant to the Strategic Plan, Fomento de Construcciones y Contratas, S.A. approved the sale of 51% of the Energy activity to Plenium FMGP, S.L. through an agreement entered into on 27 December 2013. However, the sale will be completed in 2014 (see Note 34). In accordance with accounting standards, the assets and liabilities relating to the Energy business are presented in the accompanying consolidated financial statements under "Non-Current Assets Classified as Held for Sale", "Liabilities Associated with Non-Current Assets Classified as Held for Sale" and "Discontinued Operations" (see Note 4).

Furthermore, the FCC Group is present in the real estate industry through its 37.03% ownership interest in Realia Business, S.A., which engages mainly in housing development and office rental, both in Spain and abroad. The Group also engages, mainly through its 50% ownership interest in Globalvía Infraestructuras, S.A., in infrastructure concessions (motorways, tunnels, marinas, railways, tramways and buildings for a variety of uses). Both activities are included in the divestment plan mentioned above and were reclassified as discontinued operations (see Note 4).

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND BASIS OF CONSOLIDATION

a) Basis of presentation

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

The 2013 consolidated financial statements of the FCC Group were formally prepared by the Board of Directors of Fomento de Construcciones y Contratas, S.A. and will be submitted for approval by the shareholders at the Annual General Meeting. However, no changes are expected to be made to the consolidated financial statements as a result of compliance with this requirement. The 2012 consolidated financial statements were approved by the shareholders of Fomento de Construcciones y Contratas, S.A. at the Annual General Meeting held on 23 May 2013.

These consolidated financial statements of the FCC Group present fairly its equity and financial position at 31 December 2013 and 2012, and the consolidated results of its operations, the changes in the consolidated equity and the consolidated cash flows in the years then ended.

The consolidated financial statements of the FCC Group were prepared from the accounting records of Fomento de Construcciones y Contratas, S.A. and of its investees. These records, in accordance with the Group's established operating procedures and systems, justify and support the consolidated financial statements prepared pursuant to current international accounting regulations.

In order to uniformly present the various items composing these consolidated financial statements, accounting standardisation criteria were applied to the separate financial statements of the companies included in the scope of consolidation. In general, in 2013 and 2012 the reporting date of the financial statements of the companies included in the scope of consolidation was the same as that of the Parent, i.e. 31 December.

The consolidated financial statements are expressed in thousands of euros.

De-consolidation of the Alpine Group

On 19 and 28 June 2013, respectively, Alpine Bau GmbH (head of the group of operating companies of the Alpine Group) and Alpine Holding GmbH (Parent of Alpine Bau), subsidiaries of FCC Construcción, S.A., decided to file for voluntary insolvency before the competent Austrian courts, after it became evident that they were unable to meet their obligations. The liquidation process of these companies was subsequently formalised, as a result of which, the FCC Group lost control over the Alpine Group and it ceased to be consolidated.

The effects of the de-consolidation of the Alpine Group in the FCC Group's financial statements were as follows:

a) Derecognition of the assets and liabilities belonging to the Alpine Group. The net amount of the derecognition was EUR 10,517 thousand, which relates to EUR 2,233,172 thousand of assets and EUR 2,222,655 thousand of liabilities. These changes are included under "Changes in the Scope of Consolidation, Translation Differences and Other" in the respective tables in the explanatory notes.

b) The FCC Group's ownership interest in these companies (which head the Alpine Group) was considered to be a financial asset valued at zero and a provision for contingencies and charges of EUR 85,317 thousand, net of the related tax effect, was recognised to cover the amount of possible liability and guarantees assumed by the FCC Group.

c) Since the Alpine Group represents a major line of business associated with a geographical area, in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", it was classified as a discontinued operation. Accordingly, "Profit (Loss) for the Year from Discontinued Operations, Net of Tax" in the accompanying consolidated income statement includes: the result of consolidating Alpine from 1 January 2013 until the date on which consolidation was discontinued, the result of the write-off of the full amount of the investment and the provision recognised to meet possible liability and guarantees. Furthermore, in accordance with this standard, for comparison purposes, the consolidated income statement and the consolidated statement of cash flows for 2012 were adjusted accordingly.

FCC management considers it unlikely that any additional, significant losses will arise for the Group as a result of the insolvency and liquidation process of the Alpine Group companies.

Note 4 "Non-Current Assets Classified as Held for Sale and Liabilities Associated with Non-Current Assets Classified as Held for Sale and Discontinued Operations" includes a detail and explanation of the related changes with regard to the Alpine Group.

Reclassifications

Pursuant to IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the Group reclassified the non-core assets, as described in Note 1, which are subject to the disposal process, under "Non-Current Assets Classified as Held for Sale" and "Liabilities Associated with Non-Current Assets Classified as Held for Sale" in the accompanying consolidated balance sheet and under "Profit (Loss) for the Year from Discontinued Operations, Net of Tax" in the accompanying consolidated income statement. Similarly, pursuant to this standard, for comparison purposes, the consolidated income statement and the consolidated statement of cash flows for 2012 were adjusted accordingly.

Note 4 "Non-Current Assets Classified as Held for Sale and Liabilities Associated with Non-Current Assets Classified as Held for Sale and Discontinued Operations" includes a detail and explanation of the related changes with regard to these reclassifications.

Standards and interpretations issued but not yet in force

At the date of preparation of these notes to the consolidated financial statements, the most significant standards and interpretations that had been published by the International Accounting Standards Board (IASB) in the year but which had not yet come into force, either because they had not yet been adopted by the European Union or because they are applicable in subsequent years, were as follows:

		Obligatory application for the FCC Group
Not adopted by the European Union		
IFRS 9	Financial Instruments	Sine die
IFRS 14	Regulatory Deferral Accounts	1 January 2016
IFRIC 21	Levies	1 January 2014
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions	1 January 2015
Adopted by the European Union but not yet in force		
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
Amendments to IFRS 10, IFRS 12 and IAS 27	Exception from consolidation for parent companies that meet the definition of investment entities	1 January 2014
Amendments to IFRS 10, 11 and 12	Clarification of the rules for transition to these standards	1 January 2014
Amendments to IAS 27	Separate Financial Statements	1 January 2014
Amendments to IAS 28	Investments in Associates and Joint Ventures	1 January 2014
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities	1 January 2014
IFRS 10	Consolidated Financial Statements	1 January 2014
IFRS 11	Joint Arrangements	1 January 2014
IFRS 12	Disclosure of Interests in Other Entities	1 January 2014

After assessing the potential impact of applying these standards in the future, it was considered that their entry into force would not have a material impact on the consolidated financial statements of the FCC Group.

Specifically, it is considered that the application of IFRS 11 "Joint Arrangements" will not have a significant impact since the FCC Group, as indicated below, applies the option provided for under the current IAS 31 "Interests in Joint Ventures" (which IFRS 11 replaces) to account for jointly controlled entities using the equity method and the jointly controlled assets using proportionate consolidation.

Similarly, it is estimated that the application of IFRS 10 "Consolidated Financial Statements" will not have a significant impact either, since the definition of control under IFRS 10 does not give rise to significant changes in the scope of consolidation of the Group's subsidiaries.

Significant standards and interpretations applied in 2013

The standards already adopted by the European Union that entered into force in 2013 and are used by the Group where applicable, were as follows:

Amendments to IAS 12	Income Taxes - Deferred Taxes Arising from Investment Property
IFRS 13	Fair Value Measurement
Amendments to IAS 1	Presentation of Other Comprehensive Income
Amendments to IAS 19	Employee Benefits
Amendments to IFRS 7	Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

The FCC Group adopted all the amendments and revisions made to the texts and interpretations of the "International Financial Reporting Standards" applicable to it. No noteworthy impacts resulted from the application of these amendments and revisions, except for the amendments to IAS 19 "Employee Benefits". Under the latter, which entered into force on 1 January 2013, any actuarial gains and losses that were previously recognised using the corridor approach must be recognised in equity. The adjustment made at the Cementos Portland Valderrivas Group represented a net impact on equity of EUR 24,612 thousand. As a result, in accordance with IAS 19, the consolidated balance sheet at 31 December 2012 was restated. The adjustments for the actuarial obligations and the changes in value of the assets that occurred in 2013 were taken to the consolidated statement of comprehensive income but it was not necessary to reclassify any of them to the consolidated income statement. Since the aforementioned effect of the restatement is not material, it was not considered necessary to detail the differences between the financial statements for 2012 and the restated financial statements or to include a third balance sheet.

The application of IFRS 13 "Fair Value Measurement" did not have a material effect on the Group's financial statements.

b) Basis of consolidation

Subsidiaries

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

The share value of non-controlling interests of equity is presented under “Non-Controlling Interests” on the liability side of the accompanying consolidated balance sheet and their share of profit or loss is presented under “Profit (Loss) Attributable to Non-Controlling Interests” in the accompanying consolidated income statement Goodwill is determined as indicated in Note 3-b below.

Joint ventures

The Group participates in joint ventures through investments in companies controlled jointly by one or more FCC Group companies with other non-Group companies (see Note 12) and through interests in unincorporated temporary joint ventures (Spanish UTEs) and other similar entities (see Note 13).

Based on application of the alternative included in IAS 31 “Interests in Joint Ventures”, the Group accounts for the interests in jointly controlled entities using the equity method and recognises them under “Investments Accounted for Using the Equity Method” in the accompanying consolidated balance sheet. The share in the after-tax profit or loss for the year of these companies is recognised under “Result of Companies Accounted for Using the Equity Method” in the accompanying consolidated income statement.

Contracts and assets operated jointly, primarily in the Construction and Services activities through unincorporated temporary joint ventures and similar entities, were included in the accompanying consolidated financial statements in proportion to the Group’s percentage interest in the assets, liabilities, income and expenses arising from the transactions performed by these entities, and reciprocal asset and liability balances and income and expenses not realised vis-à-vis third parties were eliminated.

Appendix II lists the companies controlled jointly with non-Group third parties and Appendix V lists the businesses and contracts operated jointly with non-Group third parties through unincorporated temporary joint ventures and other entities of similar legal characteristics.

Associates

The companies listed in Appendix III, over which Fomento de Construcciones y Contratas, S.A. does not exercise control but does have significant influence, are equity-accounted and are included under “Investments Accounted for Using the Equity Method” in the accompanying consolidated balance sheet. The contribution of these companies to after-tax profit or loss for the year is recognised under “Result of Companies Accounted for Using the Equity Method” in the accompanying consolidated income statement.

Transactions between Group companies

Gains or losses on transactions between consolidated companies are eliminated on consolidation and deferred until they are realised with non-Group third parties. This elimination does not apply in the case of "concession arrangements" since the related gains or losses are deemed to have been realised with third parties (see Note 3-a).

Group work on non-current assets is recognised at production cost, and any intra-Group results are eliminated.

Reciprocal receivables and payables and intra-Group income and expenses were eliminated from the consolidated financial statements.

Changes in the scope of consolidation

Appendix IV shows the changes in 2013 in the fully consolidated companies and the companies accounted for using the equity method. The results of these companies are included in the consolidated income statement from the effective date of acquisition to year-end or from the beginning of the year to the effective date of disposal or derecognition, as appropriate.

The effects of the inclusion of companies in the scope of consolidation or of their removal therefrom are shown in the related notes to the consolidated financial statements under "Changes in the Scope of Consolidation". In addition, Note 5 to these consolidated financial statements ("Changes in the Scope of Consolidation") sets forth the most significant inclusions and removals.

3. ACCOUNTING POLICIES

Set forth below is a detail of the accounting policies used in preparing the FCC Group's consolidated financial statements:

a) Service concession arrangements

The concession contracts are arrangements between a public sector grantor and FCC Group companies to provide public services such as water distribution, wastewater filtering and treatment, management of landfills, motorways and tunnels, etc., through the operation of the related infrastructure. Revenue from providing the service may be received directly from the users or, sometimes, through the concession grantor itself, which regulates the prices for providing the service.

The concession right generally means that the concession operator has an exclusive right to provide the service under the concession for a given period of time, after which the infrastructure assigned to the concession and required to provide the service is returned to the concession grantor, generally for no consideration. Concession contracts are required to provide for the management or operation of the infrastructure and they generally provide for the obligation to acquire or construct all the items required to provide the concession service over the contract term.

These concession contracts are recognised pursuant to IFRIC 12 "Service Concession Arrangements". In general, a distinction must be drawn between two clearly different phases: the first in which the concession operator provides construction or upgrade services which are recognised under intangible or financial assets by reference to the stage of completion pursuant to IAS 11 "Construction Contracts"; and a second phase in which the concession operator provides a series of maintenance or operation services of the aforementioned infrastructure, which are recognised in accordance with IAS 18 "Revenue".

An intangible asset is recognised when the demand risk is borne by the concession operator and a financial asset is recognised when the demand risk is borne by the concession grantor since the operator has an unconditional contractual right to receive cash for the construction or upgrade services. These assets also include the amounts paid in relation to the fees for the award of the concessions.

In certain mixed arrangements, the operator and the grantor may share the demand risk, although this is not common for the FCC Group.

For concessions classified as intangible assets, provisions for dismantling, removal and rehabilitation and any steps to improve and increase capacity, the revenue from which is envisaged in the initial contract, are capitalised at the start of the concession and the amortisation of these assets and the adjustment for provision discounting are recognised in profit or loss. Also, provisions to replace and repair the infrastructure are systematically recognised in profit or loss as the obligation is incurred.

Borrowing costs arising from the financing of the infrastructure are recognised in the period in which they are incurred and those accruing from the construction until the entry into service of the infrastructure are capitalised only in the intangible asset model.

These intangible assets are amortised on the basis of the pattern of consumption of the expected future economic benefits, taken to be the changes in and best estimates of the production units of each activity. The Group's most important concession business in quantitative terms is the water supply and treatment activity, in which the assets are amortised on the basis of water consumption; in general, this consumption remains constant over time due, on the one hand, to the reduction arising from water saving policies and, on the other, to the rise resulting from the increase in the population. The assets are amortised in full over the concession term, which generally ranges from 25 to 50 years.

Concessions classified as a financial asset are recognised at the fair value of the construction or upgrade services provided. In accordance with the amortised cost method, the related income is recognised as revenue in profit or loss based on the effective interest rate resulting from the expected cash inflows and outflows of the concession. The borrowing costs arising from the financing of these assets are classified under "Finance Costs" in the consolidated income statement. As explained above, the income and expenses from the provision of maintenance and operation services are recognised in profit or loss in accordance with IAS 18 "Revenue".

b) Business combinations and goodwill

The assets and liabilities of the acquired companies and subgroups are recognised in the consolidated balance sheet at their fair value together with the related deferred taxes. However, in accordance with regulations, the initial measurement of the assets and liabilities and their allocation to the various asset and liability headings may be reviewed within the twelve months following the acquisition date, should it be necessary to consider new information.

The date of inclusion in the scope of consolidation is the date on which effective control of the company is obtained, which normally coincides with the acquisition date.

Goodwill is recognised as the excess of (a) the aggregate of the fair value of the consideration transferred for the equity interest acquired, the amount of the non-controlling interests and the acquisition-date fair value of the previously held equity interests, when control is achieved in stages, over (b) the fair value of the identifiable assets and liabilities.

Non-controlling interests are generally measured at their proportionate share of the acquiree's assets and liabilities.

In a business combination achieved in stages, the difference between the acquisition-date fair value of the previously held equity interest and the carrying amount of this equity interest is recognised as profit or loss from operations.

Once control is obtained over an investee and provided control is not lost, the difference between the amount of any additional equity interest acquired or sold and its carrying amount is accounted for in equity.

Goodwill is not amortised; however it is tested for impairment at least at the end of each reporting period in order to recognise it at the lower of its recoverable amount, estimated on the basis of expected cash flows, and acquisition cost, less any accumulated impairment losses. The accounting policies used to determine impairment are detailed in Note 3-e.

c) Intangible assets

Except as indicated in the preceding two sections of this Note in relation to service concession arrangements and goodwill, the other intangible assets included in the accompanying consolidated financial statements are measured at acquisition cost or, in contracts (mainly for street furniture - see Note 7-c) in which the operating licence provides for the payment of a fixed minimum fee, at the initial present value of the committed minimum cash outflows, less any accumulated amortisation and any accumulated impairment losses. These intangible assets include the investments relating to operating contracts and licences and to surface rights.

None of these intangible assets recognised were generated internally and they all have a finite useful life. Intangible assets are amortised over their useful lives (in general between 20 and 35 years), i.e. the period during which it is estimated they will generate income, using the straight-line method, except where the application of the pattern of consumption of future economic benefits more faithfully reflects their amortisation.

d) Property, plant and equipment and investment property

Property, plant and equipment and investment property are recognised at cost (revalued, where appropriate, in accordance with various legal provisions pre-dating the transition to IFRSs), less any accumulated depreciation and any recognised impairment loss. Also, the cost of property, plant and equipment includes the estimated present value of the costs of dismantling and removing the related items and, in cases where these non-current assets have been acquired through business combinations as explained in Note 3-b, they are initially recognised at their acquisition-date fair values.

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

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

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

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

Investment property	75
Natural resources and buildings	25-50
Plant, machinery and transport equipment	5-30
Furniture and tools	7-12
Computer hardware	4
Other items of property, plant and equipment	5-10

However, certain contracts have terms shorter than the useful life of the related non-current assets, in which case they are depreciated over the contract term.

The residual value, useful life and depreciation method applied to the Group's assets are reviewed periodically to ensure that the depreciation method used reflects the pattern in which the economic benefits arising from operating the property, plant and equipment and investment property are consumed. This review takes the form of an in-situ assessment and technical analysis, based on the current conditions of the assets, and the remaining useful life of each asset is estimated on the basis of its capacity to continue to perform the functions for which it was designed. Subsequently, these internal analyses are confirmed by checking them with non-Group third parties, such as manufacturers, installers, etc.

The Group companies assess regularly, at least at the end of each reporting period, whether there is any indication that an item or group of items of property, plant and equipment is impaired so that, as indicated in Note 3-e), an impairment loss can be recognised or reversed in order to adjust the carrying amount of the assets to their value in use. Under no circumstances may the reversals exceed the impairment losses previously recognised.

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

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

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

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

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

To determine the recoverable amount of the assets tested for impairment, an estimate is made of the present value of the net cash flows arising from the cash-generating units (CGUs) to which the assets belong, except for cash inflows and outflows from financing activities and income tax payments, and the cash inflows and outflows arising from scheduled future improvements or enhancements of the assets of these cash-generating units. To discount the cash flows, a pre-tax discount rate is applied that reflects current market assessments of the time value of money and the risks specific to each cash-generating unit.

The estimated cash flows are obtained from projections prepared by management of each CGU, which in general cover periods of five years, except when the characteristics of the business advise longer periods, and include growth rates based on the various approved business plans (which are reviewed periodically), considering zero growth rates for the years after those covered by the business plans. In addition, it should be noted that sensitivity analyses are conducted in relation to revenue growth, operating margins and discount rates in order to forecast the impact of future changes on these variables.

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

f) Leases

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

f.1) Finance leases

In finance leases, the Group acts solely as the lessee. In the accompanying consolidated balance sheet the Group recognises the cost of the leased assets and, simultaneously, recognises a liability for the same amount. This amount is the lower of the fair value of the leased asset and the present value, at the inception of the lease, of the agreed minimum lease payments, including the price of the purchase option, when it is reasonably certain that it will be exercised. The minimum lease payments do not include contingent rent, costs for services and taxes to be paid by and reimbursed to the lessor. The total finance charges arising under the lease are allocated to the income statement for the year in which they are incurred using the effective interest method. Contingent rent is recognised as an expense for the year in which it is incurred.

On expiry of the leases, the Group companies exercise the purchase option and the lease arrangements do not impose any restrictions concerning exercise of this option. Also, the lease agreements do not contain any renewal, review or escalation clauses.

Assets held under finance leases are depreciated using the criteria detailed in sections a), c) and d) of this Note.

f.2) Operating leases

When the Group acts as the lessee, it charges the expenses from operating leases to income on an accrual basis.

When the Group acts as the lessor, lease income and expenses from operating leases are recognised in income on an accrual basis.

A payment made on entering into or acquiring a leasehold that is accounted for as an operating lease represents prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided.

g) Investments accounted for using the equity method

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

Whenever there are signs of impairment, the Group makes the necessary valuation adjustments.

h) Financial assets

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

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

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

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

Held-for-trading financial assets which, when arranged, mature within three months or less and whose realisation is not expected to give rise to significant costs are included under "Cash and Cash Equivalents" in the accompanying consolidated balance sheet. These assets are considered to be investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and therefore relate basically to very short-term, highly liquid investments with a high turnover.

- **Held-to-maturity investments** are financial assets with fixed or determinable payments and fixed maturity. Those maturing within no more than 12 months are classified as current assets and those maturing within more than 12 months as non-current assets.
- **Loans and receivables** maturing within no more than 12 months are classified as current items and those maturing within more than 12 months as non-current items. This category includes collection rights arising from the application of IFRIC 12 "Service Concession Arrangements" as detailed in Note 3-a.
- **Available-for-sale financial assets** are securities acquired that are not held for trading purposes and are not classified as held-to-maturity investments. They are classified as non-current in the accompanying consolidated balance sheet since it is intended to hold them at long term.

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

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

Collection rights arising from a service concession arrangement are measured in accordance with the criteria detailed in Note 3-a.

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

Trade receivables arising in the Group's normal business activities are stated at their nominal value, reduced by the amounts considered to be non-recoverable.

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

Also, certain future collection rights arising from construction project contracts awarded under the lump-sum payment system were sold.

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

i) Non-current assets classified as held for sale and liabilities associated with non-current assets classified as held for sale and discontinued operations

Assets and liabilities whose carrying amount is recovered through a sale transaction rather than through continuing use are classified as non-current assets held for sale and liabilities associated with non-current assets classified as held for sale. This condition is regarded as met only when the sale is highly probable, the asset is available for immediate sale in its present condition and the sale is expected to be completed within one year from the date of classification.

Non-current assets classified as held for sale and liabilities associated with non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Discontinued operations represent Group components that are intended to be sold or disposed of by any other means, or are classified as held for sale. These components comprise operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group and represent separate lines of business or geographical areas of operations.

j) Inventories

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

Assets received in payment of loans, located mainly in the FCC Construcción subgroup (in exchange for construction work performed or to be performed), are measured at the lowest of the following three values: the amount at which the loan relating to the asset was recognised, production cost and net realisable value.

k) Foreign currency

k.1) Translation differences

In general, the financial statements of foreign subsidiaries denominated in currencies other than the euro were translated to euros at the closing rates, with the exception of:

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

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

k.2) Exchange rate differences

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

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

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

l) Equity instruments

Equity or capital instruments are recognised at the proceeds received, net of direct issue costs.

The Treasury shares acquired by the Parent are recognised at the value of the consideration paid and are deducted directly from equity. Gains and losses on the acquisition, sale, issue or retirement of treasury shares are recognised directly in equity and in no case are they recognised in profit or loss.

The Group currently has in force a remuneration scheme for its Executive Directors and executive personnel, linked to the value of the Parent's shares. This scheme is described in Note 19 "Equity Instrument-Based Transactions".

m) Grants

Grants are recognised according to their nature.

m.1) Grants related to assets

Grants related to assets are grants which involve the acquisition or construction of assets. These grants are measured at the amount received or the fair value of the asset received; they are recognised as deferred income on the liability side of the accompanying consolidated balance sheet and are recognised in profit or loss as the asset or assets to which they relate are depreciated.

m.2) Grants related to income

Grants related to income are different from those described above in that they do not relate directly to an asset or group of assets. These grants are accounted for as operating income for the amount received when awarded, unless they are received to finance specific expenses, in which case they are recognised in profit or loss as the related expenses are incurred.

n) Provisions

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

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

Provisions for dismantling, removal or rehabilitation and environmental provisions are recognised by increasing the value of the related asset by the present value of the expenses that will be incurred when operation of the asset ceases. The impact on profit or loss arises when the asset concerned is depreciated (as described in previous sections of this Note) and when the provisions are discounted to present value (as described in the preceding paragraph).

Also, certain Group companies recognise provisions for restructuring costs when there is a detailed formal plan in place for this restructuring that has been communicated to the affected parties. These include, most notably, the provisions recognised for the reorganisation process which the Group is currently undergoing (see Note 1).

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

o) Financial liabilities

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

Borrowing costs are recognised on an accrual basis in the income statement using the effective interest method and are added to the amount of the financial instrument to the extent that they are not settled in the year in which they arise.

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

p) Financial derivatives and hedge accounting

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

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

- Fair value hedges: in this case, the changes in fair value of the hedging instrument are recognised in profit or loss and offset the changes in fair value of the hedged item.
- Cash flow hedges: in hedges of this type, the changes in value of the hedging instrument are recognised provisionally in equity and are taken to the consolidated income statement when the hedged item materialises.
- Hedges of a net investment in a foreign operation: hedges of this type are aimed at covering foreign currency risk and are accounted for similarly to cash flow hedges.

Pursuant to IAS 39 “Financial Instruments: Recognition and Measurement”, in order to qualify for hedge accounting, a financial derivative must meet the following requirements:

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

In order to be classified as a hedging instrument, the derivative must undergo an effectiveness test. These effectiveness tests are adapted to the type of hedge and the nature of the instruments used:

- In cash flow hedges it is first verified that the critical terms of the hedging instrument and the hedged asset or liability – amounts, maturities, repayments, reference indices, review dates, etc. – are all the same.
  In the case of interest rate swaps (IRSs) in which the FCC Group receives a floating rate equal to that of the hedged borrowings and pays a fixed rate, since the objective is to reduce the variability of the borrowing costs, the effectiveness test estimates the changes in these annualised costs both in the original borrowings and in the portfolio that combines these borrowings with the hedging instrument. A hedge is considered to be fully effective when it achieves a reduction of at least 80% in the original variance of flows, i.e. when the instrument used reduces the variability of the flows by 80% or more. If this is not the case, the derivative is not classified as a hedge and its changes in value are recognised in profit or loss.
  For cash flow hedges in which the derivative hedging instrument is not an IRS but an interest rate cap option, the reduction in the variance of costs is taken into consideration only if the hedge is "activated", i.e. if the reference rates fall within the hedged variability range. The methodology applied once the hedge has been activated is the same as that used to test the effectiveness of IRSs.
- The effectiveness test of fair value hedges -arranged using IRSs- is based on the comparison of the changes in the fair value of the hedged position and of the hedging instrument. The assessment of the effectiveness of this type of hedge is performed by isolating the effects of the credit risk of the liability and the change in value of the variable leg of the IRS, which does not affect the ultimate objective of the hedge but may give rise to apparent ineffectiveness due to the interest accrued at each date.

Although certain hedging instruments are not recognised as hedges, this is only for accounting purposes since for financial and management purposes all the hedges arranged by the FCC Group have, at inception, an underlying financial transaction and the sole purpose of hedging such transaction.

Derivatives do not qualify for hedge accounting if the hedge fails the effectiveness test, which requires the changes in the fair value or in the cash flows of the hedged item directly attributable to the hedged risk to be offset by changes in the fair value or in the cash flows of the hedging instrument within a range of 80% to 120%. When this does not occur, the changes in value are recognised in profit or loss.

Changes in the fair value of financial derivatives that do not qualify for hedge accounting are recognised in the income statement as they arise.

The measurement of financial derivatives includes counterparty credit risk and is performed by experts on the subject that are independent from the Group and the entities financing it. The related values are calculated using methods and techniques defined on the basis of observable market inputs. For example:

- The IRSs were measured by discounting all the flows envisaged in each contract on the basis of its characteristics, such as the notional amount and the collection and payment schedule. This measurement was made using the zero-coupon yield curve determined by employing a bootstrapping process for the deposits and swaps traded at any given time. This zero-coupon yield curve was used to obtain the discount factors for the measurements, which were made assuming the absence of arbitrage opportunity (AAO). When there were caps and floors or combinations thereof, on occasions conditional upon special conditions being met, the interest rates used were the same as those used for the swaps, although in order to introduce the component of randomness in the exercise of the options, the generally accepted Black-Scholes model was used.
- In the case of a cash flow hedging derivative tied to inflation, the method used is very similar to that applied to interest rate swaps. The projected inflation is estimated on the basis of the inflation included implicitly in the ex-tobacco European inflation-indexed swaps quoted on the market and is aligned with Spanish inflation by means of a convergence adjustment.

Furthermore, a sensitivity test is carried out on the derivatives and net financial debt in order to be able to analyse the effect that a possible fluctuation in interest rates might have on the Group's accounts, assuming an increase and decrease in interest rates at year-end in various scenarios (see Note 31).

Note 24 to these consolidated financial statements details the financial derivatives that the Group has arranged and other matters related thereto.

q) Income tax

The income tax expense is calculated on the basis of consolidated profit before tax, increased or decreased, as appropriate, by the permanent differences between taxable profit and accounting profit. Based on the legislation applicable to each company, the corresponding tax rate is applied to this adjusted accounting profit. Any tax relief and tax credits earned in the year are then deducted and any positive or negative differences between the tax charge estimated for the previous year's accounting close and the amount of tax subsequently paid are added to or deducted from, respectively, the resulting tax charge.

The temporary differences between the accounting profit and the taxable profit for income tax purposes, together with the differences between the carrying amounts of assets and liabilities recognised in the consolidated balance sheet and their tax bases give rise to deferred taxes which are recognised as non-current assets and liabilities. These amounts are measured at the tax rates that are expected to apply in the years in which they will foreseeably reverse, and in no circumstances are they discounted to present value.

The Group capitalises the deferred tax assets arising from temporary differences and tax loss carryforwards, except for those with respect to which there are reasonable doubts as to their future recovery.

r) Pension obligations

The Group companies have certain specific pension plan and similar obligations, which are described in Note 26 to these consolidated financial statements.

s) Operating income and expenses

In construction activities, the Group recognises results by reference to the stage of completion, determined by measuring the construction work performed in the year and the construction costs, which are recognised on an accrual basis. It recognises the revenue corresponding to the selling price of the completed construction work covered by a principal contract entered into with the owners, or by amendments thereto approved by the owners, or the revenue with respect to which there is reasonable certainty regarding its recovery, since construction project revenue and costs are susceptible to substantial variations during the performance period which cannot be readily foreseen or objectively quantified. Budgeted losses are recognised as an expense in the income statement for the year.

The revenue and expenses of the other activities are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises.

With regard to service concession arrangements, it should be noted that the FCC Group recognises as profit from operations the interest income arising from the receivables under the financial asset model, since the value of the financial asset includes both the construction services and the upkeep and maintenance services, which from an operational standpoint are identical to those represented by the intangible asset model and, consequently, it is considered that since both models relate to the operating activity of the Group, a fair representation is better achieved by including the income from the financial asset as profit from operations (see Note 3-a).

The gains or losses arising on disposals of ownership interests in subsidiaries are also recognised as profit or loss from operations when control of the subsidiaries is lost. Also, as indicated in Note 3-b above in relation to business combinations achieved in stages, the difference between the acquisition-date fair value of the previously held equity interest and the carrying amount of this equity interest is also recognised as profit or loss from operations.

The Group receives the CO_2 emission allowances for its cement business free of charge under the respective national allocation plans and it recognises the related income and expense flows when its sells its surplus allowances or purchases the allowances it requires.

t) Related party transactions

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

Note 32 to these consolidated financial statements details the main transactions with the significant shareholders of the Parent, its Directors and Senior Executives and between Group companies.

u) Consolidated statement of cash flows

The FCC Group prepares its consolidated statement of cash flows in accordance with IAS 7 "Statement of Cash Flows" under the indirect method, using the following terms with the meanings specified:

- Cash flows are inflows and outflows of cash and cash equivalents.
- Operating activities are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities. Operating cash flows include most notably "Other Adjustments to Profit (Loss) (Net)" which consists of, primarily, items that are included in Profit (Loss) before Tax but do not have an impact on the change in cash, and items that are included in other line items of the consolidated statement of cash flows in accordance with their nature.
- Investing activities relate to the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities are activities that result in changes in the size and composition of the equity and borrowings of the Group.

In preparing the condensed consolidated statements of cash flows, "Cash and Cash Equivalents" were considered to be cash on hand, demand deposits at banks and short-term, highly liquid investments that are readily convertible into given amounts of cash and are subject to an insignificant risk of changes in value.

v) Use of estimates

In the Group's consolidated financial statements for 2013 and 2012, estimates were made in order to quantify certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- The identification and the determination of the fair value of the assets and liabilities acquired in business combinations (see Note 5)
- The impairment losses on certain assets (see Notes 7, 8 and 9)
- The useful life of the intangible assets, property, plant and equipment and investment property (see Notes 7, 8 and 9)
- The measurement of goodwill (see Note 7)
- The calculation of the recoverable amount of inventories (see Note 15)
- The amount of certain provisions (see Note 20)
- The assumptions used in the actuarial calculation of the post-employment benefit liabilities and obligations (see Notes 20 and 26)
- The market value of derivatives (see Note 24)
- The recoverability of amounts to be billed for construction work performed (see Notes 3-s and 16)
- The measurement of assets and liabilities classified as held for sale, when their net value is recognised at an amount less than the carrying amount, since its sale price, less costs to sell, is estimated to be less than the carrying amount (see Note 4)
- The recoverability of deferred tax assets (see Note 25)

In 2013 and 2012, due to the continued deterioration of the general economic environment, certain legislative changes and the specific conditions of certain markets in which the FCC Group operates, the Group recognised impairment losses on goodwill and on items of property, plant and equipment associated with the cement business, as described in Notes 7 and 8 herein, respectively. Furthermore, impairment losses were recognised in order to reduce the carrying amount of certain assets held for sale to the amount expected to be obtained through their sale (see Note 4).

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

IFRS 7 "Financial Instruments: Disclosures" requires that the fair value measurements of financial instruments, both assets and liabilities, be classified in accordance with the significance of the variables used in the measurements. For this purpose, it establishes the following hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical instruments.
- Level 2: inputs other than quoted prices that are observable for the financial instrument, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the financial instrument that are not based on observable market data.

Substantially all the Group's financial assets and liabilities measured at fair value are Level 2.

4. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

In accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" (see Note 3-i), the non-core assets that, in accordance with the Strategic Plan, were included in the divestment process and for which there were committed sales plans, as indicated in Note 1 above, were reclassified. Specifically, these non-core assets were the Energy Area, the Cemusa, Logistics, FCC Environmental (USA), Realia and Globalvía groups (the latter two were accounted for using the equity method).

The assets held for sale, after deducting their liabilities, were measured at the lower of carrying amount and the expected sale price less costs to sell, which gave rise to the recognition of the related impairment losses.

Also in accordance with IFRS 5, uniformity adjustments were made to the balances in the consolidated income statement and the consolidated statement of cash flows for 2012 relating to the businesses reclassified as discontinued operations in the year, but no such adjustments were made in the 2012 consolidated balance sheet.

With regard to the Energy Area, it is important to note that an agreement was reached to sell it to Plenium FMGP, S.L. on 27 December 2013. However, since the agreement is subject to the customary conditions precedent for this type of agreement, the most significant being the Spanish National Competition Commission's approval of the transaction, the effects of the sale were not recognised in the accounts, except for the related impairment loss up to the sale price set forth in the aforementioned agreement (see Note 34).

Lastly, as a result of the ongoing liquidation process involving the Alpine Group, as described in Note 2, it was de-consolidated and included as a discontinued operation.

In 2012 the FCC Group reclassified the net assets of the Cementos Lemona Group and of Southern Cement Ltd that, subsequently in 2013, were subject to a share exchange for 26.34% of Corporación Uniland, S.A. as assets and liabilities classified as held for sale but not as a discontinued operation and, therefore, the various types of income and expense were recognised under each related line item in the accompanying consolidated income statement (see Note 5). Also, since the sale process of the Energy Area agreed upon in 2013 was already being performed in 2012, the asset, liability, income statement and statement of cash flow data for 2012 are presented as discontinued operations.

The sections below detail, by type, the various income statement, cash flow and balance sheet items relating to assets and liabilities classified as held for sale and discontinued operations.

Income statement

The detail of the result after tax from discontinued operations shown in the accompanying consolidated income statement is as follows:

	Energy Area	Cemusa Group	Logistics Group	Alpine Group	Globalvía Group	Realia Group	FCC Environmental (USA) Group	Total
2013								
Revenue	118,545	142,160	252,198	889,901			122,397	1,525,201
Operating expenses	(48,257)	(114,054)	(252,827)	(1,259,345)			(161,773)	(1,836,256)
Profit (loss) from operations	31,670	3,993	973	(723,174)			(39,262)	(725,800)
Profit (loss) before tax	(15,141)	(25,191)	(3,129)	(614,556)	(26,217)	(15,596)	(40,334)	(740,164)
Income tax	2,059	335	666	190,688			15,310	209,058
Impairment losses on discontinued operations after tax								(374,052)
Profit (loss) for the year from discontinued operations, net of tax	(13,082)	(24,856)	(2,463)	(423,868)	(26,217)	(15,596)	(25,024)	(905,158)
Profit (loss) attributable to non-controlling interests	(2,430)			(171)				(2,601)
2012								
Revenue	87,390	122,167	253,045	3,212,797			135,698	3,811,097
Operating expenses	(32,823)	(96,304)	(255,628)	(3,611,383)			(132,942)	(4,129,080)
Profit (loss) from operations	(567,630)	(26,892)	(65,637)	(452,894)			(4,951)	(1,118,004)
Profit (loss) before tax	(308,741)	(55,143)	(75,786)	(501,296)	(52,862)	(87,413)	(6,279)	(1,087,520)
Income tax	91,776	10,766	13,459	100,493			1,561	218,055
Profit (loss) for the year from discontinued operations, net of tax	(216,965)	(44,377)	(62,327)	(400,803)	(52,862)	(87,413)	(4,718)	(869,465)
Profit (loss) attributable to non-controlling interests	(1,008)			(4,654)			(40)	(5,702)

As indicated in Note 3-v, the result for 2013 presented in the foregoing table includes a total amount of EUR 374,052 thousand relating to the write-down of the assets classified as held for sale in order to adjust their carrying amount to the lower of carrying amount and estimated sale price less costs to sell. The result from discontinued operations in 2012 includes impairment losses amounting to EUR 262,510 thousand on the Energy Area assets.

Statement of cash flows

The statement of cash flows relating to discontinued operations is as follows:

	Energy Area	Cemusa Group	Logistics Group	Alpine Group	FCC Environmental (USA) Group	Total
2013						
Profit (loss) after tax from discontinued operations	(15,141)	(25,191)	(3,129)	(614,556)	(40,334)	(698,351)
Adjustments to profit (loss)	98,333	61,875	4,419	373,521	39,845	577,993
Changes in working capital	19,711	15,884	3,098	28,183	7,451	74,327
Other cash flows from operating activities	(2,769)	(14,627)	9,863	(2,231)	499	(9,265)
Cash flows from operating activities	**100,134**	**37,941**	**14,251**	**(215,083)**	**7,461**	**(55,296)**
Payments due to investments	(92,109)	(46,647)	(3,997)	(10,855)	(6,766)	(160,374)
Proceeds from disposals	1,312	450	776	10,595	2,097	15,230
Other cash flows from investing activities	2,097	(686)	2,669	(1,646)	(549)	1,885
Cash flows from investing activities	**(88,700)**	**(46,883)**	**(552)**	**(1,906)**	**(5,218)**	**(143,259)**
Proceeds and (payments) relating to equity instruments	452,610	—	60,000	98,766	31	611,407
Proceeds and (payments) relating to financial liability instruments	(377,811)	24,642	(70,987)	89,725	(2,533)	(336,964)
Other cash flows from financing activities	(62,745)	(7,496)	(890)	(20,447)	(411)	(91,989)
Cash flows from financing activities	**12,054**	**17,146**	**(11,877)**	**168,044**	**(2,913)**	**182,454**
	23,488	8,204	1,822	(48,945)	(670)	(16,101)
2012						
Profit (loss) after tax from discontinued operations	(308,741)	(55,143)	(75,786)	(501,296)	(6,279)	(947,245)
Adjustments to profit (loss)	374,732	92,738	71,888	279,305	9,983	828,646
Changes in working capital	(1,600)	15,804	(5,149)	(268,054)	1,680	(257,319)
Other cash flows from operating activities	7,446	19,284	3,475	(13,603)	318	16,920
Cash flows from operating activities	**71,837**	**72,683**	**(5,572)**	**(503,648)**	**5,702**	**(358,998)**
Payments due to investments	(214,975)	(102,376)	(2,902)	(68,105)	(13,261)	(401,619)
Proceeds from disposals	897	264	546	22,778	155	24,640
Other cash flows from investing activities	22	7,189	6,038	1,813	(1,069)	13,993
Cash flows from investing activities	**(214,056)**	**(94,923)**	**3,682**	**(43,514)**	**(14,175)**	**(362,986)**
Proceeds and (payments) relating to equity instruments	100,042	—	—	98,827	241	199,110
Proceeds and (payments) relating to financial liability instruments	93,381	30,735	4,251	222,215	10,153	360,735
Other cash flows from financing activities	(69,467)	(6,403)	(2,292)	(43,574)	(1,503)	(123,239)
Cash flows from financing activities	**123,956**	**24,332**	**1,959**	**277,468**	**8,891**	**436,606**
	(18,263)	2,092	69	(269,694)	418	(285,378)

Balance sheet. Non-current assets and liabilities classified as held for sale

Following is a detail of the various assets and liabilities reclassified as held for sale under the respective headings in the accompanying consolidated balance sheet:

	2013		2012	
	Assets	Liabilities	Assets	Liabilities
Cementos Lemona	—	—	337,246	105,203
Energy area	1,190,253	918,677	1,138,944	865,152
Cemusa Group	709,013	714,633	—	—
Logistics Group	113,568	74,105	—	—
FCC Environmental (USA) Group	135,987	21,788	—	—
Globalvía Group	330,017	—	—	—
Realia Group	97,032	—	—	—
Impairment losses	(403,367)	—	—	—
	2,172,503	1,729,203	1,476,190	970,355

Following is a detail, by balance sheet heading, of the assets and liabilities presented under the respective held-for-sale headings:

	2013	2012
Property, plant and equipment	1,031,447	966,258
Intangible assets	736,158	300,525
Financial assets	447,530	8,595
Deferred tax assets	66,243	68,814
Current assets	294,492	131,998
Impairment of non-current assets classified as held for sale	(403,367)	—
Non-current assets classified as held for sale	2,172,503	1,476,190
Non-current financial liabilities	1,265,416	796,474
Other non-current liabilities	71,468	67,050
Current financial liabilities	239,904	82,553
Other current liabilities	152,415	24,278
Liabilities associated with assets classified as held for sale	1,729,203	970,355

5. CHANGES IN THE SCOPE OF CONSOLIDATION

No noteworthy acquisitions took place either in 2013 or in 2012 and, consequently, there were no significant changes in the scope of consolidation of the FCC Group in this connection.

The FCC Group is committed to its Strategic Plan, which, in order to focus on its core businesses, entails major divestments (see Note 1), including most notably the following carried out in 2013:

- The performance of a swap transaction whereby the ownership interest in the Cementos Lemona subgroup was delivered in exchange for the non-controlling interest in the Uniland subgroup owned until then by the CRH cement group. The valuation of the transaction amounted to EUR 321,886 thousand. As a part of the same transaction, Southern Cement Limited was sold for EUR 22,103 thousand. As a result, a gain of EUR 104,960 thousand (see Note 28), decreases in reserves of EUR 105,697 thousand and in non-controlling interests of EUR 216,190 thousand (see Note 18) were recognised in the consolidated financial statements.
- The sale of the Proactiva subgroup, a joint venture engaging in integral water management, urban cleaning and waste treatment in Latin America, for EUR 125,000 thousand in cash and the possibility of obtaining an additional contingent price of EUR 25,000 thousand if certain conditions are met.
- The disposal of 49% of Aqualia Czech, S.L. and Aqualia Infraestructuras Inzenyring, S.R.O., subsidiaries of the Smvak Group, its Czech subsidiary that engages in integral water management, to Mitsui for EUR 96,500 thousand. However, control was not transferred in this transaction and, accordingly, both companies are still classified as subsidiaries. In accordance with IAS 27, this is considered an equity transaction and the difference between the sale price and the carrying amount of the investment that was sold was taken to reserves. The transaction gave rise to the recognition in the consolidated financial statements of an increase of EUR 60,729 thousand in reserves and of EUR 38,703 thousand in non-controlling interests (see Note 18).
- With regard to the Alpine subgroup, the information on the impact of its de-consolidation on the consolidated financial statements is described in detail in Notes 2 and 4 to these consolidated financial statements.

In relation to 2012, it is important to note the sale of the Flightcare Group consisting of three companies engaging in passenger and aircraft handling that operated at airports in Spain, Belgium and Italy, for EUR 99,572 thousand (see Note 28-d).

6. ALLOCATION OF PROFIT (LOSS)

Although Fomento de Construcciones y Contratas, S.A. did not distribute a dividend in 2013, certain subsidiaries with non-controlling interests did distribute a dividend, which gave rise to payments to these non-controlling interests, which are included in the following table.

At its meeting on 20 December 2012, the Board of Directors of Fomento de Construcciones y Contratas, S.A. resolved to not distribute dividends out of 2012 results, as a consequence of the current economic and financial situation, and the need to assume losses due to the write-down of certain of its assets. The EUR 148,427 thousand paid in 2012, as shown in the following table, relate to the interim and final dividends for 2011.

	2013	2012
Shareholders of Fomento de Construcciones y Contratas, S.A.	—	148,427
Other non-controlling interests of the other companies	4,488	4,095
	4,488	152,522

At the Annual General Meeting of Fomento de Construcciones y Contratas, S.A. held on 31 May 2012, the shareholders approved the distribution of the profit for 2011 through a total dividend of EUR 1.30 gross per share. The shareholders of Fomento de Construcciones y Contratas, S.A. received this remuneration through the payment of an interim dividend in January 2012 equal to 65% gross of the par value of the shares, i.e. EUR 0.65 per share and the payment of a final dividend in July 2012 equal to 65% gross of the par value of the shares, i.e. EUR 0.65 per share.

7. INTANGIBLE ASSETS

The detail of the carrying amount of intangible assets at 31 December 2013 and 2012 is as follows:

	Cost	Accumulated amortisation	Impairment	Carrying amount
2013				
Concessions (Note 11)	1,795,529	(508,736)	(44,835)	1,241,958
Goodwill	2,173,838	—	(727,320)	1,446,518
Other intangible assets	371,650	(188,339)	(14,524)	168,787
	4,341,017	(697,075)	(786,679)	2,857,263
2012				
Concessions (Note 11)	1,603,574	(450,792)	(8,550)	1,144,232
Goodwill	2,581,391	—	(610,157)	1,971,234
Other intangible assets	1,282,170	(571,773)	(4,150)	706,247
	5,467,135	(1,022,565)	(622,857)	3,821,713

a) Concessions

"Concessions" includes the intangible assets relating to the service concession arrangements (see Note 11).

The changes in "Concessions" in the consolidated balance sheet in 2013 and 2012 were as follows:

	Concessions	Accumulated amortisation	Impairment
Balance at 31/12/11	1,447,171	(420,044)	(4,393)
Additions or charge for the year	144,187	(56,515)	(4,157)
Disposals or reductions	(36,662)	21,220	—
Changes in the scope of consolidation, translation differences and other changes	20,374	4,981	—
Transfers	28,504	(434)	—
Balance at 31/12/12	1,603,574	(450,792)	(8,550)
Additions or charge for the year	215,536	(61,983)	(36,382)
Disposals or reductions	(4,517)	3,005	—
Changes in the scope of consolidation, translation differences and other changes	6,542	1,036	—
Transfers	(25,606)	(2)	97
Balance at 31/12/13	1,795,529	(508,736)	(44,835)

The most significant additions in 2013 relate to the following companies: Aquajerez, S.L., EUR 83,406 thousand, Concesionaria Túnel Coatzacoalcos, S.A., EUR 78,304 thousand (2012: EUR 59,971 thousand), Autovía Conquense, S.A., EUR 21,753 thousand (2012: EUR 23,634 thousand) and concessions operated by Aqualia Gestión Integral del Agua, S.A., EUR 16,829 thousand (2012: EUR 37,706 thousand).

The disposals in 2013 relate to concessions operated by Aqualia Gestión Integral del Agua, S.A., EUR 2,337 thousand and FCC Medio Ambiente, EUR 2,070 thousand, while in 2012 they related mainly to Cartagua Aguas de Cartaxo, S.A., EUR 12,260 thousand.

"Changes in the Scope of Consolidation, Translation Differences and Other Changes" in 2013 includes notably the recognition at Aquajerez, S.L. of future extension or improvement costs amounting to EUR 18,580 thousand (2012: EUR 17,568 thousand at Aqualia Gestión Integral del Agua for the same reason).

The borrowing costs capitalised in 2013 amounted to EUR 2,465 thousand (2012: EUR 2,659 thousand) and accumulated capitalised borrowing costs amounted to EUR 21,173 thousand (2012: EUR 18,708 thousand).

b) Goodwill

The breakdown of goodwill in the accompanying consolidated balance sheet at 31 December 2013 and 2012 is as follows:

	2013	2012
Corporación Uniland Group	583,082	583,082
FCC Environment (UK) Group	313,837	566,495
Cementos Portland Valderrivas, S.A.	226,269	226,269
Alpine Bau Group	—	188,705
A.S.A. Group	136,890	136,890
Aqualia Gestión Integral del Agua, S.A.	82,763	82,763
FCC Environmental LLC	—	50,447
FCC Ámbito, S.A.	23,311	40,735
Giant Cement Holding, Inc. (Notes 2 & 4)	25,870	27,012
FCC Industrial e Infraestructuras Energéticas, S.L.U.	21,499	21,499
Marepa Group	12,220	12,220
FCC Construcción de Centroamérica Group	8,460	8,460
Tratamientos y Recuperaciones Industriales, S.A.	869	7,434
International Petroleum Corp. of Delaware	—	5,499
Canteras de Aláiz, S.A.	4,332	4,332
Cementos Alfa, S.A.	3,712	3,712
Other	3,404	5,680
	1,446,518	1,971,234

Following is a description of the main estimates and sensitivity tests performed in the impairment tests on goodwill.

The FCC Environment (UK) Group, formerly the WRG Group

Impairment losses amounting to EUR 236,435 thousand were recognised in 2013, in addition to those amounting to EUR 190,229 thousand recognised in 2012. The measurement of future cash flows estimates a reduction in the tonnage treated at landfills, for both business and municipal customers, since it takes into consideration the alternatives in the market as a result of the landfill tax and of the recycling targets set by the authorities. With regard to the incineration activity, which is carried on primarily at the Allington plant, the percentage availability is expected to rise as far as the forecast levels. As for the other businesses, the forecasts point to growth in projects such as waste management through treatment (sustainable management), incineration and power generation through waste treatment and recycling.

The main assumptions used envisage a sharp decline in revenue in 2014 on 2013 year-end of around 5%, with subsequent growth ranging between approximately 4% and 7% between 2015 and 2018, falling to 2.2% in the last year taken into consideration. For its part, gross operating margin ranges between 21.4% and 23.7% in all the periods taken into consideration. The discount rate used was 6.32% and a ten-year time horizon was considered for the estimates, in view of the structural characteristics of its business and the long useful lives of its assets. A zero growth rate was used to calculate perpetual return. An increase of 50 basis points in the discount rate would give rise to additional impairment of around EUR 121,000 thousand while a 1% increase in the growth of the perpetual return would give rise to an increase in the valuation of approximately EUR 190,000 thousand.

Corporación Uniland Group

Impairment losses amounting to EUR 234,100 thousand were recognised on the goodwill of Corporación Uniland in previous years and, in addition, as a result of acquisitions made subsequent to the takeover, EUR 71,596 thousand were recognised in reserves. The cash flow projections were based on historical data and on internal forecasts and those of external bodies. On the basis of these forecasts, in 2012 cement consumption in Spain was estimated at 15 million tonnes. The actual figure was 13.5 million tonnes (11% less). The estimate for 2013 was 13.4 million tonnes and the actual consumption was 10.8 million tonnes, i.e. 24% less. On the basis of projections as described above, the estimate of domestic consumption for 2014, using independent sources, is around 10 million tonnes. On the basis of this figure, the Group expects the market to recover in subsequent years, taking the historical behaviour of the Spanish population, European per capita consumption, investment in construction and analysts' estimates as reference macroeconomic variables results in estimated consumption of 28.8 million tonnes, which is considered to reflect the normalised volume of long-term consumption in Spain, assuming market share is maintained.

Using the framework described above, a gradual improvement was estimated in revenue with growth ranging from a maximum of 12% for 2019 and 2020 to more modest projected growth in the last two years of the series (2022 and 2023) of around 3.4%. This growth gives rise to a sustained improvement in the gross operating margin from the current figure of around 15% to approximately 34.4% in 2023, the last year of the series, driven mainly by the characteristics of the cement market in which, once fixed costs are covered, the margin increases significantly since the variable costs are very low compared with revenue growth. In view of the characteristics of the business and its cycle, a ten-year time horizon was considered, and the cash flows were discounted using a discount rate of 7.24%. A zero growth rate was used to calculate perpetual return. The result of the test gave rise to an excess of recoverable amount over carrying amount of the cash-generating unit of EUR 91,409 thousand that would withstand an increase of slightly more than 45 basis points and a decrease in the present value of the cash flows of around 7.5% without suffering impairment. An increase of 50 basis points in the discount rate would give rise to impairment of approximately EUR 5,800 thousand and a 10% reduction in the present value of the cash flows would give rise to impairment of approximately EUR 29,000 thousand. A 1% increase in the growth rate would give rise to an increase in the measure of approximately EUR 136,000 thousand.

Cementos Portland Valderrivas

With regard to the goodwill recognised for this group, amounting to EUR 226,269 thousand, it is important to note that it comprises two separately identifiable items of goodwill: the goodwill of EUR 113,505 thousand recognised in the separate books of Cementos Portland Valderrivas, S.A. relating to the cash-generating unit (CGU) consisting of the Alcalá de Guadaira plant, and the goodwill of EUR 112,764 thousand generated by the successive acquisitions by FCC, S.A. (the Parent of the Group) of additional ownership interests in Cementos Portland (in turn, the parent of the cement business) prior to the entry into force of the current version of IFRS 3, with respect to which the CGU to be considered, therefore, is the entire business activity of the Cementos Portland Valderrivas Group, and this policy has been applied on an ongoing basis since the entry into force of IFRS 3 (2005).

The cash flows corresponding to the Alcalá de Guadaira CGU were calculated using assumptions consistent with those employed for Uniland, which were adapted to the particular circumstances of this CGU. More specifically, the projected future revenue growth considered a volume of cement consumption based on external third-party reports together with the best estimates of Group commercial management, while future prices were estimated on the basis of knowledge of the market in the geographical area in which the unit operates. In view of the features and cycle of the cement business, the projections considered a ten-year time horizon and a 7.24% discount rate. A zero growth rate was used to calculate perpetual return. The current projections give rise to an excess of recoverable amount over the CGU's carrying amount of EUR 103,805 thousand, which would withstand an increase in the discount rate of more than 290 basis points and a reduction of more than 35% of the present value of cash flows.

As regards the goodwill associated with the CGU consisting of the entire cement business, it should be noted that if we consider the sum of the present values of the cash flows for the CGUs tested for impairment because goodwill had been allocated to them, discounted at a rate of 7.24%, such as Uniland, the Alcalá de Guadaira plant, Giant, etc., taking into consideration that in the case of the other CGUs the recoverable amount is at least equal to the carrying amount, the aggregate recoverable amount exceeds the carrying amount of the total cement business and, therefore, there is no impairment. If the cash flows relating to the entire cement business were taken into consideration, the excess of recoverable amount over carrying amount would be even greater.

The changes in goodwill in the accompanying consolidated balance sheet in 2013 and 2012 were as follows:

Balance at 31/12/11		2,352,312
Changes in the scope of consolidation, translation differences and other changes:		
FCC Environment (UK) Group	18,965	
Other	(14,765)	4,200
Reclassifications to or from assets held for sale: (note 4)		
Giant Cement Holding, Inc.	26,682	
Cementos Lemona Group	(56,230)	
Southern Cement Ltd.	(3,749)	(33,297)
Impairment losses transferred to discontinued operations: (note 4)		
Alpine Holding GmbH	(80,000)	
FCC Logística, S.A.	(58,957)	(138,957)
Impairment losses (note 28-d)		
FCC Environment (UK) Group	(190,229)	
Other	(22,795)	(213,024)
Balance at 31/12/12		1,971,234
Changes in the scope of consolidation, translation differences and other changes:		
FCC Environment (UK) Group	(11,928)	
Giant Cement Holding, Inc.	(1,142)	
Other	(4,305)	(17,375)
Reclassifications to or from assets held for sale: (note 4)		
Alpine Bau Group	(188,705)	
FCC Environmental LLC	(50,447)	
International Petroleum Corp. of Delaware	(5,499)	(244,651)
Impairment losses (note 28-d)		
FCC Environment (UK) Group	(236,435)	
FCC Ámbito, S.A.	(17,424)	
Other	(8,831)	(262,690)
Balance at 31/12/13		1,446,518

In 2013 the goodwill of the Alpine Group, amounting to EUR 188,705 thousand, was deconsolidated as a result of its ongoing liquidation process, goodwill at FCC Environmental LLC was reduced by EUR 50,447 thousand and goodwill at International Petroleum Corp. of Delaware was reduced by EUR 5,499 thousand, both of which were reclassified as discontinued operations (see Notes 2 and 4).

"Changes in the Scope of Consolidation, Translation Differences and Other Changes" in 2013 includes most notably the effect of the depreciation of the pound sterling against the euro, which gave rise to an decrease of EUR 11,928 thousand (2012: an increase of EUR 18,965 thousand) in the goodwill associated with the British FCC Environment (UK) Group (formerly the WRG Group).

c) Other intangible assets

The changes in "Concessions" in the consolidated balance sheet in 2013 and 2012 were as follows:

	Other intangible assets	Accumulated amortisation	Impairment
Balance at 31/12/11	1,497,625	(552,069)	(3,573)
Additions or charge for the year	34,976	(87,905)	(480)
Disposals or reductions	(41,053)	15,507	—
Changes in the scope of consolidation, translation differences and other changes	(208,174)	52,191	1,799
Transfers	(1,204)	503	(1,896)
Balance at 31/12/12	1,282,170	(571,773)	(4,150)
Additions or charge for the year	48,201	(21,910)	(10,277)
Disposals or reductions	(17,766)	10,627	—
Changes in the scope of consolidation, translation differences and other changes	(940,931)	394,721	(97)
Transfers	(23)	(4)	—
Balance at 31/12/13	371,651	(188,339)	(14,524)

This heading includes mainly:

- amounts paid to public or private bodies in relation to royalties for the award of contracts that do not qualify as concession arrangements pursuant to IFRIC 12 "Service Concession Arrangements", relating mainly to the Environmental Services Area,
- the amounts recognised as intangible assets on initial recognition of certain business combinations representing items such as customer portfolios and contracts in force on the purchase date,
- the rights to operate quarries relating to the Cement Area and
- software.

In both years, "Changes in the Scope of Consolidation, Translation Differences and Other Changes" includes the transfers to non-current assets classified as held for sale. In 2013, it includes EUR 540,965 thousand net of amortisation and impairment losses relating to the logistics and street furniture businesses (Cemusa Group), and the FCC Environmental (USA) Group (see Note 4).

8. PROPERTY, PLANT AND EQUIPMENT

The detail of the carrying amount of property, plant and equipment at 31 December 2013 and 2012 is as follows:

	Cost	Accumulated depreciation	Impairment	Carrying amount
2013				
Land and buildings	1,513,594	(423,608)	(120,359)	969,627
Land and natural resources	779,630	(98,275)	(105,461)	575,894
Buildings for own use	733,964	(325,333)	(14,898)	393,733
Plant and other items of property, plant and equipment	7,546,834	(4,749,237)	(33,156)	2,764,441
Plant	4,819,908	(2,734,194)	(16,049)	2,069,665
Machinery and transport equipment	2,052,925	(1,538,276)	(13,881)	500,768
Property, plant and equipment in the course of construction	52,094	—	—	52,094
Other property, plant and equipment	621,907	(476,767)	(3,226)	141,914
	9,060,428	(5,172,845)	(153,515)	3,734,068
2012				
Land and buildings	1,817,284	(487,010)	(91,074)	1,239,200
Land and natural resources	801,292	(95,209)	(80,400)	625,683
Buildings for own use	1,015,992	(391,801)	(10,674)	613,517
Plant and other items of property, plant and equipment	8,628,807	(5,221,606)	(25,727)	3,381,474
Plant	5,178,640	(2,838,991)	(10,710)	2,328,939
Machinery and transport equipment	2,544,678	(1,789,083)	(12,464)	743,131
Property, plant and equipment in the course of construction	83,944	—	—	83,944
Other property, plant and equipment	821,545	(593,532)	(2,553)	225,460
	10,446,091	(5,708,616)	(116,801)	4,620,674

	Land and natural resources	Buildings for own use	LAND AND BUILDINGS	Plant	Machinery and transport equipment	Property, plant and equipment in the course of construction	Other property, plant and equipment	PLANT AND OTHER ITEMS OF PROPERTY, PLANT AND EQUIPMENT	ACCUMULATED DEPRECIATION	IMPAIRMENT
Balance at 31/12/11	778,874	1,370,883	2,149,757	4,420,300	2,668,562	116,056	821,469	8,026,387	(5,513,646)	(60,585)
Additions or charge for the year	925	29,836	30,761	17,615	94,375	75,869	40,353	228,212	(492,117)	(32,168)
Disposals or reductions	(664)	(17,045)	(17,709)	(22,504)	(80,166)	(4,445)	(41,766)	(148,881)	111,252	6,772
Changes in the scope of consolidation, translation differences and other changes	14,847	9,441	24,288	310,968	(158,968)	3,681	(1,555)	154,126	176,446	(23,253)
Transfers	7,310	(377,123)	(369,813)	452,261	20,875	(107,217)	3,044	368,963	9,449	(7,567)
Balance at 31/12/2012	801,292	1,015,992	1,817,284	5,178,640	2,544,678	83,944	821,545	8,628,807	(5,708,616)	(116,801)
Additions or charge for the year	933	21,171	22,104	17,178	63,980	39,977	26,626	147,761	(338,142)	(36,988)
Disposals or reductions	(8,807)	(12,479)	(21,286)	(11,887)	(74,565)	(1,517)	(25,391)	(113,360)	111,784	1,469
Changes in the scope of consolidation, translation differences and other changes	(14,818)	(281,037)	(295,855)	(402,117)	(492,179)	(23,946)	(204,525)	(1,122,767)	759,674	1,773
Transfers	1,030	(9,683)	(8,653)	38,094	11,011	(46,364)	3,652	6,393	2,455	(2,968)
Balance at 31/12/2013	779,630	733,964	1,513,594	4,819,908	2,052,925	52,094	621,907	7,546,834	(5,172,845)	(153,515)

The most significant "additions" in 2013 were the investments made for the performance of contracts in the Environmental Services business, mainly at the FCC Environment (UK) Group (formerly the WRG Group), amounting to EUR 53,436 thousand (2012: EUR 46,991 thousand), at Fomento de Construcciones y Contratas, amounting to EUR 30,291 thousand (2012: EUR 27,254 thousand) and those made in the Integral Water Management business, primarily by SmVak, amounting to EUR 18,568 thousand (2012: EUR 18,767 thousand).

Impairment losses in 2013 included most notably EUR 36,032 thousand (2012: EUR 30,216 thousand) recognised in the cement business on non-current assets used mainly in closed or loss-making aggregate, mortar and concrete production plants.

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

"Changes in the Scope of Consolidation, Translation Differences and Other Changes" includes the transfer of assets amounting to EUR 178,462 thousand net of depreciation and impairment losses to non-current assets classified as held for sale (2012: transfers from non-current assets classified as held for sale amounting to EUR 326,043 thousand) relating to companies classified as discontinued operations, and EUR 405,710 thousand relating to the de-consolidation of the Alpine Group as a result of its ongoing liquidation process (see Notes 2 and 4).

No borrowing costs were capitalised in 2013 (2012: EUR 15 thousand) and accumulated capitalised borrowing costs amounted to EUR 45,255 thousand (2012: EUR 59,172 thousand).

The Group companies take out the insurance policies they consider necessary to cover the possible risks to which their property, plant and equipment are subject. At 2013 year-end, the Parent considered that the property, plant and equipment were fully insured.

Fully depreciated property, plant and equipment which, being in good working order, are used in production amounted to EUR 2,844,371 thousand at 31 December 2013 (31 December 2012: EUR 2,867,393 thousand).

At 31 December 2013, property plant and equipment located outside Spain, net of depreciation, in the accompanying consolidated balance sheet amounted to EUR 2,392,049 thousand (31 December 2012: EUR 3,095,335 thousand). The change in this line item arose mainly as a result of the de-consolidation of the Alpine Group, amounting to EUR 405,710 thousand, and the transfer to non-current assets classified as held for sale of the Cemusa Group, Logistics and the FCC Environment (USA) Group, amounting to EUR 144,214 thousand (see Note 4).

Restrictions on title to assets

Of the total property, plant and equipment in the consolidated balance sheet at 31 December 2013, there are restrictions on title to assets amounting to EUR 584,229 thousand (31 December 2012: EUR 771,442 thousand), the detail being as follows:

	Cost	Accumulated depreciation	Carrying amount
2013			
Buildings, plant and equipment	1,047,596	(623,724)	423,872
Other items of property, plant and equipment	759,510	(599,153)	160,357
	1,807,106	(1,222,877)	584,229
2012			
Buildings, plant and equipment	1,295,512	(697,502)	598,010
Other items of property, plant and equipment	764,858	(591,426)	173,432
	2,060,370	(1,288,928)	771,442

The change in the net value of the assets with restrictions on title arose mainly as a result of the de-consolidation of the Alpine Group, amounting to EUR 31,800 thousand, and to the transfer to non-current assets classified as held for sale of the Cemusa, Logistics and FCC Environment (USA) groups, amounting to EUR 86,350 thousand (see Note 4).

The restrictions on title to the aforementioned assets arise from the finance lease agreements explained in Note 10 to these consolidated financial statements and also relate to the assets assigned to the operation of certain concession contracts.

Purchase commitments

In the course of their business activities, the Group companies had formalised property, plant and equipment purchase commitments amounting to EUR 593 thousand at 31 December 2013 (31 December 2012: EUR 3,856 thousand), the detail being as follows:

	2013	2012
Buildings for own use	—	137
Plant	—	150
Machinery and transport equipment	272	2,580
Other property, plant and equipment	321	989
	593	3,856

9. INVESTMENT PROPERTY

“Investment Property” in the accompanying consolidated balance sheet reflects the net values of the land, buildings and other structures held either to earn rentals or, as the case may be, for capital appreciation.

The detail of “Investment Property” at 31 December 2013 and 2012 is as follows:

	Cost	Accumulated depreciation	Carrying amount
2013			
Investment property	16,835	(8)	16,827
	16,835	(8)	16,827
2012			
Investment property	74,085	(3,417)	70,668
	74,085	(3,417)	70,668

The detail of the changes in 2013 and 2012 is as follows:

Balance at 31/12/11	34,458
Additions	37,149
Disposals	(3,727)
Depreciation and impairment charge	(2,400)
Changes in the scope of consolidation, translation differences and other changes	(104)
Transfers	5,292
Balance at 31/12/12	70,668
Additions	59
Disposals	(35,529)
Depreciation and impairment charge	(629)
Changes in the scope of consolidation, translation differences and other changes	(20,830)
Transfers	3,088
Balance at 31/12/2013	16,827

The "disposals" in 2013 include EUR 35,529 thousand relating to FCC Construcción, S.A. for the sale of the homes located in Tres Cantos (Madrid) that in 2012 began to be held to earn rentals under a seven-year lease agreement with a purchase option.

"Changes in the Scope of Consolidation, Translation Differences and Other Changes" in 2013 include most notably EUR 14,691 thousand relating to the de-consolidation of the Alpine Group due to its ongoing liquidation process (see Notes 2 and 4).

At 2013 and 2012 year-end, the Group did not have any firm commitments to purchase or construct investment property.

10. LEASES

a) Finance leases

The detail of the finance leases in force at the end of 2013 and 2012 and of the related cash flows is as follows:

	Movable property	Real estate	Total
2013			
Carrying amount	59,808	7,209	67,017
Accumulated depreciation	33,840	3,238	37,078
Cost of the assets	93,648	10,447	104,095
Finance costs	6,172	3,192	9,364
Capitalised cost of the assets	99,820	13,639	113,459
Lease payments paid in prior years	(41,954)	(5,435)	(47,389)
Lease payments paid in the year	(15,450)	(587)	(16,037)
Lease payments outstanding, including purchase option	42,416	7,617	50,033
Unaccrued finance charges	(1,506)	(273)	(1,779)
Present value of lease payments outstanding, including purchase option (note 21-c and -d)	40,910	7,344	48,254
Contract term (years)	2 to 5	10	
Value of purchase options	543	5,493	6,036

	Movable property	Real estate	Total
2012			
Carrying amount	96,534	18,707	115,241
Accumulated depreciation	65,578	5,151	70,729
Cost of the assets	162,112	23,858	185,970
Finance costs	15,079	8,906	23,985
Capitalised cost of the assets	177,191	32,764	209,955
Lease payments paid in prior years	(84,634)	(12,660)	(97,294)
Lease payments paid in the year	(35,271)	(660)	(35,931)
Lease payments outstanding, including purchase option	57,286	19,444	76,730
Unaccrued finance charges	(2,441)	(3,408)	(5,849)
Present value of lease payments outstanding, including purchase option (note 21-c and -d)	54,845	16,036	70,881
Contract term (years)	2 to 5	10	
Value of purchase options	2,487	10,754	13,241

The decrease in the present value of lease payments outstanding in 2013 arose mainly as a result of the de-consolidation of the Alpine Group which contributed EUR 19,624 thousand at 31 December 2012 (see Note 4).

The detail, by maturity, of the total amount of the lease payments and of their present value at 31 December 2013 is as follows:

	Within one year	Between one and five years	After five years	Total
2013				
Lease payments outstanding, including purchase option	13,220	33,607	3,206	50,033
Unaccrued finance charges	(470)	(1,195)	(114)	(1,779)
Present value of lease payments outstanding, including purchase option	12,750	32,412	3,092	48,254

The finance leases arranged by the Group companies do not include lease payments the amount of which must be determined on the basis of future economic events or indices and, accordingly, in 2013 no expense was incurred in connection with contingent rent.

b) Operating leases

The operating lease payments recognised as an expense by the Group as a lessee in the year ended 31 December 2013 amounted to EUR 205,496 thousand (31 December 2012: EUR 232,008 thousand). These payments relate mainly to machinery leased in the construction business, to plant and to buildings leased for use by the Group in all the activities carried on by it.

It is important to note the new lease in 2012 for the office building located in Las Tablas (Madrid), in effect since 23 November 2012 for an 18-year term, extendable at the FCC Group's discretion by two five-year periods, with an annual rent adjustable each year based on the CPI.

Of the leases arranged in previous years, it is important to note the lease entered into by the FCC Group and Hewlett Packard Servicios España, S.L. on 19 November 2010, for a seven-year period, through which the IT Infrastructure Operation Services were outsourced in order to improve efficiency and enable the Group to be more flexible and competitive on an international scale. Also worthy of note is the lease agreement entered into in 2011 between Fomento de Construcciones y Contratas, S.A. and the owners of the buildings housing the FCC Group's Central Services offices, located at Federico Salmón 13, in Madrid and at Balmes 36, in Barcelona, for a non-cancellable minimum term of 30 years, extendable at the Group's discretion by two five-year periods, each with an annual rent adjustable each year based on the CPI. The owner, in turn, granted a purchase option to Fomento de Construcciones y Contratas, S.A., which can be exercised only at the end of the lease term at the higher of fair value or the CPI-adjusted selling price.

At 2013 year-end, the non-cancellable future payment obligations relating to operating leases for buildings, structures and IT infrastructure operation services amounted to EUR 428,303 thousand (2012: EUR 794,940 thousand). The difference between the two years arose mainly as a result of the derecognition of the balances of the Alpine Group and the transfer of the street furniture and logistics businesses, which contributed EUR 162,263 thousand and EUR 170,059 thousand, respectively, in 2012, to discontinued operations. The detail, by maturity, of the non-cancellable future minimum payments at 31 December 2013 is as follows:

	2013
Within one year	41,443
Between one and five years	123,606
After five years	263,254
	428,303

As a lessor, the FCC Construcción Group recognises an insignificant amount of income from investment property (see Note 9).

11. SERVICE CONCESSION ARRANGEMENTS

This Note presents an overview of the Group's investments in concession businesses, which are recognised in various headings on the asset side of the accompanying consolidated balance sheet.

The following table includes the total amount of the assets held by the Group companies under service concession arrangements and recognised under "Intangible Assets", "Non-Current Financial Assets", "Current Financial Assets" and "Investments Accounted for Using the Equity Method" in the accompanying consolidated balance sheet at 31 December 2013 and 2012.

	Intangible assets	Financial assets	Jointly controlled entities	Associates	Total investment
2013					
Water services	1,320,531	28,507	44,497	80,527	1,474,062
Motorways and tunnels	248,987	—	8,466	33,153	290,606
Other	226,010	124,981	18,255	62,208	431,454
TOTAL	1,795,528	153,488	71,218	175,888	2,196,122
Accumulated amortisation	(508,735)	—	—	—	(508,735)
Impairment losses	(44,835)	—	—	—	(44,835)
	1,241,958	153,488	71,218	175,888	1,642,552
2012					
Water services	1,185,524	26,620	104,283	76,212	1,392,639
Motorways and tunnels	279,277	—	375,006	50,660	704,943
Other	138,773	73,901	21,762	51,928	286,364
TOTAL	1,603,574	100,521	501,051	178,800	2,383,946
Accumulated amortisation	(450,792)	—	—	—	(450,792)
Impairment losses	(8,550)	—	—	—	(8,550)
	1,144,232	100,521	501,051	178,800	1,924,604

In 2012 the amount of jointly controlled entities included EUR 368,386 thousand relating to the GlobalVía Group which was classified as a discontinued operation in 2013.

The core activity of the concessions belonging to the water services business is the integral water cycle, including the collection, transportation, treatment and distribution of water to urban centres -using the distribution networks and complex drinking water treatment facilities- and also the collection and treatment of waste water. This activity comprises both the construction and maintenance of water-supply and sewer networks, desalination plants and drinking water treatment and purification plants. Revenue is generally received on the basis of the customers' use of the service, although in exceptional cases, principally that of desalination plants, the concession grantor guarantees that the operator will receive a specified level of revenue. Accordingly, in most cases the cash flows depend on water consumption which, in general, remains constant over time due, on the one hand, to the reduction arising from the implementation of water saving policies and, on the other, to the increase resulting from the growth of the population. However, in order to ensure the recovery of the concession operator's investment, the contracts normally include regular price revision clauses in which future prices are established on the basis of consumption in previous periods. For the purpose of carrying on their activities, the concession operators either construct or are granted the right to use the distribution and sewer networks, as well as the complex drinking water treatment and purification facilities. Water service concessions are arranged for various different terms, up to a maximum of 75 years, and the facilities are handed over to the grantor at the end of the concession term for no consideration.

The core activity of the concessions belonging to the motorways and tunnels business is the management, promotion, development and operation of land transport infrastructure, mainly motorways and toll tunnels. This activity comprises both the construction and the subsequent upkeep and maintenance of the aforementioned infrastructure for a substantial concession term that can vary widely from 25 to 75 years. Revenue is normally received on the basis of traffic intensity through both the direct collection of tolls from drivers and a shadow toll. Accordingly, the cash flows vary in relation to traffic intensity and generally tend to increase as the concession term progresses. In certain cases, the cash receipts are fixed, either because payments are made for availability, i.e. when the operator receives a specified amount previously agreed with the grantor in exchange for making the infrastructure available, on the agreed terms, or because the concession grantor guarantees to pay the operator the shortfall between the toll revenue collected from users and a specified amount. The contracts usually encompass both the construction or upgrade of the infrastructure for which the operator receives a right of use and the provision of maintenance services, and the infrastructure is handed over to the grantor at the end of its useful life, generally for no consideration. In certain cases the contracts provide for consideration mechanisms, such as an extension of the concession term or an increase in the toll, that guarantee a minimum return for the concession operator.

It should also be noted that under the concession contracts the concession operators in which the Group holds ownership interests are obliged to purchase or construct, during the term of the related concession, property, plant and equipment items assigned to concessions amounting to EUR 104,386 thousand at 31 December 2013 (31 December 2012: EUR 120,990 thousand).

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

"Investments Accounted for Using the Equity Method" includes the value of the investments in companies accounted for using the equity method and the non-current loans granted to such companies which, as indicated in Note 2-b, include jointly controlled entities and associates, the detail being as follows:

	2013	2012
Jointly controlled entities	132,877	645,671
Associates	235,832	289,368
	368,709	935,039

The balances in the foregoing table include the loans granted to companies accounted for using the equity method, notably EUR 10,186 thousand (2012: EUR 14,955 thousand) granted to the jointly controlled company Empresa Municipal de Aguas de Benalmádena, S.A. and to the associates Concessió Estacions Aeroport L9, S.A., in the amount of EUR 51,579 thousand (2012: same amount) and Aquos El Realito, S.A. in the amount of EUR 9,863 thousand (2012: EUR 2,875 thousand).

In 2013 impairment losses amounting to EUR 182 thousand were recognised at the ASA Group. As for 2012, the Group recognised impairment losses of EUR 1,181 thousand at Converty Service, S.A. (classified as a discontinued operation in 2013 since it forms part of the logistics activity) and at Costa Verde Habitat, S.L. amounting to EUR 1,852 thousand.

a) Jointly controlled entities

The detail, by company, of "Jointly Controlled Entities" is disclosed in Appendix II to these consolidated financial statements, which lists the jointly controlled entities, the detail of the main ones being as follows:

	2013	2012
Realia Business Group	—	56,609
Globalvía Group	—	368,386
Proactiva Group	—	54,858
Other	132,877	165,818
	132,877	645,671

The changes in 2013 and 2012 were as follows:

	Acquisitions and disbursements	Profit (loss) for the year	Dividends paid	Changes in fair value of financial instruments recognised in reserves	Sales	Translation differences and other changes	Value of the investment	Loans granted	Total
Balance at 31/12/11							759,452	47,093	806,545
Realia Business Group	—	—	—	4,787	—	(87,531)	(82,744)	—	(82,744)
Globalvía Group	—	—	—	(14,481)	—	(41,749)	(56,230)	—	(56,230)
Sdad. Concesionaria Tranvía de Murcia, S.A.	—	560	—	—	—	(1)	559	940	1,499
Proactiva Group	—	6,962	(1,500)	1,019	—	601	7,082	—	7,082
Ebesa	—	859	(1,225)	—	—	(485)	(851)	—	(851)
Ibisan Soc. Concesionaria, S.A.	—	1,090	—	(1,228)	—	—	(138)	—	(138)
ACE Caet XXI Construçoes	—	(3,657)	(4,539)	—	—	—	(8,196)	—	(8,196)
Mercia Waste Management Ltd.	—	2,959	—	—	—	109	3,068	—	3,068
Atlántica de Graneles y Moliendas, S.A.	—	(1,227)	—	—	—	—	(1,227)	—	(1,227)
Other	476	(6,737)	(6,085)	396	—	(3,814)	(15,764)	(7,373)	(23,137)
Total 2012	476	809	(13,349)	(9,507)	—	(132,870)	(154,441)	(6,433)	(160,874)
Balance at 31/12/12							605,011	40,660	645,671
Realia Business Group	—	—	—	—	—	(56,609)	(56,609)	—	(56,609)
Globalvía Group	—	—	—	—	—	(368,386)	(368,386)	—	(368,386)
Sdad. Concesionaria Tranvía de Murcia, S.A.	—	(1,686)	—	—	—	—	(1,686)	(8,084)	(9,770)
Proactiva Group	—	2,674	—	1,594	(58,050)	(1,076)	(54,858)	—	(54,858)
Ebesa	—	798	—	—	—	—	798	—	798
Ibisan Soc. Concesionaria, S.A.	—	568	—	1,278	—	—	1,846	—	1,846
ACE Caet XXI Construçoes	—	(2,825)	3,657	—	—	—	832	854	1,686
Mercia Waste Management Ltd.	—	1,745	(870)	—	—	(148)	727	—	727
Atlántica de Graneles y Moliendas, S.A.	435	(435)	—	—	—	—	—	—	—
Other	—	(15,692)	(6,771)	(1,471)	494	495	(22,945)	(5,283)	(28,228)
Total 2013	435	(14,853)	(3,984)	1,401	(57,556)	(425,724)	(500,281)	(12,513)	(512,794)
Balance at 31/12/13							104,730	28,147	132,877

The most significant changes in the foregoing table that occurred in 2013 were the reduction due to the transfer of the Realia Business and Globalvía Infraestructuras groups to discontinued operations (see Note 4), included in the "Translation Differences and Other Changes" column.

Following are the main aggregates in the financial statements of the jointly controlled entities, in proportion to the percentage of ownership held therein, at 31 December 2013 and 2012.

	2013	2012
Non-current assets	354,840	2,833,304
Current assets	349,454	983,347
Non-current liabilities	250,143	1,949,645
Current liabilities	353,085	1,004,951
Income statement		
Revenue	577,652	761,093
Profit (loss) from operations	20,591	30,602
Profit (loss) before tax	(4,020)	4,911
Profit (loss) attributable to the Parent	(14,853)	809

It is important to note that "Results of Companies Accounted for Using the Equity Method" also includes the gains and losses arising from the disposals, mainly the gain obtained from the sale of the Proactiva Group (see Notes 5 and 28) amounting to EUR 51,959 thousand. This amount includes a loss arising from the recognition of valuation adjustments for a negative amount of EUR 12,479 thousand in the consolidated income statement (which did not have an effect on equity).

The jointly controlled entities engage mainly in the operation of concessions, such as motorways, concessions relating to the integral water cycle, urban cleaning, tunnels and passenger transport.

Guarantees amounting to EUR 93,225 thousand (2012: EUR 232,426 thousand) were provided, mostly to Government Agencies and private customers, for businesses managed jointly with non-FCC Group third parties, as security for the performance of contracts in the Group's various business activities.

b) Associates

The detail, by company, of “Associates” is disclosed in Appendix III to these consolidated financial statements, which lists the associates, the detail of the main ones being as follows:

	2013	2012
Cedinsa Concessionària	38,432	35,859
Cleon, S.A.	25,649	25,610
Shariket Tahlya Miyah Mostaganem	24,841	20,091
Other	146,910	207,808
	235,832	289,368

The changes in 2013 and 2012 were as follows:

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	Acquisitions and disbursements	Profit (loss) for the year	Dividends paid	Changes in fair value of financial instruments recognised in reserves	Sales	Translation differences and other changes	Value of the investment	Loans granted	Total
Balance at 31/12/11							174,443	134,731	309,174
Shariket Miyeh Ras Djinet, SpA	—	1,552	—	—	—	(571)	981	—	981
Shariket Tahlya Miyah Mostaganem, SpA	—	5,377	—	—	—	(1,304)	4,073	—	4,073
Time Group	—	1,381	(502)	—	—	(2)	877	—	877
Concessió Estacions Aeroport L9, S.A.	—	9,379	—	(17,456)	—	1	(8,076)	506	(7,570)
Nigh South West Health Partnership Ltd.	—	268	—	2,675	—	(613)	2,330	(1,142)	1,188
N6 (Construction) Limited	—	(8,341)	—	—	—	—	(8,341)	—	(8,341)
M50 (D&C) Limited	—	336	—	—	—	—	336	—	336
FCC Elliot Construction Limited	—	1,583	—	(7,329)	—	—	(5,746)	—	(5,746)
Urbs Iudex et Causidicus, S.A.	5,779	—	—	—	(7,705)	(1)	(1,927)	—	(1,927)
Cedinsa	14,791	1,235	—	(18,422)	(72)	10	(2,458)	—	(2,458)
Costa Verde Habitat, S.L.	7,000	(1,855)	—	—	—	—	5,145	—	5,145
Alpine Group companies	—	2,156	—	—	(791)	247	1,612	—	1,612
Nova Bocana Business, S.A.	—	258	—	—	—	—	258	—	258
Other	6,920	(86)	(4,918)	(1,411)	(134)	3,533	3,904	(12,138)	(8,234)
Total 2012	34,490	13,243	(5,420)	(41,943)	(8,702)	1,300	(7,032)	(12,774)	(19,806)
Balance at 31/12/12							167,411	121,957	289,368
Shariket Miyeh Ras Djinet, SpA	—	1,617	—	—	—	(302)	1,315	—	1,315
Shariket Tahlya Miyah Mostaganem, SpA	—	5,493	—	—	—	(743)	4,750	—	4,750
Time Group	—	1,044	(514)	—	—	2	532	—	532
Concessió Estacions Aeroport L9, S.A.	—	8,890	(1,942)	16,731	—	(1)	23,678	—	23,678
Nigh South West Health Partnership Ltd.	—	—	—	—	23,701	—	23,701	—	23,701
N6 (Construction) Limited	—	(1,393)	—	—	—	(1)	(1,394)	—	(1,394)
M50 (D&C) Limited	—	122	—	—	—	(1)	121	—	121
Urbs Iudex et Causidicus, S.A.	—	1,091	—	3,363	—	—	4,454	—	4,454
Urbs Iustitia Comodo Opera, S.A.	—	(17)	—	—	(2)	—	(19)	—	(19)
Cedinsa	3,995	(2,051)	(1,563)	(12,311)	—	(269)	(12,199)	—	(12,199)
Costa Verde Habitat, S.L.	—	(676)	—	—	—	(1)	(677)	—	(677)
Alpine Group	—	—	—	—	—	(13,517)	(13,517)	(28,477)	(41,994)
Nova Bocana Business, S.A.	—	(139)	—	—	—	—	(139)	—	(139)
Nova Bocana Barcelona, S.A.	—	—	—	—	(8,268)	—	(8,268)	—	(8,268)
Other	2,438	(7,128)	(10,093)	(1,524)	(23,037)	1,267	(38,077)	(9,320)	(47,397)
Total 2013	6,433	6,853	(14,112)	6,259	(7,606)	(13,566)	(15,739)	(37,797)	(53,536)
Balance at 31/12/13							151,672	84,160	235,832

Noteworthy in 2013 was the decrease caused by the derecognition through the de-consolidation of the Alpine Group as a result of its ongoing liquidation process (see Notes 2 and 4).

The detail of the assets, liabilities, revenue and profit or loss for 2013 and 2012 of the associates, in proportion to the percentage of ownership held in each associate, is as follows:

	2013	2012
Non-current assets	1,423,529	1,572,705
Current assets	385,602	355,592
Non-current liabilities	1,386,386	1,472,598
Current liabilities	310,821	362,295
Revenue	298,572	341,635
Profit (loss) from operations	62,253	87,480
Profit (loss) before tax	4,810	21,586
Profit (loss) attributable to the Parent	6,853	13,243

13. JOINTLY MANAGED CONTRACTS

As indicated in Note 2-b, in the section entitled "Joint ventures", the Group companies undertake certain of their business activities by participating in contracts that are operated jointly with other non-Group venturers, mainly through unincorporated temporary joint ventures and other similar entities; these contracts were proportionately consolidated in the accompanying consolidated financial statements.

Following are the main aggregates of the jointly operated contracts included in the various headings in the accompanying consolidated balance sheet and consolidated income statement, in proportion to the ownership interest held therein, at 31 December 2013 and 2012.

	2013	2012
Non-current assets	128,347	140,466
Current assets	1,299,069	1,087,755
Non-current liabilities	57,329	58,464
Current liabilities	1,271,046	925,704
Income statement		
Revenue	1,090,901	1,160,469
Gross profit (loss) from operations	150,931	63,631
Net profit (loss) from operations	128,892	49,146

At 2013 year-end, the property, plant and equipment purchase commitments entered into directly by the jointly managed contracts amounted to EUR 22,349 thousand (2012: EUR 21,689 thousand), calculated on the basis of the percentage interest held by the Group companies.

The contracts managed through unincorporated temporary joint ventures, silent partnerships and other similar entities require the venturers to share joint and several liability for the business activity carried on.

Guarantees amounting to EUR 1,836,993 thousand (2012: EUR 1,462,366 thousand) were provided, mostly to Government Agencies and private customers, for contracts managed jointly with non-Group third parties, as security for the performance of construction projects and urban cleaning contracts. The increase in 2013 was due mainly to the guarantee amounting to EUR 293,585 thousand provided for the Riyadh metro contract.

14. NON-CURRENT FINANCIAL ASSETS AND OTHER CURRENT FINANCIAL ASSETS

The breakdown of the most significant items under "Non-Current Financial Assets" and "Other Current Financial Assets" in the accompanying consolidated balance sheet is as follows:

a) Non-current financial assets

The detail of the non-current financial assets at 31 December 2013 and 2012 is as follows:

	Held-for-trading financial assets	Available-for-sale financial assets	Loans and receivables	Held-to-maturity investments	Hedging derivatives	Total
2013						
Equity instruments	—	44,037	—	—	—	44,037
Debt securities	—	—	—	404	—	404
Derivatives	—	—	—	—	—	—
Other financial assets	—	—	339,091	—	—	339,091
	—	44,037	339,091	404	—	383,532
2012						
Equity instruments	—	79,819	—	—	—	79,819
Debt securities	—	—	2,242	5,372	—	7,614
Derivatives	1,252	—	—	—	136	1,388
Other financial assets	—	—	323,333	476	—	323,809
	1,252	79,819	325,575	5,848	136	412,630

a.1) Available-for-sale financial assets

Breakdown of the balance at 31 December 2013 and 2012:

	Effective percentage of ownership	Fair value
2013		
Ownership interests of 5% or more:		
World Trade Center Barcelona, S.A.	16.52%	6,036
Vertederos de Residuos, S.A.	16.03%	9,128
Consorcio Traza, S.A.	16.60%	8,624
Other		5,763
Ownership interests of less than 5%:		
Xfera Móviles, S.A.	3.44%	11,215
Other		3,271
		44,037
2012		
Ownership interests of 5% or more:		
Equipamientos Urbanos de México, S.A. de C.V.	50.00%	12,234
World Trade Center Barcelona, S.A.	16.52%	11,422
Vertederos de Residuos, S.A.	16.03%	9,076
Consorcio Traza, S.A.	16.60%	11,654
Alpine Bau Group investees		16,201
Other		5,832
Ownership interests of less than 5%:		
Xfera Móviles, S.A.	3.44%	11,215
Other		2,185
		79,819

With regard to Xfera Móviles, S.A., it is important to note that at 31 December 2013, Fomento de Construcciones y Contratas, S.A., had granted loans to this company totalling EUR 24,114 thousand (2012: same amount) and had provided guarantees for it amounting to EUR 12,384 thousand (2012: same amount).

The changes in the available-for-sale financial assets in 2013 and 2012 were as follows:

	Investment cost	Impairment	Disposals and reductions	Changes in scope of consolidation, translation differences and other changes	Carrying amount	Changes in fair value	Fair value
Balance at 31/12/11					78,054	(6,622)	71,432
Xfera Móviles, S.A.	—	—	—	—	—	11,215	11,215
M. Capital	—	—	—	—	—	(350)	(350)
Other	1,987	—	(1,918)	(2,547)	(2,478)	—	(2,478)
Total 2012	1,987	—	(1,918)	(2,547)	(2,478)	10,865	8,387
Balance at 31/12/12					75,576	4,243	79,819
Vertedero de Residuos, S.A.	—	—	—	—	—	52	52
Consorcio Traza, S.A.	420	(3,450)	—	—	(3,030)	—	(3,030)
Other	429	(1,837)	(365)	(31,031)	(32,804)	—	(32,804)
Total 2013	849	(5,287)	(365)	(31,031)	(35,834)	52	(35,782)
Balance at 31/12/13					39,742	4,295	44,037

"Changes in Scope of Consolidation, Translation Differences and Other Changes" includes mainly the de-consolidation of the Alpine Group and transfers to non-current assets classified as held for sale (see Note 4).

a.2) Loans and receivables

The scheduled maturities of the loans and receivables granted by the Group companies to third parties are as follows:

	2015	2016	2017	2018	2019 and subsequent years	Total
Deposits and guarantees	3,368	3,557	145	331	39,198	46,599
Non-trade loans	22,417	9,410	7,577	7,935	106,736	154,075
Non-current collection rights - concession arrangement (Notes 3-a and 11)	5,450	14,344	5,450	5,450	107,723	138,417
	31,235	27,311	13,172	13,716	253,657	339,091

The non-trade loans include mainly the amounts granted to Government Agencies for the refinancing of debt in the water service and urban cleaning businesses, which earn interest at market rates, in addition to the loans granted to Xfera Móviles, S.A. referred to in the preceding section. In 2013 there were no events that raised doubts concerning the recovery of these loans.

The deposits and guarantees relate basically to those required legally or contractually in the course of the Group companies' activities, such as deposits for electricity connections, construction completion bonds, property lease security deposits, etc.

a.3) Other non-current financial assets

The scheduled maturities of other non-current financial assets are as follows:

	2015	2016	2017	2018	2019 and subsequent years	Total
Held-to-maturity investments	8	2	1	8	385	404
	8	2	1	8	385	404

Noteworthy in 2012 was the balance of "Derivatives" amounting to EUR 1,064 thousand relating to the valuation of the call options and cash flow swaps arranged by the Parent in the framework of the share option plan for Executives and Executive Directors (see Notes 19 and 24).

b) Other current financial assets

The detail of "Other Current Financial Assets" at 31 December 2013 and 2012 is as follows:

	Held-for-trading financial assets	Loans and receivables	Held-to-maturity investments	Hedging derivatives	Total
2013					
Equity instruments	743	—	—	—	743
Debt securities	—	—	238	—	238
Derivatives	—	—	—	—	—
Deposits and guarantees given	—	46,581	—	—	46,581
Other financial assets	—	347,989	6,291	—	354,280
	743	394,570	6,529	—	401,842
2012					
Equity instruments	745	—	—	—	745
Debt securities	—	—	720	—	720
Derivatives	4,226	—	—	7	4,233
Deposits and guarantees given	—	64,216	—	—	64,216
Other financial assets	9	362,132	5,157	—	367,298
	4,980	426,348	5,877	7	437,212

This heading in the accompanying consolidated balance sheet includes current financial investments, maturing at more than three months in order to cater for certain specific cash situations, and classified as held-for-trading financial assets, held-to-maturity investments or loans and receivables, based on the initial nature of the investments. Loans and receivables include mainly loans granted to jointly controlled entities and associates amounting to EUR 143,060 thousand, loans amounting to EUR 117,649 thousand, deposits at banks amounting to EUR 53,172 thousand and receivables for concession services (financial model) amounting to EUR 15,071 thousand.

These assets are unrestricted as to their use, except for "Deposits and Guarantees Given", which relate to amounts paid to secure certain contracts which will be recovered once the contracts expire.

The average rate of return obtained in this connection is the market return according to the term of each investment.

15. INVENTORIES

The detail of "Inventories" at 31 December 2013 and 2012 is as follows:

	2013		2012	
Property assets		353,222		494,550
Raw materials and other supplies		309,533		462,546
Construction	189,358		306,731	
Cement	82,770		94,077	
Integral water management	12,582		13,354	
Environmental services	24,823		48,384	
Finished goods		23,568		32,307
Advances		111,706		139,265
		798,029		1,128,668

"Property Assets" includes building plots earmarked for sale that were acquired by the FCC Construcción group mainly in exchange for outstanding or completed construction work. This heading also includes properties in the course of construction, on which there are sale commitments representing a final value on delivery to customers of EUR 24,345 thousand (2012: EUR 6,763 thousand). The advances paid by certain customers for the aforementioned "Property assets" are secured by insurance contracts or bank guarantees, pursuant to the requirements of Law 57/68, of 27 July, as amended by Law 38/99, of 5 November. The detail of the main unsold real estate products is as follows:

	2013	2012
Properties at Badalona (Barcelona)	13,236	26,236
Properties at Ensanche Vallecas (Madrid)	6,006	13,206
Properties at Sant Joan Despí (Barcelona)	48,030	53,003
Properties at Tres Cantos (Madrid)	103,650	99,214
Residential development - Pino Montano (Sevilla)	16,006	19,401
Land plots - Atlético de Madrid (Madrid)	36,658	20,204
Residential development - Terrenos Gran Vía - Hospitalet (Barcelona)	—	25,136
Residential development - Vitoria (Álava)	8,727	20,725
Building - Calle Barquillo (Madrid)	11,500	16,600
Other properties and developments	87,554	172,661
	331,367	466,386

Property inventories were valued mainly on the basis of end-market references, through the calculation of the residual value of the land as a percentage of the market value in their location; where appropriate, when offers have been received, the bid prices were used for the measurement; and lastly, when it was not possible to use this methodology, the reference used was the reserve price in the auctions held by Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria, S.A. (SAREB). As a result of these valuations, impairment losses amounting to EUR 63,256 thousand were recognised on property inventories in 2013. At 31 December 2013, the total accumulated balance of impairment losses amounted to EUR 193,303 thousand.

A portion of the aforementioned "property assets" have been pledged as the required security for the deferred payment of taxes and social security contributions authorised by the Public Authorities, as indicated in Notes 22 and 23 to these consolidated financial statements.

At 2013 year-end there were no significant property asset purchase commitments.

"Raw Materials and Other Supplies" includes the installations required to execute construction work that have not yet been included in the construction projects, storable construction materials and items, materials for the assembly of street furniture, replacement parts, fuel and other materials required to carry on the business activities.

At 31 December 2013, there were no material differences between the fair value and the carrying amount of the assets recognised.

16. TRADE AND OTHER RECEIVABLES

a) Trade receivables for sales and services

"Trade Receivables for Sales and Services" in the accompanying consolidated balance sheet includes the present value of the uncollected revenue, measured as indicated in Note 3-s, contributed by the Group's various lines of business and forming the basis of the profit (loss) from operations.

The detail of the balance of accounts receivable from non-Group debtors at 31 December 2013 and 2012 is as follows:

	2013	2012
Progress billings receivable and trade receivables for sales	1,344,741	3,119,011
Amounts to be billed for work performed	775,828	872,612
Retentions	64,890	61,867
Production billed to associates and jointly controlled entities	97,009	188,046
Trade receivables for sales and services	2,282,468	4,241,536
Advances received on orders (Note 23)	(762,602)	(1,071,126)
Total net balance of trade receivables for sales and services	1,519,866	3,170,410

The change in the year in "Progress Billings Receivable and Trade Receivables for Sales" is due mainly to the fact that in 2012 the contribution of the Alpine Group, amounting to EUR 1,375,624 thousand, was included, while in 2013 the Alpine Group was de-consolidated (see Notes 2 and 4).

The foregoing total is the net balance of trade receivables after considering the adjustments for the risk of doubtful debts amounting to EUR 351,446 thousand (31 December 2012: EUR 301,521 thousand) and after deducting the balance of "Trade and Other Payables" on the liability side of the accompanying consolidated balance sheet. This item also includes the amounts of progress billings in various connections, irrespective of whether or not they have been collected.

"Progress Billings Receivable and Trade Receivables for Sales" reflects the amount of the progress billings to customers for completed work and services not yet collected at the consolidated balance sheet date.

The difference between the amount of the production recognised from inception of each project and contract in progress, measured as explained in Note 3-s, and the amount of the progress billings up to the date of the consolidated financial statements is included under "Amounts to Be Billed for Work Performed".

At 2013 year-end, trade receivables amounting to EUR 290,473 thousand had been factored to financial institutions without recourse against the Group companies in the event of default (31 December 2012: EUR 310,312 thousand). This amount was deducted from the balance of "Progress Billings Receivable and Trade Receivables for Sales". Also, the Group sold EUR 163,739 thousand of future collection rights arising from construction project contracts awarded under the lump-sum payment method (31 December 2012: EUR 186,624 thousand). This amount was deducted from the balance of "Amounts to Be Billed for Work Performed".

The second municipal council and autonomous community government payment plan included in Spanish regulations took effect in 2013. This gave rise to collections by the FCC Group of approximately EUR 225 million in outstanding invoices. In 2012 the first plan gave rise to collections by the FCC Group amounting to EUR 1,236,000 thousand.

b) Other receivables

The detail of "Other Receivables" at 31 December 2013 and 2012 is as follows:

	2013	2012
Public Administrations - VAT refundable (Note 25)	133,649	200,683
Public Administrations - Other tax receivables (Note 25)	38,891	54,119
Other receivables	238,974	309,588
Advances and loans to employees	5,531	5,502
Total other receivables	417,045	569,892

17. CASH AND CASH EQUIVALENTS

The main aim of cash management at the FCC Group is to optimise the cash position, endeavouring, through the efficient management of funds, to keep the balance of the Group's bank accounts as low as possible, and to use financing facilities in the most efficient manner for the Group's interests.

The cash of the direct or indirect subsidiaries over which control is exercised is managed on a centralised basis. The liquidity positions of these investees flow towards the Parent so that they can be optimised within the framework of the Group's various financing facilities.

"Cash and Cash Equivalents" includes the Group's cash and short-term bank deposits and term deposits with an original maturity of three months or less.

In both 2013 and 2012 these balances earned interest at market rates.

The detail, by currency, of cash and cash equivalents for 2013 and 2012 is as follows:

	2013	2012
Euro	534,596	711,704
US dollar	139,460	147,569
Pound sterling	111,734	104,063
Czech koruna	13,817	23,411
Europe (other currencies)	18,598	45,916
Latin America (various currencies)	39,130	59,647
Other	120,415	73,934
Total	977,750	1,166,244

18. EQUITY

The accompanying consolidated statements of changes in equity for the years ended 31 December 2013 and 2012 show the changes in equity attributable to the shareholders of the Parent and to the non-controlling interests in those years.

I. Equity attributable to the Parent

a) Share capital

The share capital of Fomento de Construcciones y Contratas, S.A. consists of 127,303,296 ordinary bearer shares of EUR 1 par value each.

All the shares carry the same rights and have been fully subscribed and paid.

The shares of Fomento de Construcciones y Contratas, S.A. are included in the Ibex 35 index, are publicly listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and are traded through the Spanish stock market interconnection system.

The only investment of 10% or more owned directly or indirectly (through subsidiaries) by other companies, according to the information provided pursuant to current legislation, is that held by B-1998, S.L., which has a direct and indirect ownership interest of 50.029% in the share capital.

The aforementioned company, B-1998, S.L., in which Mrs. Esther Koplowitz Romero de Juseu, Larranza XXI, S.L. and Eurocis, S.A. have direct or indirect ownership interests of 89.653%, 5.339% and 5.008%, respectively, has certain commitments to its shareholders which are recorded and published by the Spanish National Securities Market Commission (CNMV) and in the FCC Group's Corporate Governance Report.

Mrs. Esther Koplowitz Romero de Juseu also directly owns 123,313 FCC shares and indirectly holds 39,172 FCC shares through Dominum Desga, S.A. (4,132 shares) and Ejecución y Organización de Recursos, S.L. (35,040 shares), companies wholly owned by Mrs. Esther Koplowitz Romero de Juseu.

b) Retained earnings and other reserves

The breakdown of “Retained Earnings and Other Reserves” in the accompanying consolidated balance sheet at 31 December 2013 and 2012 is as follows:

	2013	2012
Reserves of the Parent	448,567	1,205,133
Consolidation reserves	1,231,577	1,679,064
	1,680,144	2,884,197

b.1) Reserves of the Parent

"Reserves of the Parent" relates to the reserves recognised by Fomento de Construcciones y Contratas S.A., the Parent of the Group, arising mainly from retained earnings and, where appropriate, from compliance with the applicable legislation.

The detail at 31 December 2013 and 2012 is as follows:

	2013	2012
Share premium	242,133	242,133
Legal reserve	26,113	26,113
Reserve for retired capital	6,034	6,034
Voluntary reserves	174,287	930,853
	448,567	1,205,133

Share premium

The Consolidated Text of the Spanish Limited Liability Companies Law expressly permits the use of the share premium account balance to increase capital and does not establish any specific restrictions as to its use for other purposes.

Legal reserve

Under the Consolidated Text of the Spanish Limited Liability Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve cannot be distributed to shareholders except in the event of liquidation.

The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount.

Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

At 31 December 2013, the Parent's legal reserve had reached the stipulated level.

Reserve for retired capital

This reserve includes the par value of the treasury shares retired in 2002 and 2008 with a charge to unrestricted reserves, in accordance with Article 335-c of the Spanish Limited Liability Companies Law. The reserve for retired shares is restricted, unless the same requirements as those stipulated for capital reductions are met.

Voluntary reserves

There are no limitations or restrictions as to the use of these reserves, which are recognised on a voluntary basis using the Parent's profit following the distribution of dividends and the appropriations to the legal or other restricted reserves in accordance with current legislation.

b.2) Consolidation reserves

"Consolidation Reserves" in the accompanying consolidated balance sheet includes the consolidated reserves generated in each of the business areas since their inclusion in the Group. In accordance with IAS 27 "Consolidated and Separate Financial Statements", it also includes those arising from changes in the ownership interests in Group companies, where control is maintained, at the difference between the amount of the further acquisition or sale and the carrying amount of the ownership interest. The detail of the amounts included under "Consolidation Reserves" at 31 December 2013 and 2012 is as follows:

	2013	2012
Environmental services	245,184	145,829
Water	371,811	257,351
Construction	100,790	532,701
Cement	184,484	337,385
Energy	57,394	(26,238)
Corporate	271,914	432,036
	1,231,577	1,679,064

In 2013 the FCC Group sold 49% of the Water business it owns in the Czech Republic. This transaction had a positive impact on consolidation reserves of EUR 60,729 thousand.

Furthermore, the Cementos Portland Valderrivas Group carried out a share exchange with the CRH Group, whereby it delivered its ownership interest in the Cementos Lemona Group in exchange for 26.34% of the shares of Corporación Uniland. This transaction, which did not have any impact on cash, gave rise to a EUR 105,697 thousand reduction in the FCC Group's consolidation reserves.

c) Treasury shares

"Treasury Shares" includes the shares of the Parent owned by it or by other Group companies, measured at acquisition cost.

The Board of Directors and the subsidiaries were given authorisation by the shareholders at the Annual General Meeting of Fomento de Construcciones y Contratas, S.A. for the derivative acquisition of treasury shares within the limits and subject to the requirements set forth in articles 144 et seq. of the Spanish Limited Liability Companies Law.

The changes in treasury shares in 2013 and 2012 were as follows:

Balance at 31 December 2011	(347,479)
Sales	73,206
Acquisitions	(70,746)
Balance at 31 December 2012	(345,019)
Sales	457,522
Acquisitions	(118,606)
Balance at 31 December 2013	(6,103)

The detail of treasury shares at 31 December 2013 and 2012 is as follows:

	2013		2012	
	Number of shares	Amount	Number of shares	Amount
Fomento de Construcciones y Contratas, S.A.	280,670	(6,103)	3,292,520	(91,323)
Asesoría Financiera y de Gestión, S.A.	—	—	9,379,138	(253,696)
TOTAL	280,670	(6,103)	12,671,658	(345,019)

At 31 December 2013, the shares of the Parent owned by it or by its subsidiaries represented 0.22% of the share capital (31 December 2012: 9.95%).

d) Other equity instruments

In accordance with IAS 32 "Financial Instruments: Presentation", "Other Equity Instruments" includes the measurement of the equity component resulting from accounting for the issue of bonds convertible into shares of the Parent, which when added to the amount expressed under "Debt Instruments and Other Marketable Securities" in the accompanying consolidated balance sheet, makes up the total amount of the issue of such bonds (see Note 21).

In October 2009 Fomento de Construcciones y Contratas, S.A. launched an issue of bonds exchangeable for shares of the Company, the main characteristics of which were as follows:

- The amount of the issue was EUR 450,000,000 with a maturity date of 30 October 2014.
- The bonds were issued at par and with a face value of EUR 50,000.
- The bonds accrue interest at a fixed annual rate of 6.50% payable every six months.
- The exchange price of the bonds for shares of the Company is EUR 37.85 per share, which means that each bond would be convertible into 1,321 ordinary shares.
- The bonds are convertible or redeemable at the option of the holder or at the option of Fomento de Construcciones y Contratas, S.A., and the terms and conditions for the exercise of the option are included in the "Issue Agreement". Both newly issued shares and old shares held by the Parent may be delivered.
- This issue is backed by the Company's equity and there are no other special third-party guarantees.
- The issue is underwritten by financial institutions and is intended for qualified international investors.

The shareholders at the Extraordinary General Meeting of Fomento de Construcciones y Contratas, S.A. held on 30 November 2009 to approve the convertibility of the bonds into shares of the Company passed the following resolutions:

I) Pursuant to Article 414 of the Consolidated Text of the Spanish Limited Liability Companies Law, to increase share capital by the amount required to cater for requests by the holders of the bonds to convert them, up to an initially envisaged maximum of EUR 12 million, but subject to possible amendments in accordance with the provisions of the "Issue Agreement".

II) To approve a buy back programme of the Company's treasury shares for the sole purpose of meeting the obligations to deliver treasury shares resulting from the bond issue and capital reduction of the Company mentioned in the following paragraph.

III) To reduce the share capital by means of the retirement of the shares purchased under the buy back programme mentioned above or of the treasury shares already held, including for such purposes the treasury shares made available through a loan to the underwriters of the transaction. This capital reduction may be for a maximum nominal amount equivalent to the number of new shares issued by the Company to meet the requests to exchange the bonds.

In relation to the treasury share buy back programme carried out by the Company in prior years with the intention of avoiding possible dilutive effects arising in the event of the conversion or exchange of the bonds equal to 9.11% of the share capital, it should be noted that, in view of the current share price and the expiration date of the convertibility option, it is considered that no shares will be delivered. Accordingly, in 2013 the Company decided to reduce to zero the number of loaned securities, which at 31 December 2012 amounted to 1,144,605 shares.

It should also be noted in relation to this transaction that the Group has a trigger call that allows it to call the bonds under certain circumstances (see Note 14).

e) Valuation adjustments

The detail of "Valuation Adjustments" in the accompanying consolidated balance sheet at 31 December 2013 and 2012 is as follows:

	2013	2012
Changes in fair value of financial instruments	(204,156)	(346,237)
Translation differences	(123,613)	(81,289)
	(327,769)	(427,526)

e.1) Changes in fair value of financial instruments:

"Changes in Fair Value of Financial Instruments" includes the changes, net of taxes, in the fair value of available-for-sale financial assets (see Note 14) and of cash flow hedging derivatives (see Note 24).

The detail of the adjustments due to changes in the fair value of financial instruments at 31 December 2013 and 2012 is as follows:

	2013		2012	
Available-for-sale financial assets		9,315		12,326
World Trade Center Barcelona, S.A.	433		3,363	
Vertederos de Residuos, S.A.	8,020		7,968	
SCL Terminal Aéreo de Santiago, S.A.	1,165		1,165	
Other	(303)		(170)	
Financial derivatives		(213,471)		(358,563)
Fomento de Construcciones y Contratas, S.A.	(4,234)		(29,468)	
Azincourt Investment, S.L.	—		(10,950)	
Urbs Iudex et Causidicus, S.A.	(30,169)		(33,532)	
Realia Business Group	(2,135)		(12,061)	
Nigh South West Health Partnership	—		(23,898)	
Globalvía Group	(41,465)		(68,729)	
FCC Environment (UK) Group	(15,803)		(26,791)	
Cedinsa Group	(36,465)		(23,884)	
Cementos Portland Valderrivas Group	774		690	
Concesió Estacions Aeroport L.9, S.A.	(35,523)		(52,254)	
Energy Group	(39,201)		(57,648)	
Other	(9,250)		(20,038)	
		(204,156)		(346,237)

e.2) Translation differences

The detail of the amounts included under "Translation Differences" for each of the most significant companies at 31 December 2013 and 2012 is as follows:

	2013		2012	
European Union:				
FCC Environment (UK) Group	(106,531)		(92,271)	
Dragon Alfa Cement Limited	(2,156)		(2,036)	
Other	(9,879)	(118,566)	18	(94,289)
USA:				
Giant Cement Holding, Inc.	(10,635)		(5,925)	
Cemusa Group	(3,881)		(4,458)	
Other	(4,012)	(18,528)	(1,181)	(11,564)
Latin America:				
Globalvía Group	21,999		45,252	
FCC Construcción de Centroamérica, S.A.	(6,320)		(2,854)	
Proactiva Group	—		(7,694)	
Cemusa Group	2,838		2,004	
Other	(377)	18,140	167	36,875
Alpine Bau Group companies		—		(8,061)
Other currencies		(4,659)		(4,250)
		(123,613)		(81,289)

The changes in 2013 were due mainly to the depreciation of the pound sterling, the US dollar and various Latin American currencies against the euro.

The detail, by geographical market, of the net investment in currencies other than the euro (translated to euros as described in Note 3-k) is as follows:

	2013	2012
United Kingdom	523,706	791,497
USA	226,942	279,532
Latin America	84,222	232,104
Czech Republic	72,307	131,982
Other	152,088	152,228
	1,059,265	1,587,343

f) Earnings per share

Basic earnings per share are calculated by dividing the profit or loss attributable to the Parent by the weighted average number of ordinary shares outstanding in 2013, resulting in a loss per share of EUR 12.73 in 2013 (2012: loss per share of EUR 8.97).

In relation to the bond issue described in paragraph d) above, it should be noted that dilutive effects could exist if the bondholders were to exercise the conversion option under certain conditions. Under IAS 33 "Earnings per Share", diluted earnings per share shall be calculated by adjusting the weighted average number of shares outstanding under the assumption that all the bonds have been converted into ordinary shares. In addition, the earnings attributable to the Parent shall be adjusted by increasing them by the amount of the interest, net of the tax effect, relating to the bonds recognised in the accompanying consolidated income statement. In accordance with the resulting calculations, in both 2013 and 2012 there was no dilution of the loss per share.

II. Non-controlling interests

"Non-Controlling Interests" in the accompanying consolidated balance sheet reflects the proportional part of the equity and the profit or loss for the year after tax of the companies in which the Group's non-controlling interests have ownership interests.

The detail of "Non-Controlling Interests" at 31 December 2013 and 2012 in relation to the main companies is as follows:

	Equity			
	Share capital	Reserves	Profit or loss	Total
2013				
Cementos Portland Valderrivas Group	15,774	184,599	(21,716)	178,657
Aqualia Czech	33,958	9,212	(4,467)	38,703
Other	15,949	4,197	2,066	22,212
	65,681	198,008	(24,117)	239,572
2012				
Cementos Portland Valderrivas Group	15,774	469,443	(60,959)	424,258
Other	18,167	10,929	(3,270)	25,826
	33,941	480,372	(64,229)	450,084

The main change in the year in the amount of the non-controlling interests of the Cementos Portland Valderrivas Group arose from the exchange of shares for which it received the non-controlling interests of Corporación Uniland. This transaction gave rise to a reduction of EUR 216,190 thousand in the FCC Group's non-controlling interests.

Furthermore, the sale of 49% of the Water business in the Czech Republic gave rise to an addition to non-controlling interests, notably EUR 38,703 thousand in relation to Aqualia Czech.

19. EQUITY INSTRUMENT-BASED PAYMENT TRANSACTIONS

In accordance with a decision by the Board of Directors of 29 July 2008, the Group has a remuneration plan in force for the Executive Directors and Executives which is linked to the value of the Parent's shares. The participants in the plan receive a cash amount equivalent to the difference between the value of the shares at the date of exercise and at the reference date set in the plan.

The main features of the plan, which is divided into two tranches, are as follows:

First tranche

- Commencement date: 1 October 2008.
- Exercise period: from 1 October 2011 to 1 October 2013.
- Number of shares: 1,800,000 shares, of which 700,000 correspond to Executive Directors and Senior Executives (12 persons) and the remaining 1,100,000 to other Executives (43 persons).
- The option exercise price is EUR 34.22 per share.

Second tranche

- Commencement date: 6 February 2009.
- Exercise period: from 6 February 2013 to 5 February 2014.
- Number of shares: 1,500,000 shares, of which 147,500 correspond to Executive Directors and Senior Executives (12 persons) and the remaining 1,352,500 to other Executives (approximately 225 persons).
- The option exercise price is EUR 24.71 per share.

The first plan expired on 1 October 2013 and the value of the share during the exercise period did not at any time exceed the exercise price set. Accordingly, no options were exercised and no cash outflow took place.

In accordance with applicable regulations, the Group calculates the present value of the amount to be settled at the end of the plan, and recognises the corresponding provision on a systematic basis with a charge to "Staff Costs" throughout the term of the plan. At each reporting date, the present value of the obligation is re-estimated and any difference with respect to the carrying amount recognised previously is taken to the consolidated income statement for the year.

At 31 December 2013, EUR 2,002 thousand in staff costs (2012: EUR 2,323 thousand) (see Note 28-c), net of the hedges indicated in the following paragraph, had accrued in relation to the obligations to employees.

Initially, the Group arranged with financial institutions a call option and a put option for each of the tranches described above, together with an interest rate/dividend swap with the same exercise price, nominal amount and maturity as the plan. The treasury shares linked to this hedge were delivered to the aforementioned financial institutions. The derivatives corresponding to the first plan expired on the same date as the plan, i.e. 1 October 2013, although an agreement was reached with the banks to partially postpone expiry until 15 January 2014 (see Note 24).

With respect to hedge effectiveness, only the call option qualifies as a cash-flow hedge and, accordingly, the changes in the fair value thereof are recognised in equity under "Valuation Adjustments" in the accompanying consolidated balance sheet, while the put option and the interest rate/dividend swap do not qualify for hedge accounting and, therefore, the changes in their fair value are taken to the consolidated income statement (see Note 24).

The change in the fair value of the financial derivatives that do not qualify for hedge accounting represented a gain in 2013 of EUR 20,974 thousand (2012: a loss of EUR 30,644 thousand). For information on the fair value of the financial derivatives see Notes 24 and 28-g to these consolidated financial statements.

Lastly, it should be noted in relation to the second tranche that, at the date of preparation of the consolidated financial statements, the tranche had expired but no options had been exercised.

20. LONG-TERM AND SHORT-TERM PROVISIONS

The detail of the provisions at 31 December 2013 and 2012 is as follows:

	2013	2012
Long-term	1,091,981	1,154,967
Long-term employee benefit obligations	56,644	138,751
Dismantling, removal and restoration of non-current assets	130,385	136,852
Environmental activities	198,409	223,985
Litigation	123,802	241,631
Contractual and legal guarantees and obligations	111,103	56,963
Other long-term provisions	471,638	356,785
Short-term	340,087	303,575
Construction contract settlement and project losses	328,444	291,563
Other short-term provisions	11,643	12,012

The changes in "Long-Term Provisions" and "Short-Term Provisions" in 2013 and 2012 were as follows:

	Long-term provisions	Short-term provisions
Balance at 31/12/11	1,083,109	178,887
Environmental expenses for the removal or dismantling of assets	19,536	—
Measures to improve or expand concession capacity	20,698	—
Provisions recognised/(reversed)	69,703	124,717
Amounts used	(77,021)	(764)
Transfer to "Liabilities Associated with Non-Current Assets Classified as Held for Sale"	14,161	—
Changes in the scope of consolidation, translation differences and other changes	24,781	735
Balance at 31/12/12	1,154,967	303,575

	Long-term provisions	Short-term provisions
Environmental expenses for the removal or dismantling of assets	16,226	—
Measures to improve or expand concession capacity	20,130	—
Provisions recognised/(reversed)	251,676	190,032
Amounts used	(207,042)	(27,141)
De-consolidation of the Alpine Group	(97,558)	(127,515)
Transfer to "Liabilities Associated with Non-Current Assets Classified as Held for Sale"	(21,882)	(540)
Changes in the scope of consolidation, translation differences and other changes	(24,536)	1,676
Balance at 31/12/13	1,091,981	340,087

"Provisions Recognised/(Reversed)" includes notably a portion of the contribution of the Construction business, which includes short-term provisions of EUR 134,405 thousand relating to construction contract settlement and project losses at 31 December 2013 (31 December 2012: EUR 122,778 thousand) and provisions of EUR 121,882 thousand for risks relating to Alpine Holding. In addition, at 31 December 2013, long-term provisions of EUR 49,708 thousand were recognised for expenses arising from the second workforce restructuring in the Construction business (31 December 2012: EUR 60,000 thousand for the first restructuring) and of EUR 46,672 thousand for restructuring costs in the Cement Area. At 31 December 2013, the Environmental Services business contributed provisions of EUR 16,910 thousand (31 December 2012: EUR 15,917 thousand) for environmental activities and provisions of EUR 13,017 thousand (31 December 2012: reversal of EUR 23,857 thousand) for contractual and legal guarantees and obligations. In addition, provisions recognised in 2013 include EUR 17,815 thousand (2012: EUR 15,765 thousand) relating to the discounting of the provisions to their present value.

"Environmental Expenses for the Removal or Dismantling of Assets" includes the balancing item for the increased asset value relating to the discounted present value of the expenses that will be incurred when operation of the asset ceases.

"Measures to Improve or Expand Concession Capacity" includes the balancing item for the increase in the value of non-current assets relating to the discounted present value of the infrastructure work carried out by the concession operator during the concession term to improve and expand capacity.

As described in Note 4, the transfer to or from "Liabilities Associated with Non-Current Assets Classified as Held for Sale" in 2013 related to the decrease of EUR 19,695 thousand in relation to the Cemusa Group and of EUR 2,727 thousand in relation to FCC Logística, which were classified as discontinued operations. In 2012 the Giant Cement Holding Group was reclassified as a continuing operation and provisions were increased by EUR 25,934 thousand; the Cementos Lemona Group was classified as held for sale and provisions were decreased by EUR 11,773 thousand.

The provisions included in the accompanying consolidated balance sheet are considered to cover the inherent liability that may arise in the course of the Group's various business activities.

The timing of the expected outflows of economic benefits at 31 December 2013 arising from the obligations covered by long-term provisions is as follows:

	Within five years	After five years	Total
Long-term employee benefit obligations	2,748	53,896	56,644
Dismantling, removal and restoration of non-current assets	84,793	45,592	130,385
Environmental activities	39,326	159,083	198,409
Litigation	66,200	57,602	123,802
Contractual and legal guarantees and obligations	60,909	50,194	111,103
Other provisions	265,986	205,652	471,638
	519,962	572,019	1,091,981

Long-term employee benefit obligations

"Long-Term Provisions" in the accompanying consolidated balance sheet includes the provisions covering the Group companies' obligations in respect of pensions and similar obligations such as medical and life insurance, as indicated in Note 26.

Environmental provisions

The FCC Group's environmental policy goes beyond strict compliance with current legislation in the area of environmental improvement and protection to include the establishment of preventative planning and the analysis and minimisation of the environmental impact of the activities carried on by the Group.

FCC Group management considers that the Group companies' contingencies relating to environmental protection and improvement at 31 December 2013 would not have a significant impact on the accompanying consolidated financial statements, which include provisions to cover any probable environmental risks that might arise.

Note 30 to these consolidated financial statements ("Information on the Environment") supplements the information set forth with respect to environmental provisions.

Provisions for litigation

Provisions for litigation cover the contingencies of the FCC Group companies acting as defendants in certain proceedings in relation to the liability inherent to the business activities carried on by them. The lawsuits, although numerous, are not expected to have an impact on the Group's equity according to estimates regarding their final outcomes.

Contractual and legal guarantees and obligations

"Contractual and Legal Guarantees and Obligations" includes the provisions to cover the expenses arising from contractual and legal obligations of a non-environmental nature.

Provisions for construction contract settlements and project losses

These provisions are recognised for losses budgeted for in construction projects in accordance with the measurement bases set forth in Note 3-s, and for the expenses arising from such projects from the date of their completion to the date of their definitive settlement, which are determined systematically as a percentage of the value of production over the term of the project based on experience in the construction business.

Provisions for other contingencies and charges

"Provisions for Other Contingencies and Charges" includes the items not classified in the foregoing accounts, comprising most notably the provisions to cover contingencies arising from international business.

This heading also includes the Group's obligations relating to share-based payments. The features of these obligations are detailed in Note 19, "Equity Instrument-Based Payment Transactions".

21. NON-CURRENT AND CURRENT FINANCIAL LIABILITIES

The FCC Group's general policy is to provide all the Group companies with the financing that is best suited to the normal conduct of their business activities. In this connection, the Group companies are furnished with the credit facilities required to cater for their budgetary plans, which are monitored on a monthly basis. Also, risk is generally spread over various financial institutions and the Group companies currently have credit facilities with more than 70 financial institutions.

Should the financial transaction so require, following a hedging policy for accounting purposes, the Group arranges interest-rate risk hedging transactions on the basis of the type and structure of each transaction (see Note 24).

In certain types of financing, particularly non-recourse structured financing, the financing agreement requires the arrangement of some kind of interest-rate hedge and the Group assesses the best hedging instrument based on the project's cash flow profile and the debt repayment schedule.

a) Non-current and current debt instruments and other marketable securities

The main characteristics of the non-current and current debt instruments and other marketable securities arranged by the Group in prior years and maintained in 2013 are as follows:

On 31 July 2012, Giant Cement Inc. issued debt instruments totalling USD 430,000 thousand for the purpose of refinancing its main debts, which were set to mature mainly in 2012 and 2013. The repayments of these debt instruments will be settled in full in 2018, the annual coupons are 10.0% and there is an option in the first two years to capitalise the interest at 12.0%. An agreement was also arranged for 20% of the EBITDA recognised by Giant Cement Holdings Inc. each year, provided it has a profit, to be paid at the end of the loan term. The amount recognised at 31 December 2013 relates to principal of EUR 323,619 thousand (31 December 2012: EUR 325,627 thousand) and accrued interest payable of EUR 6,066 thousand (31 December 2012: 1,890 thousand).

The purpose of the issue of subordinated convertible bonds amounting to EUR 450,000 thousand launched on 30 October 2009 by Fomento de Construcciones y Contratas, S.A., which was aimed at international institutional investors, was to strengthen the balance sheet equity structure due to the fact that the bonds are convertible and subordinate to the corporate loans arranged by the Parent, and to diversify the Group's financing base, by supplementing the bank financing.

In accordance with applicable accounting regulations, in addition to their financial component, the convertible bonds have another component that is recognised in equity as described in Note 18-d to these consolidated financial statements. Note 18-d also describes the terms of the convertible bond issue. The balance recognised in this connection at 31 December 2013 under "Debt Instruments and Other Marketable Securities" in the accompanying consolidated balance sheet amounted to EUR 448,012 thousand. These bonds traded at 99.99% of par at 31 December 2013 according to Bloomberg.

Also, in 2005 Severomoravské Vodovody a Kanalizace Ostrava, A.S. (SmVaK) issued non-convertible bonds amounting to CZK 2,000,000 thousand (EUR 73,000 thousand at 31 December 2013). These bonds, which were traded on the Prague Stock Exchange, mature in 2015 and bear nominal interest of 5%. As security for this issue, the Czech company is obliged not to grant additional pledges on its assets to third parties, not to sell assets above a certain cumulative value and not to incur indebtedness over a certain amount.

b) Non-current and current bank borrowings

The detail at 31 December 2013 and 2012 is as follows:

	Non-current	Current	Total
2013			
Credit facilities and loans	73,589	4,250,802	4,324,391
Borrowings without recourse to the Parent	2,171	966,536	968,707
Limited recourse project financing loans	442,266	491,743	934,009
FCC Environment Group	218,919	476,809	695,728
Other	223,347	14,934	238,281
	518,026	5,709,081	6,227,107

	Non-current	Current	Total
2012			
Credit facilities and loans	1,902,999	2,831,344	4,734,343
Borrowings without recourse to the Parent	963,766	680,051	1,643,817
Limited recourse project financing loans	353,308	515,535	868,843
FCC Environment Group	171,286	494,769	666,055
Other	182,022	20,766	202,788
	3,220,073	4,026,930	7,247,003

There are three separate groups of borrowings in the foregoing table:

- **Credit facilities and loans** that include bilateral and syndicated loans granted to Fomento de Construcciones y Contratas, S.A. or any of its investees which, in any event, would be guaranteed ultimately by the Parent of the FCC Group, Fomento de Construcciones y Contratas, S.A.
  In 2013 FCC decided to commence an overall refinancing of most of the Group's borrowings in order to obtain a sustainable financial structure tailored to the cash inflows projected for the various businesses, which would enable it to focus on the profitability-improvement and debt-reduction objectives envisaged in the current strategic plan. Accordingly, at the commencement of the process and with a view to facilitating the negotiation of the terms and conditions of the refinancing and the funding, inter alia, the Group's general cash needs in this period, on 15 April FCC entered into loan agreement with the financial institutions coordinating the restructuring for EUR 198,214 thousand, which was successively increased up to a maximum of EUR 500,000 thousand on 16 May.
  At 2013 year-end, the unpaid amount drawn down against the new liquidity facility amounted to EUR 437,360 thousand. This facility forms a part of the refinancing together with the Group's other debt.

The refinancing rests, inter alia, on the following main principles:

a) The bolstering of the Group's viability under the Business Plan and the sustainability of the total borrowings considered through the proper adaptation of the repayment schedule to its ability to generate cash.

b) The rationalisation of the financial and operating structure of the scope of the refinancing, i.e. the companies included in the agreement as borrowers and guarantors, through the legal and effective isolation of the business areas not included in the scope, with certain exceptions provided for.
c) The gradual reduction of debt levels by fulfilling, inter alia, the Divestments Plan and Operational and Cost Reduction Plan that form part of the Business Plan.

Main milestones reached:

- In April 2013 an agreement, which currently extends until 31 March 2014, was reached to defer debt maturities during the negotiation period, i.e. Standstill agreements in respect of the syndicated transactions and extension agreements to the bilateral loans included among the borrowings to be refinanced.
- A terms and conditions document was subsequently prepared which lays down the refinancing structure and which in December 2013 received a favourable response to the terms and conditions of the proposed refinancing from the banks holding more than 95% of the total volume of the borrowings.
- Also, in accordance with Article 71.6 and, if necessary, Additional Provision Four of Insolvency Law 22/2003, of 9 July, an independent expert was appointed to report on the refinancing agreement and on the reasonableness and feasibility of the Group's business plan.
- At the date of preparation of these notes to the consolidated financial statements, lenders holding 99.4% of the total volume of the borrowings affected by the refinancing had approved it; certain conditions precedent must be complied with in order for the refinancing contract to become definitively legally binding.

Refinancing structure:

1. The total amount is EUR 4,512,414 thousand, which replaces the debt existing in various syndicated and bilateral structures for the same amount.
2. Tranches:
   (a) Tranche A: EUR 3,162,414 thousand to be treated as a commercial loan; and
   (b) Tranche B: EUR 1,350,000 thousand and of the same guaranteed nature as Tranche A, which includes, under certain circumstances, a right to convert into shares at market price without a discount for the outstanding balance at maturity (PIK component).
3. Maturity at four years from the agreement date.
4. Repayment schedule: as regards Tranche A, EUR 150,000 thousand at 24 months and EUR 175,000 thousand at 36 months, and the remainder on maturity.
5. The refinancing agreement establishes that, in the event of a capital increase at FCC, the funds obtained from the increase may be earmarked for the acquisition of Tranche B debt through a Dutch auction process.

As a supplement to the main refinancing agreement, a financial stability framework agreement was entered into that regulates the products necessary for daily activity: guarantees, leases, full-service leases, reverse factoring, factoring and German models. This agreement includes the grant of a new international guarantee facility amounting to EUR 250,000 thousand extendible to EUR 450,000 thousand.

The Group reclassified all the credit facilities and loans affected by this refinancing process and formally maturing in more than 12 months as current and, accordingly, substantially all bank borrowings are recognised as current in the accompanying consolidated balance sheet.

As regards the financial ratios of the syndicated corporate agreements in force, the Group and the financial institutions have reached a de facto agreement that the ratios contained in these agreements shall not be calculated, since they will be replaced, as soon as the refinancing enters into force, by new ratios agreed upon in the contract.

In addition, since the terms of the syndicated corporate agreements require the Company to submit the certificate of achievement of the financial ratios within the 180 days following year-end, the Company would not be required to submit the certificate of achievement of the financial ratios relating to 2013 until 30 June 2014, at which date it is expected that the refinancing will have entered into force (rendering void the previous ratios).

Lastly, it should be noted that, even if a (presumably dissenting) bank were in theory to cite a failure to achieve the financial ratios under the former agreements, the early repayment of the loan agreements requires the approval of the majority of the banks (between 50.1% and 66.66%, depending on the agreement). Therefore, a request for early repayment could be rejected by a blocking minority (between 33.33% and 49.9%, depending on the agreement), which, given the degree of adherence to the agreement, it is reasonable to assume will be easily obtained.

- **Borrowings without recourse to the Parent** includes the financing relating to the Cementos Portland Group, since there is a limited guarantee on the part of the Parent of the FCC Group, Fomento de Construcciones y Contratas, S.A. As regards the Cementos Portland Valderrivas Group, following the refinancing carried out in July 2012, it was established that this would be without recourse to the shareholder Fomento de Construcciones y Contratas, S.A. The only guarantee was the latter's commitment to provide financial support, established under contract, which amounted to EUR 100,000 thousand in 2012. A contingent guarantee amounting to EUR 200,000 thousand was also established for a future year (2014) in the event that the EBITDA of the Cementos Portland Valderrivas Group did not exceed certain parameters in June 2014.

  This financing requires the achievement of a series of ratios from 31 December 2013 onwards, and failure to achieve them constitutes grounds for the early repayment of the loan, unless equity is contributed to remedy this situation. Because of the possibility that it will not achieve the ratios, Cementos Portland classified the full amount of the syndicated debt, totalling EUR 955,825 thousand, net of arrangement expenses, as current and initiated discussions with the financial institutions to renegotiate the terms of the debt. In this connection, on 30 January 2014 the Cementos Portland Group obtained the approval of the majority of the financial institutions not to invoke the clause envisaging the early maturity of the debt in the event of a failure to achieve the ratios at 31 December 2013.

  In the context of the process of refinancing most of its borrowings and, therefore, the contingent commitments, which include the aforementioned contribution of EUR 200,000 thousand, the Group obtained from the creditor banks of Cementos Portland Valderrivas, S.A. a deferral of the contribution pursuant to the schedule established in the Group's refinancing.

  Cementos Portland Valderrivas, S.A. also obtained a waiver from its financing institutions whereby they will not consider the deferral requested by FCC discussed in the preceding paragraph as grounds for the early repayment of the financing agreement.

- **Limited-recourse project finance debt** comprising all the financing guaranteed solely by the project itself and by its cash generation capacity, which will support all the debt service payments and which will not be guaranteed by the Parent Fomento de Construcciones y Contratas, S.A. or any other FCC Group company under any circumstances.

- On 21 March 2013, Aqualia Czech, S.L. (at that time, a wholly owned subsidiary of Aqualia Gestión Integral del Agua, S.A. and, in turn, holder of 98.7% of the shares of SmVak) arranged a syndicated loan of CZK 3,300 million with ING, Komercni banka and Sberbank. This loan was used to:
  i) repay a syndicated loan from Aqualia Gestión Integral del Agua, S.A. (two tranches, one of EUR 52 million and the other of CZK 467 million), which was used at the time as the contribution of Aqualia, S.A. to the capital of Aqualia Czech and was set to mature on 31 December 2012 (previously extended to 31 March 2013); and
  ii) refinance the syndicated loan of Aqualia Czech, S.L. of CZK 1,400 million maturing in May 2015.

  The new loan matures on 15 September 2015 and has the following repayment schedule, in millions of Czech koruna: 130 in 2013, 150 in 2014 and 90 plus the portion pending repayment in 2015. Aqualia Czech retains liability with limited recourse to Aqualia Gestión Integral del Agua, S.A.
- On 20 December 2013, Azincourt Investment, S.L. (a wholly owned investee of FCC, S.A. and, in turn, holder of all the shares of FCC Environment UK, formerly WRG) refinanced a syndicated loan without recourse to FCC, S.A., which was arranged in 2006 upon the acquisition of WRG and matured on 31 December 2013. The refinancing is structured as a new syndicated loan with the same banks of GBP 381 million without recourse to FCC, S.A. and matures on 31 December 2017, with the possibility to extend it for one year if a series of conditions are met. The new loan is structured as a bullet, with a single payment due at maturity, although early repayment mechanisms are envisaged in the event that cash is available (cash sweep).

  The new loan is structured in two tranches:

  - Tranche A: GBP 100 million, which is divided in turn into two subtranches of GBP 30 million (tranche A1) and GBP 70 million (tranche A2). Tranche A1, of GBP 30 million, is formed by the lenders that participated in the new working capital facility, each for an amount equal to their actual share in that facility. Tranche A2 amounts to GBP 70 million and all the lenders participate in proportion to their share of the total debt. The interest costs of this tranche will be: LIBOR + 225 bps in 2014, LIBOR + 275 bps in 2015, LIBOR + 325 bps in 2016 and LIBOR + 400 bps in the remaining years.

- Tranche B, for GBP 281 million, with interest costs of LIBOR + 105 bps until 2016 (inclusive), LIBOR + 180 bps in 2017 and LIBOR + 255 bps in 2018, if appropriate.

This structure was designed to encourage lenders to participate in the new working capital facility, which has been found to have worked as more than half of the banks participated in this new facility.

The refinancing agreement reached with the banks included the contribution of GBP 80 million by FCC, S.A. to Azincourt as a capital increase through a monetary contribution, which had already been paid at the date of preparation of these consolidated financial statements.

Additionally, FCC Environment UK arranged a new working capital facility of GBP 30 million with most of the banks in the syndicate lending to Azincourt and also entered into a factoring arrangement to discount customer invoices for the same amount as the working capital facility.

This new financing enables FCC Environment UK to focus on the achievement and compliance with its business plan, which is centred on the transition from the landfill business to a business based on recycling, recovering and adding value to waste. Achieving this plan will enable the sustained generation of cash and EBITDA at the company.

Following are the most significant credits and loans arranged by the Group in prior years, highlighting those refinanced, always on the understanding that the list is based on the abovementioned refinancing agreement:

Main refinanced loans and credits

The most noteworthy refinanced loans and credits are as follows:

- On 26 March 2012, Fomento de Construcciones y Contratas, S.A. completed the refinancing of a syndicated credit of EUR 451 million that matured on 29 April 2012. The twelve banks that were involved in the original transaction participated in the refinancing. The transaction matures in three years (on 30 April 2015), with a 10% repayment in April 2014 and a 10% repayment in October 2014. It consists of a single tranche loan of EUR 438.5 million.

- On 17 July 2012, Fomento de Construcciones y Contratas, S.A. completed the refinancing of a long-term financing line of EUR 800 million, which matures on 19 July 2012. In December 2011, EUR 140 million were repaid and, accordingly, the outstanding loan amount was EUR 660 million. Sixteen entities took part in the refinancing. The operation matures in three years (19 July 2015), with a 10% repayment in July 2014 and a 10% repayment in January 2015. It consists of two tranches, a loan of EUR 178.1 million and a credit of EUR 330.8 million.

- On 30 July 2010, Fomento de Construcciones y Contratas, S.A. refinanced the syndicated loan of EUR 1,225 million that matured on 8 May 2011 under a Forward Start arrangement. This loan matures in three years (8 May 2014) with repayment of 50% in 2013. It consists of three tranches: the first, a EUR 735 million loan, the second, a EUR 490 million credit facility and the third, a new money tranche of EUR 62 million available from 1 January 2011. Therefore, the amount of the new transaction totals EUR 1,287 million.

- On 11 August 2011, Fomento de Construcciones y Contratas, S.A. entered into a syndicated loan to finance part of the 2011 investment plan for EUR 120,000 thousand, maturing in three years (11 August 2014). The participating banks are ICO, BBVA and Santander. The first repayment of 20% fell due in 2013 and the rest is repayable upon maturity.

- Syndicated loan arranged on 25 January 2007. This loan replaced the bridge loan of EUR 1,030,000 thousand arranged in 2006 as part of the structured recourse financing for the acquisition of the British company Waste Recycling Group Ltd and its corporate group, currently the FCC Environment Group. The loan is structured in two tranches: the first for an initial amount of EUR 819,700 thousand and the second for GBP 200,000 thousand. Both tranches mature in December 2013, with half-yearly settlements of 4.615% of the total initial amount of the loan and a final payment of 40.005% of the loan. The interest rate on the euro tranche is Euribor plus a spread calculated on the basis of the variation in the Net Financial Debt/EBITDA Ratio. The spread established for the euro tranche is also applicable to the tranche denominated in pounds sterling.

Main loans and credits not refinanced

The most noteworthy loans and credits not refinanced are as follows:

- On 31 July 2012, the Cementos Portland Valderrivas Group arranged the refinancing of its most significant borrowings, which were set to mature mainly in 2012 and 2013. The combined amount of the financing was EUR 1,114.1 million, structured in six separate tranches. This refinancing matures in four years, with a possibility of extending it a further year in the event of achieving a Net Financial Debt/EBITDA Ratio for the reporting period ended 31 December 2015 of 4.75 or less. The spread to be applied to this financing is 4% in the first two years and 4.5% in subsequent years. In accordance with the provisions of the contract, this financing is without recourse to the shareholder Fomento de Construcciones y Contratas, S.A.

- On 17 October 2012, Fomento de Construcciones y Contratas, S.A. again renewed the transaction with Société Générale carried out in order to optimise its treasury share position (the initial transaction was executed on 15 April 2011). In this renewal, 685,000 treasury shares were released. The transaction was on 5,480,000 shares and liquidity amounting to EUR 43 million was obtained. The transaction, which fell due on 18 January 2013, was renewed until it was definitively repaid on 10 July 2013.

- On 10 July 2008, Fomento de Construcciones y Contratas, S.A. and Dédalo Patrimonial, S.L. (wholly owned by Fomento de Construcciones y Contratas, S.A.) arranged a long-term credit facility for USD 186,900 thousand, maturing on 10 October 2013. The purpose of this loan was to finance the acquisition of Hydrocarbon Recovery Services Inc. and International Petroleum Corp. of Delaware. The agreement consists of three tranches:

  a) The first, a long-term loan of USD 40,000 thousand granted to Fomento de Construcciones y Contratas, S.A. USD 12,000 thousand and USD 8,000 thousand were repaid on 10 October 2012 and 2011, respectively.
  b) The second, a long-term credit facility of USD 58,900 thousand granted to Dédalo Patrimonial, S.L., of which USD 17,670 thousand and USD 11,780 thousand were repaid on 10 October 2012 and 2011, respectively.
  c) The third, a long-term credit facility of USD 88,000 thousand granted to Dédalo Patrimonial, S.L., of which USD 26,400 thousand and USD 17,600 thousand were repaid on 10 October 2012 and 2011, respectively.

The established price comprises the reference rate (Libor) plus a spread based on the variation in the Consolidated Net Debt/Consolidated EBITDA Ratio.

In 2013 an agreement was reached to defer until 31 March 2014 the maturities falling in 2013 of the loan from FCC, S.A. to Dédalo Patrimonial, S.L., the Forward Start facility, the EUR 120 million loan with ICO, BBVA and Santander, the syndicated loan relating to the acquisition of FCC Environment and the new liquidity facility arranged on 15 April 2013 were.

The detail of the bank borrowings, by currency and amounts drawn down at 31 December 2013 and 2012, is as follows:

	Euros	US dollar	Pound sterling	Czech koruna	Brazilian real	Other	Total
2013							
Credit facilities and loans	4,096,744	86,638	115,299	1,913	—	23,797	4,324,391
Borrowings without recourse to the Parent	967,304	—	—	—	—	1,403	968,707
Limited recourse project financing loans	108,990	—	695,729	111,897	—	17,393	934,009
	5,173,038	86,638	811,028	113,810	—	42,593	6,227,107
2012							
Credit facilities and loans	4,359,304	147,541	165,367	22,715	13,035	26,381	4,734,343
Borrowings without recourse to the Parent	1,627,898	8	7	574	—	15,330	1,643,817
Limited recourse project financing loans	126,703	—	666,055	55,349	—	20,736	868,843
	6,113,905	147,549	831,429	78,638	13,035	62,447	7,247,003

The credit facilities and loans denominated in US dollars are being used mainly to finance assets in the Services Area, such as the purchase of FCC Environmental LLC in 2008, and companies in Central America in the Construction Area; those arranged in pounds sterling fund assets of the FCC Environment, UK Group (formerly Waste Recycling Group Ltd - currently the FCC Environment Group) in the United Kingdom; and those arranged in Czech koruna are being used to finance the operations of SmVaK (Severomoravské Vodovody a Kanalizace Ostrava, A.S.) in the Czech Republic.

c) Other non-current financial liabilities

	2013	2012
Non-current		
Obligations under finance leases	35,504	44,431
Financial borrowings - non-Group third parties	107,056	79,225
Liabilities relating to financial derivatives	34,150	106,317
Guarantees and deposits received	28,026	27,338
Street furniture contract financing	—	483,513
Other	11,734	14,668
	216,470	755,492

"Liabilities Relating to Financial Derivatives" includes mainly financial derivatives designated as hedging instruments, basically interest rate swaps (see Note 24).

"Street Furniture Contract Financing" included at 31 December 2012 the payment obligations acquired by the FCC Group due to the operating rights under the street furniture operating contracts (see Note 7-c). This activity was classified as a discontinued operation at 31 December 2013 (see Note 4).

d) Other current financial liabilities

	2013	2012
Current		
Obligations under finance leases	12,750	26,450
Interim dividend payable	492	539
Financial borrowings - non-Group third parties	55,196	32,725
Payable to non-current asset suppliers and notes payable	95,911	43,287
Payable to associates and joint ventures	19,337	28,431
Liabilities relating to financial derivatives	53,508	92,904
Guarantees and deposits received	2,311	2,224
Street furniture contract financing	—	55,202
Other	1,197	1,578
	240,702	283,340

As regards "Liabilities Relating to Financial Derivatives", the detail of which is provided in Note 24 "Derivative Financial Instruments", the following is noteworthy: on the one hand, the EUR 38,969 thousand (2012: EUR 69,230 thousand) relating to the market value of the put option associated with the share option plan for Executives and Executive Directors indicated in Note 19 and, on the other hand, the financial derivatives designated as hedging instruments, mainly interest rate swaps.

e) Repayment schedule

The repayment schedule for the bank borrowings, debt instruments and other marketable securities and other non-current financial liabilities is as follows:

	2015	2016	2017	2018	2019 and subsequent years	Total
2013						
Debt instruments and other marketable securities	72,729	—	—	329,682	—	402,411
Non-current bank borrowings	155,678	90,901	31,479	37,078	202,890	518,026
Other financial liabilities	51,253	22,330	11,888	8,022	122,977	216,470
	279,660	113,231	43,367	45,100	655,549	1,136,907

22. OTHER NON-CURRENT LIABILITIES

The detail at 31 December 2013 and 2012 is as follows:

	2013	2012
Payable to Public Authorities - long-term deferrals	188,655	173,258
Other non-current liabilities	25,756	25,535
	214,411	198,793

The Large Taxpayers Central Office of the State Tax Agency and the Social Security General Treasury authorised deferral of the payment of certain taxes and social security contributions due to the delay in collection from public-sector customers. The deferred amount is payable monthly up to a maximum of four years at an interest rate of 5%.

23. TRADE AND OTHER PAYABLES

The detail of "Trade and Other Payables" in the consolidated balance sheet at 31 December 2013 and 2012 is as follows:

	2013	2012
Payable to suppliers	1,486,538	2,410,701
Current tax liabilities	25,147	37,248
Deferred payables to Public Authorities	143,550	85,329
Other accounts payable to Public Authorities	423,624	533,708
Customer advances (Note 16)	762,602	1,071,126
Remuneration payable	90,800	186,843
Other payables	481,556	507,452
	3,413,817	4,832,407

In relation to the resolution issued by the Spanish Accounting and Audit Institute (ICAC) on 29 December 2010 implementing Additional Provision Three of Law 15/2010, of 5 July, on combating late payment in commercial transactions, it should be noted with respect to 2013 that in Spain the Group operates mainly with public-sector customers such as the State, Autonomous Communities, local corporations and other public bodies which take considerably longer to settle their payment obligations than the periods established in Public Sector Contract Legislation and in Law 3/2004, of 29 December, on combating late payment. The resulting effects can be seen under "Changes in Working Capital" in the accompanying consolidated statement of cash flows.

It is also important to note that in 2013, the provisions of Article 228.5 of the current Consolidated Text of the Public Sector Contract Law ("TRLCSP") were applied to work and supplies arising from agreements entered into by the Group with the various Public Authorities.

Due to this situation, in order to adapt the Group's financial policy to reasonable levels of efficiency, the usual payment periods to the suppliers in the sectors in which the Group operates were maintained throughout 2013, which has offset in part the negative change in working capital mentioned above.

The Group's supplier payment policy described in the two preceding paragraphs is thus supported by a) Payments to suppliers of agreements entered into by the Group with the Public Authorities: in Article 228.5 of the TRLCSP (all the requirements of which were met) and b) Payments to other suppliers: in Transitional Provision Two of Law 15/2010 and, where applicable, the provisions of Article 9 of Law 3/2004, which does not consider "payment deferral due to objective reasons" to be abusive, taking into consideration in both case a) and case b) the usual payment period in the business sectors in which the Group operates.

Furthermore, the Group acknowledges and pays suppliers, always by mutual agreement, the late-payment interest agreed in the agreements and provides them with negotiable payment methods associated with actions for collection of a bill of exchange, and the discount costs, if any, are borne by the Group. Such agreements, which are expressly provided for in the TRLCSP, as described above, are also allowed by Directive 2011/7/EU of 16 February, of the European Parliament and of the Council.

In compliance with the aforementioned ICAC resolution, the following table shows the payments made and the outstanding payments to suppliers of the companies exclusively resident in Spain.

PAYMENTS MADE AND OUTSTANDING PAYMENTS AT THE BALANCE-SHEET DATE				
	2013	%	2012	%
Within the maximum payment period	872,286	54	1,131,861	61
Other	737,849	46	714,203	39
Total payments made in the year	1,610,135	100	1,846,064	100
Weighted average period of late payment (days)	103		89	
Deferred payments that at year-end exceed the maximum payment period	188,577		188,107	

24. DERIVATIVE FINANCIAL INSTRUMENTS

In general, the financial derivatives arranged by the FCC Group are treated, for accounting purposes, in accordance with the regulations on hedge accounting described in Note 3-p to these consolidated financial statements, i.e. they are transactions that hedge actual positions.

The main financial risk hedged by the FCC Group using derivative instruments relates to fluctuations in the floating interest rates to which the Group companies' financing is tied.

At 31 December 2013, the FCC Group had arranged interest rate hedging transactions totalling EUR 3,170,016 thousand (31 December 2012: EUR 5,176,539 thousand) mainly in the form of IRSs in which the Group companies, associates and joint ventures pay fixed rates and receive floating rates.

The detail of the cash flow hedges and the fair value thereof is as follows:

	Type of derivative	Type of hedge	% hedged	Notional amount at 31/12/12	Notional amount at 31/12/13	Value at 31/12/12	Value at 31/12/13	Expiry
Fully consolidated companies								
Fomento de Construcciones y Contratas, S.A.	IRS	CF	100%	108,545	—	(4,965)	—	30/12/13
	IRS	CF	2%	9,847	—	(374)	—	30/12/13
	IRS	CF	20%	82,469	—	(3,276)	—	30/12/13
	IRS	CF	31%	125,549	—	(5,089)	—	30/12/13
	IRS	CF	17%	70,160	—	(2,776)	—	30/12/13
	IRS	CF	100%	15,076	—	(20)	—	10/10/13
	IRS	CF	95%	1,225,000	612,502	(21,413)	(4,219)	08/05/14
	IRS	CF	38%	9,761	9,364	(1,316)	(824)	02/04/24
	IRS	CF	19%	4,880	4,682	(658)	(412)	02/04/24
	IRS	CF	12%	3,127	3,000	(422)	(267)	02/04/24
	IRS	CF	12%	2,755	2,643	(371)	(240)	02/04/24
	BASIS SWAP	CF	37%	150,000	—	362	—	30/12/13
	BASIS SWAP	CF	28%	111,027	—	251	—	30/12/13
	BASIS SWAP	CF	6.69%	26,998	—	28	—	28/06/13
Azincourt Investment, S.L.	IRS	CF	15%	86,046	—	(4,034)	—	31/12/13
	IRS	CF	15%	86,046	—	(4,034)	—	31/12/13
	IRS	CF	15%	86,046	—	(4,034)	—	31/12/13
	IRS	CF	14%	75,519	—	(3,540)	—	31/12/13
RE3 Ltd.	IRS	CF	100%	34,434	32,317	(8,830)	(5,160)	30/09/29
Kent	IRS	CF	80%	49,300	45,258	(12,384)	(7,511)	31/03/27
	IRS	CF	80%	21,129	19,396	(5,307)	(3,219)	31/03/27
	IRS	CF	80%	35,214	32,327	(8,846)	(5,365)	31/03/27

	Type of derivative	Type of hedge	% hedged	Notional amount at 31/12/12	Notional amount at 31/12/13	Value at 31/12/12	Value at 31/12/13	Expiry
FCC Environment Ltd. Lincolnshire	Currency forward	CF	100%	27,384	4,437	(1,463)	(171)	21/03/14
FCC WREXHAM PFI Ltd.	IRS	CF	100%	27,075	26,701	(9,095)	(5,642)	30/09/32
FCC WREXHAM PFI (Phase II) Ltd.	IRS	CF	100%	—	8,397	—	445	30/09/32
	IRS	CF	100%	—	8,397	—	445	30/09/32
FCC Recycling (UK) Ltd.	Currency forward	CF	100%	—	4,841	—	(104)	01/07/14
FCC Buckinghamshire PFI Ltd.	IRS	CF	100%	—	13,003	—	(102)	29/04/16
	IRS	CF	100%	—	13,003	—	(102)	29/04/16
	IRS	CF	100%	—	13,003	—	(102)	29/04/16
	IRS	CF	100%	—	13,003	—	(102)	29/04/16
	IRS	CF	100%	—	13,003	—	(102)	29/04/16
FCC Buckinghamshire PFI Ltd.	Currency forward	CF	100%	—	46,896	—	(1,374)	28/08/15
	Currency forward	CF	100%	—	46,896	—	(1,374)	28/08/15
Depurplan 11, S.A.	IRS	CF	65%	7,279	6,733	(1,639)	(1,128)	01/12/25
Ecodeal-Gestao Integral de Residuos Industriais, S.A.	IRS	CF	80%	8,152	6,713	(867)	(544)	15/12/17
Aqualia Czech, S.L.	Forward IRS	CF	17%	8,834	—	(375)	—	15/05/15
	Forward IRS	CF	12%	5,889	—	(250)	—	15/05/15
	Forward IRS	CF	11%	5,521	—	(234)	—	15/05/15
	Forward IRS	CF	7%	3,681	—	(156)	—	15/05/15
	Forward IRS	CF	3%	126	—	(5)	—	15/05/15
	Forward IRS	CF		3,382	—	(152)	—	15/05/15
	Forward IRS	CF	75%	—	36,995	—	(406)	15/09/15
	Forward IRS	CF	75%	—	36,995	—	(406)	15/09/15
	Forward IRS	CF	75%	—	12,332	—	(135)	15/09/15
Alpine	IRS	CF	43%	85,714	—	(1,541)	—	31/12/14
	IRS	CF	40%	28,571	—	(233)	—	31/05/13
	IRS	CF	13%	20,000	—	(333)	—	29/11/13
	IRS	CF	25%	40,000	—	(644)	—	29/11/13
	IRS	CF	25%	40,000		(632)		29/11/13

	Type of derivative	Type of hedge	% hedged	Notional amount at 31/12/12	Notional amount at 31/12/13	Value at 31/12/12	Value at 31/12/13	Expiry
	IRS	CF	38%	60,000	—	(1,238)	—	29/11/13
	IRS	CF	50%	25,000	—	(171)	—	30/01/14
	Currency forward	CF	100%	1,341	—	(8)	—	11/01/13
	Currency forward	CF	100%	4,150	—	(8)	—	07/01/13
	Currency forward	CF	100%	30,162	—	(73)	—	21/01/13
	Currency forward	CF	100%	17,130	—	(149)	—	04/01/13
	Currency forward	CF	100%	3,495	—	4	—	21/01/13
	Currency forward	CF	100%	9,116	—	(16)	—	11/01/13
	Currency forward	CF	100%	1,117	—	2	—	11/01/13
	Currency forward	CF	100%	413	—	(1)	—	11/01/13
Sociedad Concesionaria del Túnel de Coatzacoalcos, S.A. de C.V.	IRS	CF	100%	38,703	36,350	(1,995)	(1,317)	10/06/14
Integraciones Ambientales de Cantabria, S.A.	IRS	CF	75%	13,512	13,017	(1,814)	(1,199)	31/12/22
Dédalo Patrimonial	IRS	CF	60%	33,167	—	(45)	—	10/10/13
Total fully consolidated companies				2,967,842	1,122,204	(114,179)	(40,637)	
Companies accounted for using the equity method								
Tramvia Metropolità, S.A.	IRS	CF		7,587	—	(2,301)	—	31/10/23
	IRS	CF		3,252	—	(984)	—	31/10/23
Tramvia Metropolità del Besòs, S.A.	IRS	CF		9,468	—	(2,356)	—	30/06/23
	IRS	CF		2,367	—	(589)	—	30/06/23
Cedinsa Eix del Llobregat, S.A.	IRS	CF	70%	49,521	48,539	(12,394)	(12,534)	01/05/33
Urbs Iudex et Causidicus, S.A.	IRS	CF	100%	72,961	70,345	(49,252)	(43,099)	30/12/33
Cedinsa d'Aro, S.A.	IRS	CF	100%	9,893	9,635	(3,110)	(3,293)	03/01/33
Ibisan Sociedad Concesionaria, S.A.	IRS	CF	70%	26,687	25,816	(6,023)	(4,335)	31/12/27
Nova Bocana Barcelona, S.A.	IRS	CF	17%	5,133	—	(1,283)	—	30/06/25
	IRS	CF	33%	10,266	—	(2,572)	—	30/06/25

	Type of derivative	Type of hedge	% hedged	Notional amount at 31/12/12	Notional amount at 31/12/13	Value at 31/12/12	Value at 31/12/13	Expiry
Betearte, S.A.U.	IRS	CF	33%	1,405	1,178	(174)	(107)	06/02/18
Nigh South West Health Partnership Limited	IRS	CF	33%	24,730	—	(6,697)	—	19/05/39
	IRS	CF	33%	24,730	—	(6,697)	—	19/05/39
	IRS	CF	33%	24,730	—	(6,697)	—	19/05/39
	CAP	CF	18%	21,325	—	—	—	31/03/14
	CAP	CF	18%	21,325	—	—	—	31/03/14
	Inflation swap	CF	50%	1,359	—	(2,609)	—	31/03/39
	Inflation swap	CF	50%	1,359	—	(2,609)	—	31/03/39
Cedinsa Ter Concessionaria de la Generalitat, S.A.	IRS	CF	32%	28,267	28,267	(1,600)	(1,707)	31/12/14
	IRS	CF	7%	6,183	6,183	(350)	(407)	31/12/14
	IRS	CF	14%	12,013	12,013	(680)	(555)	31/12/14
	IRS	CF	7%	6,183	6,183	(350)	(407)	31/12/14
	IRS	CF	14%	12,402	12,402	(702)	(637)	31/12/14
Concessió Estacions Aeroport L9	IRS	CF	36%	169,899	169,395	(36,763)	(26,601)	23/12/33
	IRS	CF	12%	54,083	53,922	(11,702)	(6,307)	23/12/33
	IRS	CF	13%	58,696	58,521	(12,701)	(7,017)	23/12/33
	IRS	CF	12%	54,983	54,819	(11,897)	(6,412)	23/12/33
	IRS	CF	12%	23,028	22,960	(4,983)	(2,685)	23/12/33
	IRS	CF	13%	14,365	14,322	(3,108)	(1,729)	23/12/33
Concesionaria Atención Primaria, S.A.	IRS	CF	75%	3,327	2,801	(230)	(140)	20/12/18
Aquos El Realito, S.A. de C.V.	IRS	CF	75%	22,240	27,066	(3,954)	(2,254)	22/01/25
Autopista Central Galega Sociedad Concesionaria Española, S.A., Sole-Shareholder Company	IRS	CF		42,188	—	(1,660)	—	31/07/13
	IRS	CF		25,312	—	(996)	—	31/07/13
	IRS	CF		—	—	—	—	30/06/16
	IRS	CF		—	—	—	—	30/06/16
Hospital del Sureste, S.A. (Phunciona Gestión Hospitalaria)	IRS IRS	CF CF		13,465 1,697	— —	(2,968) (419)	— —	31/12/32 31/12/32

	Type of derivative	Type of hedge	% hedged	Notional amount at 31/12/12	Notional amount at 31/12/13	Value at 31/12/12	Value at 31/12/13	Expiry
Túnel d'Envalira, S.A. Concesionaria del Principat d'Andorra	COLLAR	CF		6,436	—	(1,464)	—	20/07/22
Tranvía de Parla, S.A.	IRS	CF		22,783	—	(5,442)	—	30/12/22
Concesiones de Madrid, S.A.	IRS	CF		31,050	—	(1,158)	—	15/12/13
Terminal Polivalente de Castellón, S.A.	IRS	CF		6,301	—	(1,090)	—	15/01/18
	IRS	CF		3,125	—	(545)	—	15/01/18
Compañía Concesionaria del Túnel de Sóller, S.A.	IRS	CF		4,308	—	(389)	—	30/06/18
	IRS	CF		4,308	—	(389)	—	30/06/18
Metro Barajas Sociedad Concesionaria, S.A.	IRS	CF		7,333	—	(1,171)	—	24/06/24
Madrid 407 Sociedad Concesionaria, S.A.	IRS	CF		11,571	—	(4,303)	—	10/07/33
N6 (Concession) Limited	IRS	CF		1,133	—	(22)	—	30/06/13
	IRS	CF		3,640	—	(721)	—	30/06/34
	IRS	CF		319	—	(64)	—	30/06/34
	IRS	CF		850	—	(18)	—	28/06/13
	IRS	CF		2,731	—	(539)	—	30/06/34
	IRS	CF		239	—	(48)	—	30/06/34
	IRS	CF		1,133	—	(23)	—	28/06/13
	IRS	CF		3,642	—	(719)	—	30/06/34
	IRS	CF		319	—	(63)	—	30/06/34
	IRS	CF		1,133	—	(22)	—	28/06/13
	IRS	CF		3,642	—	(715)	—	30/06/34
	IRS	CF		319	—	(63)	—	30/06/34
Ruta de los Pantanos, S.A.	IRS	CF		15,745	—	(2,977)	—	02/01/18
M50 (Concession) Limited	IRS	CF		6,070	—	(2,662)	—	28/03/40
	IRS	CF		6,070	—	(2,729)	—	28/03/40
	IRS	CF		6,070	—	(2,727)	—	28/03/40
	IRS	CF		6,070	—	(2,727)	—	28/03/40

	Type of derivative	Type of hedge	% hedged	Notional amount at 31/12/12	Notional amount at 31/12/13	Value at 31/12/12	Value at 31/12/13	Expiry
Autopistas del Sol, S.A.	IRS	CF		32,992	—	(8,213)	—	30/11/23
Concesionaria Hospital Son Dureta, S.A.	IRS	CF		15,907	—	(5,659)	—	25/07/29
	IRS	CF		15,907	—	(5,659)	—	25/07/29
Autovía Necaxa - Tihuatlan, S.A. De C.V.	IRS	CF		23,108	—	(6,023)	—	06/12/27
	IRS	CF		22,428	—	(5,846)	—	06/12/27
	IRS	CF		22,428	—	(5,846)	—	06/12/27
Scutvias-Autoestradas da Beira Interior, S.A.	IRS	CF		9,727	—	(1,861)	—	04/10/18
	IRS	CF		6,080	—	(1,162)	—	04/10/18
	IRS	CF		6,080	—	(1,162)	—	04/10/18
	IRS	CF		2,432	—	(466)	—	04/10/18
Aeropuerto de Castellón	IRS	CF		5,511	—	(1,005)	—	30/09/19
Auto-Estradas XXI -	IRS	CF		22,652	—	(5,083)	—	31/12/29
Subconcessionaria Transmontana S.A.	IRS	CF		8,248	—	(1,851)	—	31/12/29
	IRS	CF		14,619	—	(3,281)	—	31/12/29
	IRS	CF		22,652	—	(5,083)	—	31/12/29
	IRS	CF		22,652	—	(5,083)	—	31/12/29
	IRS	CF		21,539	—	(4,833)	—	31/12/29
	IRS	CF		12,270	—	(2,753)	—	31/12/29
CIRALSA Sociedad Anónima	IRS	CF		7,078	—	(1,698)	—	30/12/24
Concesionaria del Estado	IRS	CF		7,078	—	(1,698)	—	30/12/24
	IRS	CF		7,078	—	(1,699)	—	30/12/24
Metros Ligeros de Madrid	IRS	CF		17,830	—	(6,268)	—	30/06/34
	IRS	CF		18,454	—	(5,709)	—	31/12/26
	IRS	CF		2,664	—	(936)	—	30/06/34
Realia Patrimonio, S.L.U.	IRS	CF		15,485	—	(998)	—	30/06/14
	IRS	CF		15,485	—	(998)	—	30/06/14
	IRS	CF		15,485	—	(1,038)	—	30/06/14
	IRS	CF		15,485	—	(1,038)	—	30/06/14
	IRS	CF		15,485	—	(1,038)	—	30/06/14

	Type of derivative	Type of hedge	% hedged	Notional amount at 31/12/12	Notional amount at 31/12/13	Value at 31/12/12	Value at 31/12/13	Expiry
	IRS	CF		15,485	—	(1,038)	—	30/06/14
	IRS	CF		15,485	—	(1,024)	—	30/06/14
	IRS	CF		15,485	—	(1,024)	—	30/06/14
	IRS	CF		7,742	—	(519)	—	30/06/14
	IRS	CF		7,742	—	(519)	—	30/06/14
	IRS	CF		7,742	—	(513)	—	30/06/14
	IRS	CF		7,742	—	(513)	—	30/06/14
	IRS	CF		7,742	—	(513)	—	30/06/14
	IRS	CF		7,742	—	(513)	—	30/06/14
	IRS	CF		7,742	—	(512)	—	30/06/14
	IRS	CF		7,742	—	(512)	—	30/06/14
Societe d'Investissements Inmobiliers Cotee de Paris	IRS	CF		14,838	—	(958)	—	30/06/14
	IRS	CF		14,838	—	(958)	—	30/06/14
	IRS	CF		14,838	—	(996)	—	30/06/14
	IRS	CF		14,838	—	(996)	—	30/06/14
	IRS	CF		7,419	—	(498)	—	30/06/14
	IRS	CF		7,419	—	(498)	—	30/06/14
	IRS	CF		7,419	—	(492)	—	30/06/14
	IRS	CF		7,419	—	(492)	—	30/06/14
	IRS	CF		3,022	—	3	—	30/05/14
	IRS	CF		3,022	—	1	—	30/05/14
Total equity method				1,651,071	624,367	(341,271)	(120,226)	
Discontinued operations								
Olivento	IRS	CF	7%	28,290	26,214	(3,988)	(2,704)	31/12/24
	IRS	CF	9%	34,921	32,359	(4,923)	(3,341)	31/12/24
	IRS	CF	16%	61,096	56,613	(8,630)	(5,853)	31/12/24
	IRS	CF	6%	24,311	22,528	(3,434)	(2,338)	31/12/24
	IRS	CF	7%	28,290	26,214	(3,996)	(2,711)	31/12/24
	IRS	CF	9%	32,806	30,399	(4,634)	(3,159)	31/12/24
	IRS	CF	6%	22,750	21,081	(3,207)	(2,168)	31/12/24
	IRS	CF	7%	28,290	26,214	(3,996)	(2,710)	31/12/24
	IRS	CF	9%	32,806	30,399	(4,625)	(3,132)	31/12/24

	Type of derivative	Type of hedge	% hedged	Notional amount at 31/12/12	Notional amount at 31/12/13	Value at 31/12/12	Value at 31/12/13	Expiry
Helios Patrimonial 1, S.L. and	IRS	CF	13%	13,801	13,190	(1,497)	(937)	22/12/23
Helios Patrimonial 2, S.L.	IRS	CF	13%	13,801	13,190	(1,470)	(915)	22/12/23
	IRS	CF	27%	27,632	26,407	(2,970)	(1,859)	22/12/23
	IRS	CF	27%	27,632	26,407	(2,970)	(1,834)	22/12/23
Guzmán Energía, S.L.	IRS	CF	80%	54,360	53,562	(13,748)	(9,646)	01/04/31
	IRS	CF	80%	90,600	89,270	(22,837)	(15,936)	31/03/31
	IRS	CF	80%	36,240	35,708	(9,165)	(6,391)	01/04/31
Tramvia Metropolità, S.A.	IRS	CF		—	3,615	—	(894)	31/10/23
	IRS	CF		—	1,549	—	(383)	31/10/23
Tramvia Metropolità del Besòs, S.A.	IRS	CF		—	4,433	—	(855)	30/06/23
	IRS	CF		—	1,108	—	(214)	30/06/23
Autopista Central Galega Sociedad Concesionaria	IRS	CF		—	—	—	—	31/07/13
Española, S.A., Sole-Shareholder Company	IRS	CF		—	—	—	—	31/07/13
	IRS	CF		—	62,858	—	18	30/06/16
	IRS	CF		—	20,953	—	5	30/06/16
Hospital del Sureste, S.A.	IRS	CF		—	13,128	—	(1,940)	31/12/32
(Phunciona Gestión Hospitalaria)	IRS	CF		—	1,503	—	(279)	31/12/32
Túnel d'Envalira, S.A. Concesionaria del Principat d'Andorra	COLLAR	CF		—	6,343	—	(1,086)	20/07/22
Tranvía de Parla, S.A.	IRS	CF		—	16,184	—	(2,896)	30/12/22
Concesiones de Madrid, S.A.	IRS	CF		—	—	—	—	15/12/13
Terminal Polivalente de Castellón, S.A.	IRS	CF		—	5,968	—	(791)	15/01/18
	IRS	CF		—	2,984	—	(395)	15/01/18
Compañía Concesionaria del	IRS	CF		—	3,757	—	(243)	30/06/18
Túnel de Sóller, S.A.	IRS	CF		—	3,757	—	(243)	30/06/18
Metro Barajas Sociedad Concesionaria, S.A.	IRS	CF		—	7,126	—	(766)	24/06/24

	Type of derivative	Type of hedge	% hedged	Notional amount at 31/12/12	Notional amount at 31/12/13	Value at 31/12/12	Value at 31/12/13	Expiry
Madrid 407 Sociedad Concesionaria, S.A.	IRS	CF		—	11,530	—	(3,053)	10/07/33
N6 (Concession) Limited	IRS	CF		—	—	—	—	30/06/13
	IRS	CF		—	3,283	—	(451)	30/06/34
	IRS	CF		—	287	—	(40)	30/06/34
	IRS	CF		—	—	—	—	28/06/13
	IRS	CF		—	2,463	—	(343)	30/06/34
	IRS	CF		—	216	—	(30)	30/06/34
	IRS	CF		—	—	—	—	28/06/13
	IRS	CF		—	3,284	—	(456)	30/06/34
	IRS	CF		—	288	—	(40)	30/06/34
	IRS	CF		—	—	—	—	28/06/13
	IRS	CF		—	3,284	—	(457)	30/06/34
	IRS	CF		—	288	—	(40)	30/06/34
Ruta de los Pantanos, S.A.	IRS	CF		—	14,882	—	(2,132)	02/01/18
M50 (Concession) Limited	IRS	CF		—	6,015	—	(1,839)	28/03/40
	IRS	CF		—	6,015	—	(1,889)	28/03/40
	IRS	CF		—	6,015	—	(1,889)	28/03/40
	IRS	CF		—	6,015	—	(1,895)	28/03/40
Autopistas del Sol, S.A.	IRS	CF		—	64,610	—	(9,005)	30/11/23
Concesionaria Hospital Son Dureta, S.A.	IRS	CF		—	15,625	—	(4,117)	25/07/29
	IRS	CF		—	15,625	—	(4,116)	25/07/29
Autovía Necaxa - Tihuatlán, S.A. De C.V.	IRS	CF		—	22,073	—	(2,768)	06/12/27
	IRS	CF		—	21,424	—	(2,686)	06/12/27
	IRS	CF		—	21,424	—	(2,686)	06/12/27
Scutvias-Autoestradas da Beira Interior, S.A.	IRS	CF		—	8,384	—	(1,268)	04/10/18
	IRS	CF		—	5,240	—	(792)	04/10/18
	IRS	CF		—	5,240	—	(792)	04/10/18
	IRS	CF		—	2,096	—	(318)	04/10/18
Aeropuerto de Castellón	IRS	CF		—	5,183	—	(747)	30/09/19

	Type of derivative	Type of hedge	% hedged	Notional amount at 31/12/12	Notional amount at 31/12/13	Value at 31/12/12	Value at 31/12/13	Expiry
Auto-Estradas XXI-Subconcessionaria Transmontana, S.A.	IRS	CF		—	16,955	—	(3,120)	31/12/29
	IRS	CF		—	6,174	—	(1,147)	31/12/29
	IRS	CF		—	10,943	—	(2,015)	31/12/29
	IRS	CF		—	16,955	—	(3,121)	31/12/29
	IRS	CF		—	16,955	—	(3,156)	31/12/29
	IRS	CF		—	16,122	—	(3,015)	31/12/29
	IRS	CF		—	9,184		(1,690)	31/12/29
CIRALSA Sociedad Anónima Concesionaria del Estado	IRS	CF		—	7,069	—	(1,204)	30/12/24
	IRS	CF		—	7,069	—	(1,204)	30/12/24
	IRS	CF		—	7,069	—	(1,204)	30/12/24
Metros Ligeros de Madrid	IRS	CF		—	17,830	—	(4,363)	30/06/34
	IRS	CF		—	18,454	—	(4,050)	31/12/26
	IRS	CF		—	2,664	—	(649)	30/06/34
Realia Patrimonio, S.L.U.	IRS	CF		—	18,398	—	(403)	30/06/14
	IRS	CF		—	18,398	—	(403)	30/06/14
	IRS	CF		—	18,398	—	(419)	30/06/14
	IRS	CF		—	18,398	—	(419)	30/06/14
	IRS	CF		—	18,398	—	(419)	30/06/14
	IRS	CF		—	18,398	—	(419)	30/06/14
	IRS	CF		—	18,398	—	(414)	30/06/14
	IRS	CF		—	18,398	—	(414)	30/06/14
	IRS	CF		—	9,199	—	(210)	30/06/14
	IRS	CF		—	9,199	—	(210)	30/06/14
	IRS	CF		—	9,199	—	(207)	30/06/14
	IRS	CF		—	9,199	—	(207)	30/06/14
	IRS	CF		—	9,199	—	(207)	30/06/14
	IRS	CF		—	9,199	—	(207)	30/06/14
	IRS	CF		—	9,199	—	(207)	30/06/14
	IRS	CF		—	9,199	—	(207)	30/06/14
Societe d'Investissements Inmobiliers Cotee de Paris	IRS	CF		—	17,668	—	(387)	30/06/14
	IRS	CF		—	17,668	—	(387)	30/06/14
	IRS	CF		—	17,668	—	(403)	30/06/14
	IRS	CF		—	17,668	—	(403)	30/06/14

	Type of derivative	Type of hedge	% hedged	Notional amount at 31/12/12	Notional amount at 31/12/13	Value at 31/12/12	Value at 31/12/13	Expiry
	IRS	CF		—	8,834	—	(201)	30/06/14
	IRS	CF		—	8,834	—	(201)	30/06/14
	IRS	CF		—	8,834	—	(199)	30/06/14
	IRS	CF		—	8,834	—	(199)	30/06/14
	IRS	CF		—	3,704	—	—	30/05/14
	IRS	CF		—	3,704	—	—	30/05/14
Total discontinued operations				557,626	1,423,445	(96,090)	(157,745)	

The detail, by expiry date, of the notional amount of the hedging transactions arranged at 31 December 2013 is as follows:

	Notional maturity				
	2014	2015	2016	2017	2018 and subsequent years
Fully consolidated companies	711,140	146,534	92,714	15,250	156,566
Companies accounted for using the equity method	71,623	6,872	6,996	10,033	528,843
Discontinued operations	387,091	55,847	141,192	78,675	760,640

The detail of the financial derivatives arranged by the Company for hedging purposes, but which do not qualify for hedge accounting, is as follows:

	Type of derivative	Type of hedge	Notional amount at 31/12/12	Notional amount at 31/12/13	Value at 31/12/12	Value at 31/12/13	Expiry
Fully consolidated companies							
.A.S.A. Abfall Service Zistersdorf GmbH	COLLAR	SP	61,333	56,000	(10,440)	(7,588)	28/03/24
Cementos Portland Valderrivas	IRS	CF	63,000	45,000	(1,106)	(123)	22/02/14
	IRS	CF	21,000	15,000	(255)	(29)	24/02/14
	IRS	CF	2,756	1,969	(135)	(68)	15/04/16
Total fully consolidated companies			148,089	117,969	(11,936)	(7,808)	
Companies accounted for using the equity method							
Zabalgarbi, S.A.	COLLAR	SP	3,000	3,000	(238)	10	26/01/14
	BARRIER SWAP	SP	3,000	4,500	(153)	18	27/01/14
Nigh South West Health Partnership Limited	CAP	SP	21,325	—	—	—	31/03/14
	CAP	SP	21,325	—	—	—	31/03/14
Total equity method			48,650	7,500	(391)	28	

Following is a detail, by expiry, of the notional amount of the derivatives that do not qualify for hedge accounting:

	2014	2015	Notional expiry 2016	2017	2018 and subsequent years
Fully consolidated companies	66,121	6,121	5,727	5,333	34,667
Companies accounted for using the equity method	7,500	—	—	—	—

The following table relates to the market value of the derivative instruments associated with the share option plan for Executives and Executive Directors indicated in Note 19:

Type of derivative	Classification	Amount arranged	Expiry	2012 Market Value Assets	2012 Market Value Liabilities	2013 Market Value Assets	2013 Market Value Liabilities
First tranche							
CALL	Hedge	1,800	15/01/14	1	—	—	—
PUT	Non-hedging instruments	1,800	15/01/14	—	45,217	—	25,558
Swap	Non-hedging instruments	53,838	15/01/14	538	—	—	234
				539	45,217	—	25,792
Second tranche							
CALL	Hedge	1,500	10/02/14	136	—	—	—
PUT	Non-hedging instruments	1,500	10/02/14	—	24,013	—	13,410
Swap	Non-hedging instruments	37,065	10/02/14	928	—	—	13
				1,064	24,013	—	13,423

As regards the Call option of the first tranche, it should be noted that it was treated as a hedging derivative until its expiry on 1 October 2013. However, it was agreed to postpone expiry of the call, the put and the exchange of interest and dividends to 15 January 2014 and, therefore, no cash flow took place upon settlement and it was thenceforth considered to be a derivative not qualifying for hedge accounting.

25. TAX MATTERS

This Note describes the headings in the accompanying consolidated balance sheet and consolidated income statement relating to the tax obligations of each of the Group companies, such as deferred tax assets and liabilities, receivables from and payables to Public Authorities and the income tax expense.

Under authorisation 18/89, the Parent of the FCC Group files consolidated income tax returns with all the other Group companies that meet the requirements established by tax legislation. The subsidiary Corporación Uniland, S.A. also files consolidated income tax returns and makes up its own consolidated tax group.

Fomento de Construcciones y Contratas, S.A., the subsidiaries composing the FCC Group and the joint ventures have all the years not yet statute-barred open for review by the tax authorities for the taxes applicable to them. The criteria that the tax authorities might adopt in relation to the years open for review could give rise to contingent tax liabilities which cannot be objectively quantified. However, the FCC Group's Senior Executives consider that the resulting liabilities relating to the years open for review will not significantly affect the Group's equity.

With respect to the years audited, it should be noted that the Group has not been issued tax assessments for significant amounts in the last four years and has filed the corresponding appeals, unless it has signed assessments on an uncontested basis. In 2012 the Supreme Court handed down a judgment rejecting the appeal filed previously by the Group against the income tax assessments for 1991 to 1994. The sentence was enforced in 2013 and did not affect equity since provisions had been recognised for the aforementioned assessments.

a) Deferred tax assets and liabilities

The deferred tax assets arise mainly as a result of the differences between the depreciation and amortisation charges, impairment losses, impairment of assets held for sale and non-deductible borrowing costs that will become deductible from the income tax base in future years. In general, each year the Group companies take the tax credits provided for under tax legislation and, therefore, the deferred tax assets do not include any material tax credit carryforwards.

Group management evaluated the recoverability of the deferred tax assets by estimating the future tax bases corresponding to tax group 18/89 and concluded that there were no doubts as to their recovery through the generation of future taxable profits.

The tax losses of the subsidiaries were generally offset by deducting from the income tax the investment valuation allowances recognised by the Group companies owning the holding, or by deducting these losses from the consolidated tax base in the case of subsidiaries that file consolidated tax returns. However, certain companies recognised deferred tax assets relating to tax losses amounting to EUR 131,199 thousand (31 December 2012: EUR 113,018 thousand), since they considered that there are no doubts as to their recoverability.

Deferred tax liabilities arose mainly as a result of:

- The differences between the tax base and the carrying amount resulting from the recognition of assets at fair value in connection with the corporate acquisitions in the FCC Group's various business segments, as indicated in Notes 3-b and 5. In general, these liabilities do not represent future cash outflows since they reverse at the same rate as that of the depreciation taken on the revalued assets.
- The depreciation for tax purposes of leased assets and of certain items of property, plant and equipment qualifying for accelerated depreciation for tax purposes, and the accelerated depreciation of the investments made, enabling them to be depreciated in full provided that certain requirements are met.
- The profit of joint ventures that will be included in the income tax base for the following year.
- The deductibility for tax purposes of the goodwill arising on the acquisition of non-resident companies prior to 2008.

In 2013 a decrease of EUR 19,759 thousand (31 December 2012: an increase of EUR 17,040 thousand) arising from the tax effect of translation differences and the adjustment of the fair value of financial instruments was recognised in equity under "Valuation Adjustments" and "Non-Controlling Interests" with a balancing entry in the related deferred taxes.

Following is a detail of the expected reversal dates of the deferred tax assets and liabilities:

	2014	2015	2016	2017	2018 and subsequent years	Total
Assets	390,666	62,257	56,507	34,806	537,753	1,081,989
Liabilities	104,000	21,724	14,442	14,095	648,406	802,757

b) Public Authorities

The detail at 31 December 2013 and 2012 of "Current Tax Assets" and "Current Tax Liabilities" is as follows:

Current assets

	2013	2012
VAT refundable (Note 16)	133,649	200,683
Current tax	34,163	25,813
Other taxes, etc. (Note 16)	38,891	54,119
	206,703	280,615

Current liabilities

	2013	2012
VAT payable (Note 23)	128,432	211,284
Current tax	25,147	37,248
Accrued social security and other taxes payable (Note 23)	295,191	322,424
	448,770	570,956

c) Income tax expense

The income tax benefit accrued in 2013 amounted to EUR 135,502 thousand (2012: EUR 37,956 thousand), as shown in the accompanying consolidated income statement. Following is the reconciliation of the expense to the tax charge accrued:

	2013			2012		
Consolidated profit (loss) before tax from continuing operations			(760,766)			(260,683)
	Increase	Decrease		Increase	Decrease	
Consolidation adjustments and eliminations	280,588		280,588	239,321		239,321
Permanent differences	140,255	(77,806)	62,449	92,524	(66,752)	26,772
Adjusted consolidated profit (loss) from continuing operations			(417,729)			5,410
Permanent differences with an impact on reserves (*)						(2,984)
Temporary differences						
-Arising in the year	901,272	(226,175)	675,097	336,914	(151,021)	185,893
-Arising in prior years	279,255	(183,074)	96,181	275,977	(301,231)	74,746
Changes in the scope of consolidation (Note 5)						(5,272)
Consolidated taxable result from continuing operations			353,549			257,793

(*) Deductible expenses and allocable income which, in accordance with accounting standards, are recognised directly in reserves.

With respect to the table above, in light of the magnitude of the amounts, it is important to note that the income tax base is the best estimate available at the date of preparation of these consolidated financial statements. The definitive amount payable will be calculated on settlement of the tax in 2014 and, accordingly, the final settlement may vary on the basis of any adjustments made for temporary differences until that time, as explained in Note 3-q to these consolidated financial statements. In 2013 and 2012 there were noteworthy increases in "Consolidation Adjustments and Eliminations", due primarily to the impairment losses recognised on the goodwill of the FCC Environment (UK) Group (formerly the WRG Group) (see Notes 7-b and 28-d).

	2013	2012
Adjusted consolidated profit (loss) from continuing operations	(417,729)	5,410
Income tax charge	133,031	(1,623)
Tax credits and tax relief	15,221	6,356
Adjustments due to change in tax rate (*)	12,559	14,754
Other adjustments	(25,309)	18,469
Income tax	135,502	37,956

(*) Due mainly to the reduction of the tax rate in the United Kingdom, mainly in the FCC Environment (UK) Group (formerly the WRG Group).

26. PENSION PLANS AND SIMILAR OBLIGATIONS

In general, the Spanish Group companies have not established any pension plans to supplement the social security pension benefits. However, pursuant to the Consolidated Text of the Regulatory Pension Fund and Plan Law, in the specific cases in which similar obligations exist, the companies externalise their pension commitments and other similar obligations to employees.

In addition, following authorisation by the Executive Committee, in the past the Parent arranged an insurance policy and paid the premium to cover the payment of benefits relating to death, permanent labour disability, retirement bonuses and pensions and other situations for, among other employees, certain Executive Directors and Executives. In particular, the contingencies giving rise to benefits are those which entail the extinguishment of the employment relationship for any of the following reasons:

a) Unilateral decision of the Company.
b) Dissolution or disappearance of the Parent for whatever cause, including merger or spin-off.
c) Death or permanent disability.
d) Other causes of physical or legal incapacity.
e) Substantial change in professional terms and conditions.
f) Resignation of the Executive on reaching 60 years of age, at the request of the Executive and with the consent of the Company.
g) Resignation of the Executive on reaching 65 years of age, by unilateral decision of the Executive.

The accompanying consolidated income statement includes premium payments in 2013 amounting to EUR 800 thousand in relation to this insurance policy. In addition, income from rebates on the premiums paid previously amounted to EUR 3,259 thousand. At 31 December 2013, the fair value of the contributed premiums covers all of the actuarial obligations assumed.

The liability side of the accompanying consolidated balance sheet for 2013 includes the present value, totalling EUR 2,852 thousand (2012: EUR 2,930 thousand), of the amounts payable in relation to the Spanish Group companies' post-employment benefit obligations to former Executives. Also, remuneration amounting to EUR 221 thousand in both 2013 and 2012 was paid with a charge to this provision.

Certain of the Group's foreign subsidiaries have undertaken to supplement the retirement benefits and other similar obligations accruing to their employees. The accrued obligations and, where appropriate, the related plan assets were measured by independent actuarial experts using generally accepted actuarial methods and techniques and the related amounts are recognised under "Long-Term Provisions – Long-Term Employee Benefit Obligations" in the accompanying consolidated balance sheet, in accordance with IFRSs (see Note 20).

The main benefits referred to in the preceding paragraph are as follows:

- The accompanying consolidated balance sheet at 31 December 2013 includes the employee benefit obligations of the companies of the FCC Environment (UK) Group, resident in the United Kingdom. These obligations are represented by certain assets assigned to the plans funding the benefits, the fair value of which amounted to EUR 44,180 thousand (31 December 2012: EUR 40,829 thousand), and the actuarial value of the accrued obligations amounted to EUR 46,722 thousand (31 December 2012: EUR 46,770 thousand). The net difference, representing a liability of EUR 2,542 thousand (31 December 2012: EUR 5,941 thousand), was recognised under "Long-Term Provisions" in the accompanying consolidated balance sheet. "Staff Costs" in the accompanying consolidated income statement includes a cost of EUR 695 thousand (31 December 2012: EUR 740 thousand) relating to the net difference between the service cost and the return on the plan assets. The average actuarial rate applied was 4.6% (2012: 4.5%).

- Giant Cement Holding, Inc., a US resident company, has undertaken to supplement the retirement benefits of its employees. The valuation of the plan assets and the accrued obligations was performed by independent actuaries. The projected unit credit method was used for this purpose, with an average actuarial discount rate of 4.5% (3.75% in 2012). At 31 December 2013, the fair value of the plan assets amounted to EUR 40,978 thousand (2012: EUR 41,266 thousand), and the actuarial value of the obligations for benefits earned amounted to EUR 53,166 thousand (2012: EUR 62,847 thousand).

  Also, Giant Cement Holding, Inc. has undertaken to continue to pay for the healthcare and life insurance of certain employees after termination of their employment, amounting to EUR 29,349 thousand (2012: EUR 35,401 thousand).

  The accrued obligations payable are included in the accompanying consolidated balance sheet under "Long-Term Provisions".

The detail of the changes in 2013 in the obligations and assets associated with the pension plans and similar obligations is as follows:

2013

Actual evolution of the present value of the obligation

	FCC Environment (UK) Group	Giant
Balance of obligations at beginning of year	46,770	98,875
Current service cost	367	2,002
Interest cost	2,029	3,362
Contributions by participants	23	80
Actuarial gains/losses	(460)	(7,744)
Changes due to exchange rate	(985)	(4,279)
Benefits paid in 2013	(1,022)	(4,793)
Past service cost	—	(4,448)
Balance of obligations at end of year	46,722	83,055

Actual evolution of the fair value of the plan assets

	FCC Environment (UK) Group	Giant
Balance of plan assets at beginning of year	40,829	41,266
Expected return on assets	1,800	1,479
Actuarial gains/losses	2,007	(869)
Changes due to exchange rate	(860)	(1,786)
Contributions by the employer	1,501	1,990
Contributions by participants	23	(137)
Benefits paid	(1,022)	(965)
Settlements	(98)	—
Balance of plan assets at end of year	44,180	40,978

Reconciliation of the actual evolution of the obligation less the plan assets to the balance effectively recognised in the balance sheet

	FCC Environment (UK) Group	Giant
Net balance of obligations less plan assets at end of year	2,542	42,077

2012

Actual evolution of the present value of the obligation

	FCC Environment (UK) Group	(*) Alpine	Giant
Balance of obligations at beginning of year	43,880	82,518	102,217
Current service cost	532	6,467	1,402
Interest cost	2,096	3,197	3,885
Contributions by participants	23	1,544	4,902
Actuarial gains/losses	477	13,039	—
Changes due to exchange rate	1,030	552	(1,984)
Benefits paid in 2012	(1,489)	(8,429)	(7,085)
Past service cost	221	—	(4,462)
Balance of obligations at end of year	46,770	98,888	98,875

Actual evolution of the fair value of the plan assets

	FCC Environment (UK) Group	(*) Alpine	Giant
Balance of plan assets at beginning of year	36,658	19,592	40,163
Expected return on assets	2,109	484	3,265
Actuarial gains/losses	990	344	—
Changes due to exchange rate	861	134	(779)
Contributions by the employer	1,677	1,148	4,984
Contributions by participants	23	1,543	—
Benefits paid	(1,489)	(1,912)	(6,367)
Balance of plan assets at end of year	40,829	21,333	41,266

Reconciliation of the actual evolution of the obligation less the plan assets to the balance effectively recognised in the balance sheet

	FCC Environment (UK) Group	(*) Alpine	Giant
Net balance of obligations less plan assets at end of year	5,941	77,555	57,609
Actuarial gains/losses not recognised in the balance sheet (within the 10% corridor)	—	(13,058)	—
Actuarial gains/losses not recognised in the balance sheet to be recognised in subsequent years	—	—	(40,204)
Net balance (liabilities-assets) recognised at end of year	5,941	64,497	17,405

(*) The Alpine Group was de-consolidated in 2013.

27. GUARANTEE COMMITMENTS TO THIRD PARTIES AND OTHER CONTINGENT LIABILITIES

At 31 December 2013, the Group had provided EUR 4,581,832 thousand (31 December 2012: EUR 5,728,988 thousand) of guarantees to third parties, mostly consisting of completion bonds provided to Government Agencies and private-sector customers as security for the performance of construction projects and urban cleaning contracts. Noteworthy among the guarantees are those granted to the Energy Area amounting to EUR 29,658 thousand, which will remain in place after the sale process is complete.

The main change in 2013 is due to the fact that the Alpine Group contributed EUR 1,259,075 thousand in 2012, while in 2013 it was de-consolidated (see Note 4).

Fomento de Construcciones y Contratas, S.A. and the Group's subsidiaries are acting as defendants in certain lawsuits in relation to the liability inherent to the various business activities carried on by the Group in the performance of the contracts awarded, for which the related provisions have been recognised (see Note 20). The lawsuits, although numerous, represent scantly material amounts when considered individually. Accordingly, on the basis of past experience and the existing provisions, the resulting liabilities would not have a significant effect on the Group's equity.

In relation to the Group companies' interests in businesses managed jointly through unincorporated joint ventures, joint property entities, silent participation agreements and other entities of a similar nature, the venturers share joint and several liability with respect to the activity carried on (see Note 13).

28. INCOME AND EXPENSES

a) Operating income

The Group classifies operating income under "Revenue", except for that arising from in-house work on non-current assets and other income, such as grants related to income, emission allowances, etc.

Note 29, “Segment Reporting”, shows the contribution of the business lines to consolidated revenue.

The detail of “Other Operating Income” in 2013 and 2012 is as follows:

	2013	2012
Income from sundry services	133,971	136,695
CO_2 emission allowances (Note 30)	2,584	33,641
Compensation received from insurance companies	6,295	4,886
Grants related to income	12,427	16,260
Other income	71,096	136,047
	226,373	327,529

b) Procurements

The detail of the balance of “Procurements” at 31 December 2013 and 2012 is as follows:

	2013	2012
Work performed by subcontractors and other companies	1,531,830	1,533,264
Purchases and procurements	1,072,857	1,158,006
	2,604,687	2,691,270

c) Staff costs

The detail of “Staff Costs” in 2013 and 2012 is as follows:

	2013	2012
Wages and salaries	1,534,912	1,658,316
Social security costs	418,370	446,371
Other staff costs	42,311	50,241
	1,995,593	2,154,928

"Staff Costs" at 31 December 2013 includes EUR 2,002 thousand (2012: EUR 2,323 thousand) relating to the share option plan (see Note 19).

The average number of employees at the Group, by professional category, in 2013 and 2012 was as follows:

	2013	2012
Managers and university graduates	3,334	3,780
Professionals with qualifications	8,852	8,570
Clerical and similar staff	8,666	8,756
Other salaried employees	58,716	64,853
	79,568	85,959

The number of employees included in the foregoing table who discharged duties at companies that were classified as discontinued operations in 2013 amounted to 19,470 (2012: 21,017 employees).

The average number of employees at the Group, by gender, in 2013 and 2012 was as follows:

	2013	2012
Men	63,712	68,820
Women	15,856	17,139
	79,568	85,959

d) Impairment and gains or losses on disposals of non-current assets

The detail of "Impairment and Gains or Losses on Disposals of Non-Current Assets" in 2013 and 2012 is as follows:

	2013	2012
Gain on disposal of: (Note 5)		
Flightcare Group	—	45,049
Cementos Lemona Swap	89,802	—
Southern Cement Limited	15,158	—
Gains or losses on disposals of other items of property, plant and equipment and intangible assets	2,913	2,732
Impairment of goodwill (Note 7)	(262,690)	(213,024)
Impairment of other items of property, plant and equipment and intangible assets:		
(Recognition) Reversal (Notes 7 and 8)	(83,644)	(36,876)
Other	(278)	1,143
	(238,739)	(200,976)

e) Other gains or losses

"Other Gains or Losses" in the accompanying consolidated income statement includes notably the items relating to the provisions for restructuring costs and non-recurring losses, primarily in the Construction Area, amounting to EUR 75,580 thousand (2012: EUR 126,753 thousand); the Cement Area, amounting to EUR 58,566 thousand (2012: EUR 46,948 thousand); and the Central Services Area, amounting to EUR 14,710 thousand.

f) Finance income and costs

The detail of the finance income in 2013 and 2012, based on the assets giving rise thereto, is as follows:

	2013	2012
Held-for-trading financial assets	1,402	1,402
Available-for-sale financial assets	49	53
Held-to-maturity investments	3,134	6,407
Non-current and current credits	44,205	57,723
"Lump-sum payment" construction projects	6,952	8,280
Cash and cash equivalents and other	15,515	14,811
	71,257	88,676

The detail of the finance costs in 2013 and 2012 is as follows:

	2013	2012
Credit facilities and loans	417,504	343,767
Limited recourse project financing loans	34,735	39,366
Obligations under finance leases	2,625	2,977
Other payables to third parties	22,854	28,312
Assignment of accounts receivable and "lump-sum payment" construction projects	14,651	30,484
Other finance costs	17,672	16,961
	510,041	461,867

g) Changes in fair value of financial instruments

"Changes in Fair Value of Financial Instruments" notably includes the gain of EUR 18,344 thousand (2012: loss of EUR 30,644 thousand) in fair value of the derivatives that do not qualify for hedge accounting associated with the share option plan and of the derivatives arranged to replace the derivatives relating to the first share option plan that expired in 2013 (see Note 19).

h) Impairment and gains or losses on disposals of financial instruments

Notable in 2013 was the impairment, amounting to EUR 69,109 thousand, of loans to joint ventures and associates in the Construction Area.

i) Result of companies accounted for using the equity method

The detail of "Result of Companies Accounted for Using the Equity Method" is as follows:

	2013	2012
Profit (loss) for the year	(8,000)	14,052
Joint ventures	(14,550)	937
Associates	6,550	13,115
Gains or losses on disposals and other	66,956	9
	58,956	14,061

"Gains or Losses on Disposals and Other" notably includes the gain of EUR 51,959 thousand arising from the disposal of Proactiva (see Note 5), which includes a loss of EUR 12,479 thousand (which did not have any impact on equity) arising from the recognition in the income statement of negative valuation adjustments contributed by the sale.

29. SEGMENT REPORTING

a) Business segments

The business segments presented coincide with the business areas, as described in Note 1. The segment information shown in the following tables was prepared in accordance with the management criteria established internally by Group management, which coincide with the accounting policies adopted to prepare and present the Group's consolidated financial statements.

The "Corporate" column includes the financial activity relating to the Group's centralised cash management, operation of the companies that do not belong to any of the Group's business areas mentioned above, the Energy business that is classified as a discontinued operation and the elimination of inter-segment transactions.

Income statement by segment

In particular, the information shown in the following tables includes the following items as the segment result for 2013 and 2012:

- All operating income and expenses of the subsidiaries and jointly managed contracts relating to the business carried on by the segment.
- Interest income and expenses arising from segment assets and liabilities, dividends and gains and losses on sales of the financial investments of the segment.
- Share of the result of companies accounted for using the equity method.
- The income tax expense relating to the transactions performed by each segment.
- The results of discontinued operations.
- The contribution of each area to the equity attributable to the shareholders of Fomento de Construcciones y Contratas, S.A. is shown under “Contribution to FCC Group Profit”.

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	Total Group	Environmental Services	Integral water management	Construction	Cement	Corporate
2013						
Revenue	6,726,488	2,770,384	929,990	2,589,202	540,878	(103,966)
Other income	325,981	47,104	36,506	154,490	19,102	68,779
Operating expenses	(6,542,363)	(2,392,105)	(774,756)	(2,841,651)	(509,627)	(24,224)
Depreciation and amortisation charge	(423,531)	(227,759)	(79,595)	(32,645)	(79,368)	(4,164)
Other gains or losses	(389,709)	(264,188)	2,749	(117,064)	4,796	(16,002)
Profit (loss) from operations	(303,134)	(66,564)	114,894	(247,668)	(24,219)	(79,577)
Percentage of revenue	(4.51%)	(2.40%)	12.35%	(9.57%)	(4.48%)	76.54%
Finance income and costs	(438,784)	(128,897)	(70,810)	(80,823)	(102,798)	(55,456)
Other financial profit (loss)	(77,804)	4,595	(1,728)	(84,311)	298	3,342
Result of companies accounted for using the equity method	58,956	56,748	10,710	390	(3,084)	(5,808)
Profit (loss) before tax from continuing operations	**(760,766)**	**(134,118)**	**53,066**	**(412,412)**	**(129,803)**	**(137,499)**
Income tax	135,502	(48,116)	(18,667)	103,874	56,602	41,809
Profit (loss) for the year from continuing operations	**(625,264)**	**(182,234)**	**34,399**	**(308,538)**	**(73,201)**	**(95,690)**
Profit (loss) for the year from discontinued operations, net of tax	(905,158)	(114,257)	—	(423,868)	—	(367,033)
Consolidated profit (loss) for the year	**(1,530,422)**	**(296,491)**	**34,399**	**(732,406)**	**(73,201)**	**(462,723)**
Profit (loss) attributable to non-controlling interests	24,117	(1,603)	(1,918)	2,088	1,276	24,274
Profit (loss) attributable to the Parent	**(1,506,305)**	**(298,094)**	**32,481**	**(730,318)**	**(71,925)**	**(438,449)**
Contribution to FCC Group profit (loss)	**(1,506,305)**	**(298,094)**	**32,481**	**(730,318)**	**(51,486)**	**(458,888)**
2012						
Revenue	7,429,349	2,979,450	901,404	2,935,578	653,739	(40,822)
Other income	388,128	81,192	42,110	129,936	58,241	76,649
Operating expenses	(6,809,531)	(2,552,816)	(754,597)	(2,856,161)	(642,168)	(3,789)
Depreciation and amortisation charge	(487,224)	(244,687)	(75,590)	(35,788)	(127,364)	(3,795)
Other gains or losses	(373,353)	(164,134)	828	(129,916)	(75,826)	(4,305)
Profit (loss) from operations	147,369	99,005	114,155	43,649	(133,378)	23,938
Percentage of revenue	1.98%	3.32%	12.66%	1.49%	(20.40%)	(58.64%)
Finance income and costs	(373,191)	(183,972)	(63,485)	(61,053)	(79,782)	15,101
Other financial profit (loss)	(48,922)	(5,081)	(3,334)	(12,777)	(3,821)	(23,909)
Result of companies accounted for using the equity method	14,061	17,684	13,441	(14,037)	(3,033)	6
Profit (loss) before tax from continuing operations	**(260,683)**	**(72,364)**	**60,777**	**(44,218)**	**(220,014)**	**15,136**
Income tax	37,956	(10,959)	(13,311)	10,456	53,735	(1,965)
Profit (loss) for the year from continuing operations	**(222,727)**	**(83,323)**	**47,466**	**(33,762)**	**(166,279)**	**13,171**
Profit (loss) for the year from discontinued operations, net of tax	(869,465)	(111,423)	—	(400,803)	—	(357,239)
Consolidated profit (loss) for the year	**(1,092,192)**	**(194,746)**	**47,466**	**(434,565)**	**(166,279)**	**(344,068)**
Profit (loss) attributable to non-controlling interests	64,229	(3,469)	398	5,333	19,144	42,823
Profit (loss) attributable to the Parent	**(1,027,963)**	**(198,215)**	**47,864**	**(429,232)**	**(147,135)**	**(301,245)**
Contribution to FCC Group profit	**(1,027,963)**	**(198,215)**	**47,864**	**(429,232)**	**(105,320)**	**(343,060)**

With regard to "Corporate" in the tables above, the following items are particularly worthy of note with regard to the contribution to FCC Group net profit (net of tax):

Contribution to FCC Group profit (Net of tax)

	2013	2012
Profit (loss) from discontinued operations	(367,033)	(357,239)
Stock option derivatives	12,841	(24,253)
Sundry provisions	—	57,820
Non-recurring staff costs	(9,073)	(10,687)
Other	(95,623)	(8,701)
	(458,888)	(343,060)

Balance sheet by segment

	Total Group	Environmental Services	Integral water management	Construction	Cement	Corporate
2013						
ASSETS						
Non-current assets	8,442,388	3,233,063	1,583,624	1,239,499	2,114,999	271,203
Intangible assets	2,857,263	672,792	945,412	407,297	751,160	80,602
Property, plant and equipment	3,734,068	2,188,098	320,622	129,153	1,112,816	(16,621)
Investment property	16,827	—	—	16,827	—	—
Investments accounted for using the equity method	368,709	100,236	126,677	96,686	27,267	17,843
Non-current financial assets	383,532	142,534	153,047	44,125	22,783	21,043
Deferred tax assets	1,081,989	129,403	37,866	545,411	200,973	168,336
Current assets	7,159,560	2,305,420	497,022	3,000,235	257,643	1,098,240
Non-current assets classified as held for sale	2,172,503	874,657	—	—	—	1,297,846
Inventories	798,029	52,992	24,451	616,818	103,723	45
Trade and other receivables	2,733,676	840,853	282,135	1,508,452	98,219	4,017
Other current financial assets	401,842	311,277	107,863	309,882	3,699	(330,879)
Other current assets	75,760	32,673	935	34,219	4,132	3,801
Cash and cash equivalents	977,750	192,968	81,638	531,864	47,870	123,410
Total assets	15,601,948	5,538,483	2,080,646	4,240,734	2,372,642	1,369,443

	Total Group	Environmental Services	Integral water management	Construction	Cement	Corporate
2013						
EQUITY AND LIABILITIES						
Equity	242,756	483,888	713,707	528,259	557,292	(2,040,390)
Non-current liabilities	3,472,310	1,239,995	615,809	741,805	728,661	146,040
Grants	226,254	5,530	26,818	190,593	3,313	—
Long-term provisions	1,091,981	416,733	105,817	330,593	61,695	177,143
Non-current financial liabilities	1,136,907	415,738	416,788	97,585	449,128	(242,332)
Deferred tax liabilities	802,757	377,777	54,079	81,590	214,525	74,786
Other non-current liabilities	214,411	24,217	12,307	41,444	—	136,443
Current liabilities	11,886,882	3,814,600	751,130	2,970,670	1,086,689	3,263,793
Liabilities associated with non-current assets classified as held for sale	1,729,203	810,526	—	—	—	918,677
Short-term provisions	340,087	1,354	19,436	293,207	24,863	1,227
Current financial liabilities	6,398,483	951,762	263,082	541,652	975,174	3,666,813
Trade and other payables	3,413,817	640,231	446,022	2,135,810	85,395	106,359
Other current liabilities	5,292	3,549	485	1	1,257	—
Intra-Group transactions	—	1,407,178	22,105	—	—	(1,429,283)
Total liabilities	15,601,948	5,538,483	2,080,646	4,240,734	2,372,642	1,369,443
2012						
ASSETS						
Non-current assets	10,593,513	4,475,607	1,548,626	1,742,426	2,223,339	603,515
Intangible assets	3,821,713	1,550,516	873,119	561,219	763,728	73,131
Property, plant and equipment	4,620,674	2,481,964	350,769	552,138	1,254,549	(18,746)
Investment property	70,668	6,461	—	70,668	—	(6,461)
Investments accounted for using the equity method	935,039	162,651	129,385	168,584	31,867	442,552
Non-current financial assets	412,630	119,824	161,691	91,716	17,051	22,348
Deferred tax assets	732,789	154,191	33,662	298,101	156,144	90,691
Current assets	9,129,536	1,918,901	491,548	5,280,008	705,512	733,567
Non-current assets classified as held for sale	1,476,190	—	—	—	337,246	1,138,944
Inventories	1,128,668	81,172	20,301	903,582	117,108	6,505
Trade and other receivables	4,837,241	1,114,730	305,331	3,304,172	137,544	(24,536)
Other current financial assets	437,212	509,376	77,896	292,017	16,545	(458,622)
Other current assets	83,981	31,374	1,553	46,317	3,057	1,680
Cash and cash equivalents	1,166,244	182,249	86,467	733,920	94,012	69,596
Total assets	19,723,049	6,394,508	2,040,174	7,022,434	2,928,851	1,337,082

	Total Group	Environmental Services	Integral water management	Construction	Cement	Corporate
2012						
EQUITY AND LIABILITIES						
Equity	1,696,990	880,249	584,920	809,441	958,741	(1,536,361)
Non-current liabilities	7,587,157	1,802,165	538,316	1,499,918	1,643,497	2,103,261
Grants	220,239	5,410	26,783	185,131	2,915	—
Long-term provisions	1,154,967	428,726	88,818	322,931	77,469	237,023
Non-current financial liabilities	5,105,892	908,561	346,044	856,455	1,324,873	1,669,959
Deferred tax liabilities	907,266	430,303	59,387	90,287	238,240	89,049
Other non-current liabilities	198,793	29,165	17,284	45,114	—	107,230
Current liabilities	10,438,902	3,712,094	916,938	4,713,075	326,613	770,782
Liabilities associated with non-current assets classified as held for sale	970,355	—	—	—	105,203	865,152
Short-term provisions	303,575	2,794	12,136	288,636	—	9
Current financial liabilities	4,324,620	1,198,033	420,578	871,533	109,354	1,725,122
Trade and other payables	4,832,407	706,680	444,612	3,486,542	110,171	84,402
Other current liabilities	7,945	191	438	5,431	1,885	—
Intra-Group transactions	—	1,804,396	39,174	60,933	—	(1,904,503)
Total liabilities	19,723,049	6,394,508	2,040,174	7,022,434	2,928,851	1,337,082

Cash flows by segment

	Total Group	Environmental Services	Integral water management	Construction	Cement	Corporate
2013						
From operating activities	765,075	580,855	196,447	28,956	25,357	(66,540)
From investing activities	(442,498)	85,898	(149,979)	(154,342)	26,818	(250,893)
From financing activities	(333,355)	(641,670)	(51,874)	87,557	(98,617)	371,249
Other cash flows	(177,716)	(14,363)	576	(164,227)	299	(1)
Cash flows for the year	(188,494)	10,720	(4,830)	(202,056)	(46,143)	53,815
2012						
From operating activities	1,158,993	688,122	193,843	329,713	38,306	(90,991)
From investing activities	(426,531)	(235,783)	(62,547)	(328,964)	(23,415)	224,178
From financing activities	(1,608,651)	(476,072)	(114,772)	(93,001)	(128,051)	(796,755)
Other cash flows	(260,208)	3,278	(7)	(266,038)	(44,950)	47,509
Cash flows for the year	(1,136,397)	(20,455)	16,517	(358,290)	(158,110)	(616,059)

b) Activities and investments by geographical market

Approximately 42% of the Group's business is conducted abroad (2012: 38%).

The breakdown, by market, of the revenue earned abroad by the Group companies in 2013 and 2012 is as follows:

	Total	Environmental services	Integral water-cycle management	Construction	Cement
2013					
European Union	1,501,919	1,181,131	138,621	156,068	26,099
USA	202,642	—	—	15,989	186,653
Latin America	900,360	—	32,574	867,118	668
Other	211,956	18,023	11,374	86,654	95,905
	2,816,877	1,199,154	182,569	1,125,829	309,325
2012					
European Union	1,745,117	1,310,336	136,726	261,831	36,224
USA	170,154	—	—	4,753	165,401
Latin America	700,666	—	34,453	666,213	—
Other	191,538	18,270	6,625	53,013	113,630
	2,807,475	1,328,606	177,804	985,810	315,255

In accordance with IFRS 8 "Segment Reporting", the following information, by geographical area, included in the accompanying consolidated financial statements is shown below:

	Total Group	Spain	United Kingdom	Czech Republic	Other European Union countries	USA	Latin America	Other
2013								
ASSETS								
Intangible assets	2,857,263	1,972,468	343,037	1,055	245,994	36,146	258,555	8
Property, plant and equipment	3,734,068	1,342,019	1,402,746	275,634	255,602	397,638	13,428	47,001
Investment property	16,827	398	—	—	5,882	—	—	10,547
Deferred tax assets	1,081,989	853,919	86,001	2,012	9,633	126,907	1,545	1,972
2012								
ASSETS								
Intangible assets	3,821,713	2,078,765	566,636	1,064	457,444	524,470	193,301	33
Property, plant and equipment	4,620,674	1,525,339	1,455,522	301,623	704,521	543,954	25,948	63,767
Investment property	70,668	36,558	—	—	26,643	—	—	7,467
Deferred tax assets	732,789	455,082	116,943	2,071	20,346	132,288	5,197	862

c) Headcount

The average number of employees in 2013 and 2012, by business area, was as follows:

	2013	2012
Environmental Services	43,662	44,483
Integral Water Management	7,257	7,118
Construction	25,903	28,018
Cement	2,177	3,011
Corporate	569	567
	79,568	83,197

30. INFORMATION ON THE ENVIRONMENT

At a meeting held on 3 June 2009, the Board of Directors of FCC approved the FCC Group's environmental policy which responded to the initial objectives of the Corporate Responsibility Master Plan, thereby reinforcing the Group's social responsibility commitment as part of its strategy, and reflecting its considerable involvement in environmental services.

The FCC Group carries on its activities based on commitment and corporate responsibility, compliance with applicable legal requirements, respect for the relationship with its interest groups and its desire to generate wealth and social wellbeing.

Aware of the importance for the FCC Group of the preservation of the environment and the responsible use of available resources and in line with its vocation for service represented by activities with a clear environmental focus, the FCC Group fosters and encourages the following principles throughout the organisation, which form the basis of its contribution to sustainable development:

On-going improvement

To promote environmental excellence through the setting of targets to achieve on-going improvements in the performance of activities, while minimising the negative impacts of the FCC Group's processes, products and services and strengthening the positive impacts.

Control and monitoring

To establish environmental indicator management systems for the operational control of processes, which provide the necessary information for monitoring, assessing, taking decisions on and communicating the FCC Group's environmental efforts, and ensure compliance with the commitments acquired.

Climate change and prevention of pollution

To lead the battle against climate change by implementing processes involving reduced emission of greenhouse gases and by promoting energy efficiency and the use of renewable energies.

To prevent pollution and protect the natural environment through responsible management and consumption of natural resources and by minimising the impact of the emissions, discharges and waste generated and managed as a result of the FCC Group's activities.

Observation of the environment and innovation

To identify the risks and opportunities of the activities with respect to the changing natural environment in order to promote innovation and the use of new technologies, and to generate synergies between the FCC Group's various activities.

Life cycle of the products and services

To intensify environmental considerations in the planning of activities, purchase of materials and equipment and in relationships with suppliers and contractors.

Everyone's participation is needed

To promote awareness and application of the environmental principles among employees and other interest groups.

To share experience of the most excellent practices with the various stakeholders to promote alternative solutions to those already established to help achieve a sustainable environment.

This environmental policy is implemented using quality and environmental management systems and follow-up audits which evidence the measures taken by the FCC Group in this area. With regard to environmental risk management, the Group has implemented environmental management systems certified under ISO 14001 standards in the various business areas, which focus on:

a) Compliance with the applicable regulations and achievement of environmental objectives that go beyond external requirements.
b) Decrease in environmental impact through adequate planning.
c) On-going analysis of risks and possible improvements.

The basic risk prevention tool is the environmental plan which must be prepared by each operating unit and which consists of:

a) Identification of environmental issues and of applicable legislation.
b) Impact evaluation criteria.
c) Measures to be adopted.
d) A system for measuring the objectives achieved.

By their very nature, the activities of the Environmental Services business line are geared towards environmental protection and conservation, not only through the production activity itself (waste collection, operation and control of landfills, sewer cleaning, treatment and elimination of industrial waste, etc.), but also as a result of performing these activities using production techniques and systems designed to reduce environmental impact, on occasions surpassing the requirements stipulated in the regulations governing this area.

The performance of production activities in the Environmental Services area requires the use of specialised structures, plant and machinery that are efficient in terms of environmental protection and conservation. At 31 December 2013, the acquisition cost of the non-current assets assigned to production in the Services Area, net of depreciation and amortisation, totalled EUR 2,956,782 thousand (31 December 2012: EUR 3,358,787 thousand). The environmental provisions, mainly for landfill sealing and shutdown expenses, totalled EUR 322,353 thousand (31 December 2012: EUR 324,805 thousand).

The activity in which Aqualia engages is directly linked to environmental protection since the driving force behind its work is, in collaboration with the various Public Authorities, efficient integral water-cycle management and ensuring the availability of water so as to allow sustainable growth of the areas where it provides its services. The main activities performed are: water quality control at both the collection and distribution stages, a 24-hours-a-day-every-day-of-the-year monitoring service enabling incidents affecting its distribution networks to be resolved as quickly as possible, with the resulting water saving, the optimisation of electricity consumption and the elimination of environmental impacts caused by the discharge of waste water.

The Group's cement companies have non-current assets designed to filter atmospheric gas emissions, honour their commitments relating to the environmental restoration of depleted quarries and apply technologies that contribute to environmentally-efficient process management.

At 31 December 2013, the Cementos Portland Valderrivas Group had made environmental investments amounting to EUR 158,991 thousand (2012: EUR 160,502 thousand), which were recognised under "Intangible Assets" and "Property, Plant and Equipment". The related accumulated depreciation and amortisation charge amounted to EUR 76,087 thousand (2012: EUR 71,772 thousand).

Due to the cement business, the Group receives CO2 emission allowances for no consideration in accordance with the corresponding national allocation plans. In this connection, it should be noted that in 2013 emission allowances equivalent to 5,947 thousand tonnes per annum were received (2012: 7,763 thousand tonnes) relating to Cementos Portland Valderrivas, S.A., Cementos Alfa, S.A. and Uniland Cementera, S.A.

In 2010 the aforementioned companies reached an agreement with a financial institution to exchange, during the term of the 2008-2012 National Allocation Plan (NAP), emission allowances received under this Plan (EUAs), for allowances acquired due to investments made in projects in developing countries (CERs). The financial institution guaranteed the Group a premium per tonne traded.

"Other Operating Income" in the accompanying consolidated income statement includes the income of EUR 2,584 thousand (2012: EUR 33,641 thousand) from sales of greenhouse gas emission allowances in 2013 (see Note 28-a).

The Construction Area adopts environmental practices which make it possible to respect the environment in the performance of construction projects, and minimises their environmental impact through the following measures: reduction of atmospheric dust emissions; noise and vibration control; control of water discharges, with special emphasis on the treatment of fluids generated by construction projects; maximum reduction of waste generation; safeguarding of the biological diversity of animals and plants; protection of urban surroundings due to the occupation, pollution or loss of land, and the development of specific training programs for line personnel involved in the environmental decision-making process. It has also implemented an "Environmental Behaviour Code" which establishes the environmental conservation and protection requirements for subcontractors and suppliers.

Also, it is considered that there were no significant contingencies in relation to the protection and improvement of the environment at 31 December 2013 that might have a material impact on the accompanying consolidated financial statements.

For further information on the matters discussed in this Note, please refer to the Group's Corporate Social Responsibility report, which is published annually on FCC's website, www.fcc.es, among other channels.

31. FINANCIAL RISK MANAGEMENT POLICIES

The concept of financial risk refers to the changes in the financial instruments arranged by the Group as a result of political, market and other factors and the repercussion thereof on the maximisation of the available financial resources, the obtainment of the necessary financing at a reasonable cost and the impact thereof on the consolidated financial statements.

The FCC Group's risk management philosophy is consistent with its business strategy and seeks to achieve maximum efficiency and solvency at all times. To this end, strict financial risk management and control criteria have been established, consisting of identifying, measuring, analysing and controlling the risks incurred in the Group's operations, and the risk policy has been integrated into the Group organisation in the appropriate manner.

In line with this risk policy, the FCC Group arranges hedges initially to hedge the underlying transaction and not for speculative purposes.

In view of the Group's activities and the transactions through which it carries on its business, it is currently exposed to the following financial risks:

Capital management

The Group manages its capital to ensure that the Group companies are capable of continuing as profitable and solvent businesses.

In line with the Strategic Plan approved in 2013, the whole Group's strategy is based on:

- the concentration of strategic businesses (engineering and performance of large infrastructure projects, urban waste management and water management and treatment);
- selective profitable international presence;
- generation of recurring cash flows; and
- debt adapted to cash-flow generation.

The cost of capital and the associated risks of each investment project are analysed by the Operational Areas and the Finance Division and are subsequently approved or rejected by the corresponding committee or by the Board of Directors. Other functional areas of the Group may also provide reports if so required.

One of the objectives of this investment analysis, in addition to the habitual objectives (profitability, return period, risk assumed, strategic and market assessment), is to ensure levels of debt comply with the obligations assumed with the banks. In the investment analysis, the project's self-sufficiency from a cash-flow point of view shall take precedence over all of these.

Financial Management, which is responsible for the management of financial risks, periodically reviews the financial debt and compliance with the financing obligations and the capital structure of the subsidiaries.

Interest rate risk

The Group's interest rate risk arises from changes in cash flows relating to borrowings bearing interest at floating rates as a result of fluctuations in market interest rates, which in turn change the future cash flows generated by assets and liabilities tied to floating interest rates.

In order to ensure a position that is in the FCC Group's best interest, and to optimise the cost of financing and income statement volatility, an interest rate risk management policy is actively implemented based on the ongoing monitoring of markets and the assumption of different positions based primarily on the asset financed.

Given the nature of the Group's activities, closely linked to inflation, its financial policy consists of ensuring that both its current financial assets, which to a large extent provide natural hedging for its current financial liabilities, and the Group's debt are partially tied to floating interest rates.

The Group proactively manages its debt at floating interest rates by constantly monitoring changes in market rates, analysing whether it is appropriate to arrange interest rate hedges to minimise this risk. Stable rates in 2013 gave rise to very stable levels of interest rate risk in 2013.

The reference interest rate for the bank borrowings arranged in euros is mainly Euribor, which represents 77% of the FCC Group's bank borrowings.

Furthermore, as part of the FCC Group's risk management policy, interest rate hedging transactions were performed in 2013, ending the year with various hedging instruments of varying maturities on 64.12% of the Group's total net debt, including project structured financing hedges.

The following table presents a breakdown of the Group's net debt and hedged debt, because either it bears interest at a fixed rate or it is hedged by derivatives:

	Construction	Services	Cement	Aqualia	FCC	Consolidated
Total gross external debt	305,904	1,197,887	1,307,009	414,120	4,130,165	7,355,085
Fixed rate hedges and financing at 31/12/13	(397,664)	(417,945)	(390,812)	(254,274)	(1,178,553)	(2,639,248)
Total floating-rate debt	(91,760)	779,942	916,197	159,846	2,951,612	4,715,837
Ratio: Floating-rate debt / Net debt at 31/12/13	N/A	65.1%	70.1%	38.6%	71.5%	64.12%

Complying with the policy of classifying original instruments as hedges, the FCC Group has arranged interest rate hedges, mainly swaps (IRSs) in which the Group companies ensure fixed interest rates.

Sensitivity analyses are conducted periodically with a view to monitoring the effect of possible changes in interest rates on the Group's accounts.

Accordingly, a simulation was performed using, on the one hand, three rising basic yield curve scenarios around 0.45% at 31 December 2013, assuming increases in the curve of 25 bp, 50 bp and 100 bp and, on the other hand, a falling yield curve scenario, assuming a fall of 25 bp at year-end. The amounts obtained in relation to the derivatives in force at 2013 year-end with an impact on equity and on the income statement after applying, where applicable, the related percentage of ownership, are shown below (in thousands of euros):

	Hedging derivatives			
	-25 bp	+25 bp	+50 bp	+100 bp
Impact on equity:				
Full consolidation	(3,875)	3,979	7,888	15,488
Equity method	(12,562)	12,073	23,726	45,822
Discontinued operations	(13,480)	13,253	26,166	51,016

Changes in the value of financial derivatives arranged by the Group (see Note 24, Derivative Financial Instruments) are recognised mainly in reserves in the case of those qualifying for hedge accounting.

With regard to derivatives that do not qualify for hedge accounting it should be noted that the impact on the income statement of application of the sensitivity test on the same terms as those indicated above would be irrelevant.

As in the case of derivatives, a table is shown below summarising the effect that the aforementioned increases and decreases in the interest rate yield curve on the net debt, after excluding any hedged debt, would have on the FCC Group's consolidated income statement:

	Net debt			
	-25 bp	+25 bp	+50 bp	+100 bp
Impact on the income statement	(9,425)	9,425	18,850	37,701

Foreign currency risk

A noteworthy consequence of the FCC Group's positioning in international markets is the exposure resulting from net positions in foreign currencies against the euro or in one foreign currency against another when the investment and financing of an activity cannot be made in the same currency.

The FCC Group's general policy is to mitigate, as far as possible, the adverse effect on its financial statements of exposure to foreign currencies, with regard to both transactional and purely equity-related changes. The FCC Group therefore manages the effect that foreign currency risk can have on the balance sheet and the income statement.

The foreign currency risk mainly arises on debt denominated in foreign currencies, on investments to be made in international markets and on amounts received in a currency other than the euro.

As shown in the following table, this risk is mitigated since at 31 December 2013 84% of the Group's net debt was denominated in euros, followed by pounds sterling in second place and US dollars in third place. This is very similar to the situation at 31 December 2012.

	CONSOLIDATED							
	Euro	US dollar	Pound sterling	Czech koruna	European countries not using the euro	Latin America	Other	TOTAL
Total consolidated net debt	4,993,240	311,228	661,417	158,906	5,683	(28,089)	(126,880)	5,975,505
Net debt as a percentage of total debt	84%	5%	11%	3%	0%	0%	(2%)	100%

The breakdown, by currency, of cash and cash equivalents is detailed in Note 17, which indicates that 55% was denominated in euros at 31 December 2013 (31 December 2012: 61%).

The Group actively manages its foreign currency risk by arranging financial transactions in the same currency as that in which the related asset is denominated, i.e. efforts are made, at all times, to obtain in local currency the financing required for the local activity of the company in the country of origin of the investment, with a view to creating a natural hedge or matching the cash flows to the financing. However, there are occasions when, due to the weakness of the currency of the country of origin of the investment, this is not possible because long-term financing cannot be obtained in that currency. In this case, financing will be obtained either in the currency of the consolidated group or in the most closely correlated foreign currency.

To mitigate this risk, the Group also arranged currency derivatives to hedge transactions in pounds sterling.

Foreign currency risk is expressed as the portion of the Group’s equity denominated in currencies other than the euro, as indicated in Note 18-e, “Equity”, the most noteworthy currency being the pound sterling. At 31 December 2013, translation differences recognised under "Valuation Adjustments" totalled a negative amount of EUR 123,613 thousand (31 December 2012: EUR 81,289 thousand).

Solvency risk

At 31 December 2013, the FCC Group's net financial debt presented on the accompanying consolidated balance sheet amounted to EUR 5,975,505 thousand, as shown in the following table:

	2013	2012
Bank borrowings	6,227,107	7,247,003
Debt instruments and other marketable securities	851,111	1,144,677
Other interest-bearing financial debt	276,867	299,439
Current financial assets	(401,830)	(437,212)
Cash and cash equivalents	(977,750)	(1,166,244)
Net financial debt	5,975,505	7,087,663
Net limited recourse debt	(2,082,070)	(2,824,805)
Net borrowings with recourse	3,893,435	4,262,858

It is important to note with regard to "Solvency Risk" that, although the Group's consolidated financial statements present losses of EUR 1,506,305 thousand, these relate mostly to accounting losses, or, where applicable, non-recurring losses, as a result of asset write-downs, the impairment of goodwill and adjustments to various investments at the FCC Environment (UK) Group (formerly the WRG Group), and at the Alpine, FCC Logística, Energy, FCC Environmental (USA), Realia Business and Globalvía Infraestructuras groups. These are operating losses that have no effect on cash and that will not affect the FCC Group's borrowings in the future (and, therefore, will not affect its solvency risk either).

Liquidity risk

This risk results from the timing mismatches between the funds generated by bank financing activities and divestments, and the funds needed for the payment of debts, working capital requirements, business investment commitments, etc.

The FCC Group is present in various markets in order to facilitate the obtainment of financing and to mitigate liquidity risk.

The adverse performance of certain markets and businesses in which the Group has been carrying on its activity gave rise to recognition of considerable losses in 2013, as a result mainly of the need to recognise significant write-downs and to implement actions aimed at laying the foundations of a strategic refocus, involving the withdrawal from certain Construction and Cement markets, restructuring costs of certain activities and the write-down of goodwill of various investees, associates and discontinued operations.

Noteworthy among the liquidity risks arising in 2013 was, firstly, the involvement of the Central and Eastern European construction subsidiary Alpine in insolvency proceedings and its subsequent entry into a liquidation process. These events took place in June 2013 following a noticeable deterioration in its activity, especially from the second quarter of the year, and its resulting inability to meet the obligations under the refinancing agreements entered into in March 2013. Accordingly, all of Alpine's assets were reduced to zero in the consolidated financial statements of FCC, EUR 423.9 million of which relate to the write-off of the investment therein, together with the results of the company until the date it ceased to be consolidated and the provisions recognised for the possible risks associated with the on-going liquidation process. The net financial debt associated with Alpine, without recourse to the Parent of the FCC Group, was EUR 741.2 million at 2012 year-end.

At 31 December 2013, the Group had a working capital deficiency of EUR 4,727 million and current bank borrowings amounting to EUR 6,399 million. Despite the above, the Parent's directors prepared these consolidated financial statements in accordance with the going-concern principle of accounting, since they have no doubts regarding the Group's capacity to refinance or restructure its financial debt, or to generate resources from its operations and through the disposal of non-strategic assets to enable it to adapt the Group's financial structure to the situation of the businesses and the cash flows forecast in the 2013-2015 Business Plan. This period is also covered by the Strategic Plan undertaken by the Group, which includes the following main objectives:

- To substantially improve the profitability of the activities carried on by the Group, particularly its international operations, which provide the Group's main source of growth.
- To reduce the net financial debt through the disposal of non-strategic businesses.
- To focus investment on businesses offering higher returns and development possibilities, either directly or through financial partners.
- To adapt the organisational structure and the management systems to this new scenario.

Furthermore, in the preparation of the accompanying consolidated financial statements, the following mitigating factors were taken into consideration with regard to any possible uncertainty as to the applicability of the going-concern principle:

- The detail of the main refinancing processes initiated in 2013 is shown in Note 21, "Non-Current and Current Financial Liabilities".
- The Group also had cash and current financial assets amounting to EUR 1,380 million (see Notes 14 and 17).
- At 31 December 2013, the Group had drawable credit amounting to EUR 601 million in various working capital credit facilities, as shown in the table at the end of this section.
- A significant portion of the current bank borrowings, amounting to EUR 1,458 million, is without recourse to the Parent. The following items are worthy of note in these borrowings without recourse:
  - Limited recourse project financing loans: EUR 492 million. These relate mainly to the debt associated with the acquisition of the FCC Environment (UK) Group (formerly the WRG Group).
  - The Cementos Portland Valderrivas Group's financial debt without recourse to the Parent, amounting to EUR 967 million.
- During the implementation of the Disposals Plan in 2013, as part of the Strategic Plan, sales of assets for an estimated EUR 917.1 million were agreed upon.
- The second Supplier Payment Plan approved in July 2013 structured receivables from the Spanish Public Authorities into two tranches, the fourth quarter of 2013 and the first quarter of 2014.

At 31 December 2013, the FCC Group had past-due collection rights of over EUR 600 million from various Public Authorities.

- Against the current macroeconomic backdrop, in December 2013 new measures were approved that will give rise to an improved collection period for balances with Public Authorities. On the one hand, an Organic Law was approved to control commercial debt in the public sector, the objective of which is to reduce the average payment period to public sector suppliers to 30 days.

On the other hand, on 28 December 2013, a new Law was published that encourages the use of electronic invoicing and establishes an accounting register for invoices in the public sector, which should be operational from 1 January 2015. All this will enable procedures regarding payment to suppliers to be sped up and will give unpaid invoices a greater level of assurance.

- In 2013 the Group's Management, Budget and Planning Control Department was strengthened. The Department discharges, among others, the following functions:
  - The review and validation of whether the projects in the Group's portfolio fulfil the contractual objectives entered into and validated at the bidding stage, i.e. whether they achieve the desired quality, delivery dates and economic results;
  - The review and validation of whether the definitive versions of the bids delivered to external customers fulfil the requirements established by the Company in terms of margin, cash-flow generation, return on investment and risk;
  - The analysis of the FCC Group's economic and financial performance.

All of these factors, together with the strategic guidelines mentioned above that have already been launched, should contribute to a significant improvement in the Group's gross profit from operations, enhanced management of working capital and of the risks associated with international expansion, and a reduction in net financial debt. The objective established in the Strategic Plan is to increase gross profit from operations and to reduce the net financial debt to levels considered appropriate to the characteristics and recurrent nature of most of the Group's businesses.

At 31 December 2013, the Group had the following repayment schedule for gross external debt, amounting to EUR 6,284 million in 2014. The borrowings associated with the refinancing process initiated by the Group in 2013 were recognised in full as current borrowings at 2013 year-end (see Note 21).

2014 Total Jan-Dec	2015 Total Jan-Dec	2016 Total Jan-Dec	2017 Total Jan-Dec	2018 and subsequent years	TOTAL
6,284,293	285,800	101,885	48,723	634,383	7,355,085

For the same reason as explained in the previous section with reference to "Solvency Risk", the losses recognised at 2013 year-end will not significantly affect the Group's future liquidity as they are mainly accounting or non-recurring losses.

To optimise its financial position, the FCC Group maintains a proactive liquidity risk management policy by comprehensively monitoring cash and its projections on a fortnightly basis. For the purpose of ensuring liquidity and enabling it to meet all the payment obligations arising from its business activities, the Group has the cash disclosed in the balance sheet, and the credit and financing facilities detailed in Note 21.

With a view to improving its liquidity position, the Group actively manages collection from its customers to ensure they meet their payment obligations.

The detail of the credit lines granted at consolidated level at 31 December 2013, taking into account only current and non-current bank borrowings and excluding the items accounted for as non-recourse borrowings, amounts payable under finance leases and accrued interest payable, is as follows:

	Amount granted	Undrawn balance	Balance drawn down
Consolidated	5,855,556	601,100	5,254,456

Credit risk

The provision of services or the acceptance of orders from customers, whose financial solvency cannot be guaranteed at the time of acceptance, is not known or cannot be assessed by the Group, together with situations that may arise during the provision of a service or execution of an order that could affect the customer's financial position could result in the risk of non-payment of the amounts owed.

The following financial assets are exposed to credit risk:

- Current and non-current financial assets.
- Hedging financial instruments.
- Trade and other receivables.
- Financial assets included in cash and cash equivalents.

The Group requests commercial reports and assesses the financial solvency of its customers before entering into agreements with them and also engages in on-going monitoring of customers, and has a procedure in place to be followed in the event of insolvency. In the case of public customers, the Group follows the policy of not accepting projects without an allocated budget and financial approval. Furthermore, late payment is monitored on an ongoing basis by specific bodies, including the risk committees.

In 2013 and with the entry into force of IFRS 13, the measurement of derivative financial instruments includes the counterparty credit risk. Financial derivatives are measured by experts on the subject that are independent from the Group and the entities financing it, using generally accepted methods and techniques.

Concentration risk

This risk arises from the concentration of financing transactions with common features such as:

- Sources of financing: the FCC Group obtains financing from over 70 Spanish and international financial institutions.
- Markets/geographical area (Spanish, foreign): the FCC Group operates in a wide variety of Spanish and international markets and 84% of the Group's debt is concentrated in euros and 16% in various currencies in several international markets.
- Products: the FCC Group arranges a broad spectrum of financial products, including loans, credit facilities, debt instruments, syndicated transactions and discounting facilities.
- Currency: the FCC Group finances its operations in a wide variety of currencies. Although there is a significant concentration of investments in euros, US dollars and pounds sterling, investments tend to be financed in the local currency provided this is possible in the country of origin.

32. INFORMATION ON RELATED PARTY TRANSACTIONS

a) Transactions with directors of the Parent and senior executives of the Group

The detail of the fixed and variable remuneration earned by the directors of Fomento de Construcciones y Contratas, S.A. in 2013 and 2012 and payable to them by the Company or by any of the Group companies, joint ventures or associates is as follows:

	2013	2012
Fixed remuneration	2,950	3,445
Other remuneration	914	1,279
	3,864 (*)	4,724

(*) Also, EUR 7,500 thousand would have to be added to the preceding figures in relation to the termination benefits negotiated with the former CEO due to early termination of his contract.

The Senior Executives listed below, who are not members of the Board of Directors, earned total remuneration of EUR 4,192 thousand in 2013 (2012: EUR 6,015 thousand).

2013	
Agustín García Gila	Chairman of FCC Medio Ambiente
Eduardo González Gómez	Chairman of FCC Energía and Chairman of Aqualia
Fernando Moreno García	Chairman of FCC Construcción, S.A.
Antonio Gómez Ciria	General Administration Manager
Miguel Hernanz Sanjuán	General Internal Audit Manager
Victor Pastor Fernández	General Finance Manager
José Luís Sáenz de Miera	Chairman and CEO of Cementos Portland Valderrivas
José Manuel Velasco Guardado	General Communication and Corporate Responsibility Manager
Ana Villacañas Beades	General Organisation Manager

2012	
José Luís de la Torre Sánchez	Chairman of FCC Servicios
Miguel Hernanz Sanjuán	General Internal Audit Manager
Juan Béjar Ochoa	Chairman and CEO of Cementos Portland Valderrivas.
José Mayor Oreja	Chairman of FCC Construcción, S.A.
Victor Pastor Fernández	General Finance Manager
Antonio Gómez Ciria	General Administration and Information Technologies Manager
Eduardo González Gómez	General Energy and Sustainability Manager
José Manuel Velasco Guardado	General Communication and Corporate Responsibility Manager
Francisco Martín Monteagudo	General Human Resources Manager

The information in relation to the insurance policy taken out for, among others, certain Executive Directors and Executives of Fomento de Construcciones y Contratas, S.A. or the Group are disclosed in Note 26, "Pension Plans and Similar Obligations".

Except as indicated in Note 26, no other remuneration, advances, loans or guarantees were granted to the Board members.

In relation to the investments held by the Directors of Fomento de Construcciones y Contratas, S.A., or persons related to them, in the share capital of companies outside the FCC Group; or in relation to whether they, as independent professionals or as employees, engage in an identical, similar or complementary activity to that which constitutes the company object of the Group; or in relation to whether they themselves or a person acting on their behalf have performed, with the Company or with any company of the same Group, other transactions outside the course of the Company's ordinary business operations or in conditions that were not on an arm's length basis; it should be mentioned that the aforementioned Directors have stated that they or persons related to them:

- Do not carry on, as independent professionals or as employees, any activity that is identical, similar or complementary to the activity that constitutes the Company's object.
- Do not own any investments in the share capital of companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the company object of Fomento de Construcciones y Contratas, S.A.
- Had not performed, with the Company or any company of the same Group, other transactions outside the course of the Company's ordinary business operations, or in conditions that were not on an arm's length basis.

The foregoing does not include the Director Henri Proglio, who is Chairman and CEO of Électricité de France (EDF).

The detail of the directors who hold positions at companies in which Fomento de Construcciones y Contratas, S.A. holds a direct or indirect ownership interest is as follows:

Name or company name of director	Group company name	Position
CARTERA DEVA, S.A.	CEMENTOS PORTLAND VALDERRIVAS, S.A.	DIRECTOR
EAC INVERSIONES CORPORATIVAS, S.L.	CEMENTOS PORTLAND VALDERRIVAS, S.A.	DIRECTOR
MR. JUAN BÉJAR OCHOA	CEMENTOS PORTLAND VALDERRIVAS, S.A.	DIRECTOR
MR. RAFAEL MONTES SÁNCHEZ	CEMENTOS PORTLAND VALDERRIVAS, S.A.	DIRECTOR

Name or company name of director	Group company name	Position
MR. FELIPE B. GARCÍA PÉREZ	ETHERN ELECTRIC POWER, S.A. (Sole-Shareholder Company)	DIRECTOR-SECRETARY
	FCC ENVIRONMENTAL LLC.	DIRECTOR
	FCC POWER GENERATION, S.L. (Sole-Shareholder Company)	DIRECTOR-SECRETARY
	FCC CONSTRUCCION, S.A.	DIRECTOR-SECRETARY
MR. OLIVIER ORSINI	CEMENTOS PORTLAND VALDERRIVAS, S.A.	DIRECTOR
MR. GUSTAVO VILLAPALOS SALAS	CEMENTOS PORTLAND VALDERRIVAS, S.A.	DIRECTOR

These directors hold positions or discharge functions and/or hold ownership interests of less than 0.01% in all cases in other FCC Group companies in which Fomento de Construcciones y Contratas, S.A. directly or indirectly holds a majority of the voting power.

Following is a detail of the significant transactions giving rise to a transfer of resources or obligations between Group companies and their executives or directors:

Name or company name of the directors or executives	Name or company name of the Group company or entity	Type of transaction	Type of relationship	Amount
B-1998, S.L.	Servicios Especiales de Limpieza, S.A.	Contractual	Rendering of services	1
B-1998, S.L.	FCC Medio Ambiente, S.A.	Contractual	Rendering of services	2

b) Transactions between Group companies or entities

Numerous transactions take place between the Group companies as part of the Group's normal business activities which, in any event, are eliminated in the preparation of the consolidated financial statements.

The revenue recognised in the accompanying consolidated income statement includes EUR 130,967 thousand (2012: EUR 234,988 thousand) relating to Group company billings to associates and joint ventures.

The Group's consolidated financial statements also include purchases from associates and joint ventures amounting to EUR 113,912 thousand (2012: EUR 132,934 thousand).

c) Mechanisms established to detect, determine and resolve possible conflicts of interests between the Parent and/or its Group and its directors, executives or significant shareholders.

The FCC Group has established precise mechanisms to detect, determine and resolve possible conflicts of interests between the Group companies and their directors, executives and significant shareholders, as indicated in Article 25 of the Board's Regulations.

33. FEES PAID TO AUDITORS

The 2013 and 2012 fees for financial audit services and for other professional services provided to the various Group companies and joint ventures composing the FCC Group by the principal auditor and by other auditors participating in the audit of the various Group companies, and by entities related to them, both in Spain and abroad, are shown in the following table:

	2013		2012	
Fees for financial audit services		4,333		7,272
Principal auditor	2,606		4,812	
Other auditors	1,727		2,460	
Fees for other services		6,502		8,023
Principal auditor	179		447	
Other auditors	6,323		7,576	
		10,834		15,295

34. EVENTS AFTER THE REPORTING PERIOD

As indicated in these notes to the consolidated financial statements (see Note 21), the FCC Group managed to include 99.4% of its total debt in the refinancing agreement, which will be formalised upon fulfilment of certain conditions precedent. This situation will enable a sustainable financial structure to be achieved that is adapted to the projected cash generation of the various businesses, which will enable the objectives established in the FCC Group's Strategic Plan of improving profitability and reducing debt to be focused on.

With regard to the Energy Area, as indicated in Note 1, an agreement was reached to sell 51% of ownership interest to Plenium FMGP, S.L. Since the agreement is conditional on the fulfilment of the habitual conditions precedent in agreements of this kind, the assets and liabilities have been recognised under "Non-Current Assets Classified as Held for Sale" and "Liabilities Associated with Non-Current Assets Classified as Held for Sale", and are measured at the sale price agreed upon in the aforementioned agreement (see Note 4). On 31 January 2014, the Spanish Ministry of Industry, Energy and Tourism submitted to the Spanish National Markets and Competition Commission, for its mandatory report, its draft order approving the standard facility remuneration parameters applicable to certain electricity production facilities using renewable energy sources, cogeneration and waste. Since, as indicated above, the ownership interest was measured at sale price, the implementation of the draft order will not have any impact on the financial statements of the FCC Group.

On 27 February 2014, an agreement was reached with CCF Logistics Holding, S.à.r.l. for the sale of the Logistics business, which is recognised as a discontinued operation in these consolidated financial statements (see Note 4). The sale proceeds amounted to EUR 32 million. The completion of this transaction is subject to the habitual conditions precedent in transactions of this kind.

On 17 March 2014, an agreement was reached with JCDecaux for the sale of the Cemusa Group for EUR 80 million. The Cemusa Group is recognised as a discontinued operation in these consolidated financial statements (see Note 4). The completion of this transaction is subject to the habitual conditions precedent in transactions of this kind.

35. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group (see Note 2-a). Certain accounting practices applied by the Group that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

APPENDIX I SUBSIDIARIES (FULLY CONSOLIDATED)

Company	Registered office	Effective percentage of ownership	Auditor
ENVIRONMENTAL SERVICES			
Alfonso Benítez, S.A.	Federico Salmón, 13 - Madrid	100.00	PriceWaterhouseCoopers
Aparcamientos Concertados, S.A.	Arquitecto Gaudí, 4 - Madrid	100.00	
Armigesa, S.A.	Plaza de la Constitución s/n - Armilla (Granada)	51.00	
Azincourt Investment, S.L., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	Deloitte
Baltecma, Gestión de Residuos Industriales, S.L.	Conradors, parcela 34 P.I. Marratxi - Marratxi (Balearic Islands)	70.00	
Beta de Administración, S.A.	Av. Camino de Santiago, 40 - Madrid	100.00	
C.G.T. Corporación General de Transportes, S.A.	Av. Camino de Santiago, 40 - Madrid	100.00	
Camusa Corporación Americana de Mobiliario Urbano, S.A.	Argentina	100.00	
Castellana de Servicios, S.A.	Federico Salmón, 13 - Madrid	100.00	PriceWaterhouseCoopers
Cemusa Amazonia, S.A.	Brazil	100.00	PriceWaterhouseCoopers
Cemusa Boston, LLC	USA	100.00	
Cemusa Brasilia, S.A.	Brazil	100.00	PriceWaterhouseCoopers
Cemusa do Brasil, Ltda.	Brazil	100.00	PriceWaterhouseCoopers
Cemusa, Corporación Europea de Mobiliario Urbano, S.A.	Francisco Sancha, 24 - Madrid	100.00	PriceWaterhouseCoopers
Cemusa, Inc.	USA	100.00	
Cemusa Italia, S.R.L.	Italy	100.00	
Cemusa NY, LLC	USA	100.00	
Cemusa Portugal, Companhia de Mobiliario Urbano e Publicidade, S.A.	Portugal	100.00	PriceWaterhouseCoopers
Cemusa Rio, S.A.	Brazil	100.00	PriceWaterhouseCoopers
Cemusa Salvador, S.A.	Brazil	65.00	PriceWaterhouseCoopers
Compañía Catalana de Servicios, S.A.	Balmes, 36 - Barcelona	100.00	
Compañía Control de Residuos, S.L.	Peña Redonda, 27 P.I. Silvota - Llanera (Asturias)	64.00	
Corporación Inmobiliaria Ibérica, S.A.	Ulises, 18 - Madrid	100.00	
Dédalo Patrimonial, S.L., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	
Ecoactiva de Medio Ambiente, S.A.	Ctra. Puebla Albortón a Zaragoza Km. 25 Zaragoza	60.00	
Ecodeal-Gestao Integral de Residuos Industriais, S.A.	Portugal	53.62	PriceWaterhouseCoopers
Ecogenesis Société Anonime Rendering of Cleansing and Waste Management Services	Greece	51.00	
Ecoparque Mancomunidad del Este, S.A.	Federico Salmón, 13 - Madrid	100.00	Audinfor
Egypt Environmental Services, S.A.E.	Egypt	100.00	PriceWaterhouseCoopers
Ekostone Áridos Siderúrgicos, S.L.	Las Mercedes, 25 - Las Arenas (Vizcaya)	51.00	
Empresa Comarcal de Serveis Mediambientals del Baix Penedés – ECOBP, S.L.	Plaza del Centre, 3 - El Vendrell (Tarragona)	66.60	Audinfor
Empresa Municipal de Desarrollo Sostenible Ambiental de Úbeda, S.L.	Plaza Vázquez de Molina, s/n - Úbeda (Jaén)	90.00	Audinfor
Enviropower Investments Limited	United Kingdom	100.00	Deloitte
Equipos y Procesos, S.A.	Basílica, 19 - Madrid	80.73	

Company	Registered office	Effective percentage of ownership	Auditor
Europea de Tratamiento de Resíduos Industriales, S.A. (1)	Federico Salmón, 13 - Madrid	100.00	
FCC Ámbito, S.A., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	PriceWaterhouseCoopers
FCC Environmental, Llc.	USA	100.00	
FCC Environment Services (UK) Limited	United Kingdom	100.00	Deloitte
FCC Logística, S.A., Sole-Shareholder Company	Buenos Aires, 10 P.I. Camporroso - Alcalá de Henares (Madrid)	100.00	PriceWaterhouseCoopers
FCC Logística Portugal, S.A.	Portugal	99.90	PriceWaterhouseCoopers
FCC Lubricants Llc.	USA	51.00	
FCC Medio Ambiente, S.A.	Federico Salmón, 13 - Madrid	100.00	PriceWaterhouseCoopers
FCC Versia, S.A.	Av. Camino de Santiago, 40 - Madrid	100.00	PriceWaterhouseCoopers
Focsa Serviços de Saneamento Urbano de Portugal, S.A.	Portugal	100.00	PriceWaterhouseCoopers
Gamasur Campo de Gibraltar, S.L.	Antigua Ctra. de Jimena de la Frontera, s/n - Los Barrios (Cádiz)	85.00	PriceWaterhouseCoopers
Gandia Serveis Urbans, S.A.	Llanterners, 6 - Gandia (Valencia)	65.00	Centium
Geneus Canarias, S.L., Sole-Shareholder Company	Electricista, 2. U. I. de Salinetas - Telde (Las Palmas)	100.00	
GERAL I.S.V. Brasil, Lda.	Brazil	100.00	
Gestió i Recuperació de Terrenys, S.A., Sole-Shareholder Company	Rambla de Catalunya, 2-4 - Barcelona	80.00	Audinfor
A.S.A. Group	Austria		
1. Polabská S.R.O.	Czech Republic	100.00	
.A.S.A. Abfall Service AG	Austria	100.00	PriceWaterhouseCoopers
.A.S.A. Abfall Service Betriebs, GmbH	Austria	100.00	
.A.S.A. Abfall Service Freistadt, GmbH (2)	Austria	100.00	
.A.S.A. Abfall Service Halbenrain, GmbH	Austria	100.00	
.A.S.A. Abfall Service Industrieviertel Betriebs, GmbH	Austria	100.00	
.A.S.A. Abfall Service Mostviertel, GmbH (3)	Austria	100.00	
.A.S.A. Abfall Service Neunkirchen, GmbH	Austria	100.00	
.A.S.A. Abfall Service Zistersdorf, GmbH	Austria	100.00	PriceWaterhouseCoopers
.A.S.A. AbfallService Halbenrain, GmbH & Co Nfg KG	Austria	100.00	
.A.S.A. AbfallService Industrieviertel, GmbH & Co Nfg KG	Austria	100.00	
.A.S.A. AbfallService Wiener Neustadt, GmbH	Austria	100.00	
.A.S.A. Bulgaria E.O.O.D.	Bulgaria	100.00	PriceWaterhouseCoopers
.A.S.A. Ceské Budêjovice, s.r.o	Czech Republic	75.00	PriceWaterhouseCoopers
.A.S.A. Dacice, s.r.o	Czech Republic	60.00	
.A.S.A. EKO, d.o.o	Serbia	100.00	PriceWaterhouseCoopers
.A.S.A. EKO Polska, sp. z o.o.	Poland	100.00	PriceWaterhouseCoopers
.A.S.A. EKO Znojmo, s.r.o	Czech Republic	49.72	PriceWaterhouseCoopers
.A.S.A. Es Únanov, s.r.o.	Czech Republic	66.00	
.A.S.A. Finanzdienstleistungen, GmbH	Austria	100.00	
.A.S.A. Hódmezövásárhely Köztisztasági Kft	Hungary	61.83	PriceWaterhouseCoopers

(1) Change of name. Formerly Tratamiento y Reciclado Integral de Ocaña, S.A.

(2) Change of name. Formerly Kreindl GmbH

(3) Change of name. Formerly Abfallwirtschaftzentrum Mostviertel GmbH

Company	Registered office	Effective percentage of ownership	Auditor
.A.S.A. Hp spol., s.r.o.	Czech Republic	100.00	PriceWaterhouseCoopers
.A.S.A. International Environmental Services, GmbH	Austria	100.00	
.A.S.A. Kikinda d.o.o.	Serbia	80.00	PriceWaterhouseCoopers
.A.S.A. Liberec, s.r.o.	Czech Republic	55.00	PriceWaterhouseCoopers
.A.S.A. Lubliniec, sp. z o.o.	Poland	61.97	
.A.S.A. Magyarország Környezetvédelemi És HKft	Hungary	100.00	PriceWaterhouseCoopers
.A.S.A. Mazedonia dooel	Macedonia	100.00	
.A.S.A. Odpady Litovel, s.r.o.	Czech Republic	49.00	
.A.S.A. Olsava spol., s.r.o.	Slovakia	100.00	
.A.S.A. Servicii Ecologice, s.r.l.	Romania	100.00	PriceWaterhouseCoopers
.A.S.A. Slovensko spol., s.r.o.	Slovakia	100.00	PriceWaterhouseCoopers
.A.S.A. Sluzby Zabovresky, s.r.o.	Czech Republic	89.00	
.A.S.A. spol., s.r.o.	Czech Republic	100.00	PriceWaterhouseCoopers
.A.S.A. Tarnobrzeg, sp. zo.o.	Poland	60.00	
.A.S.A. TRNAVA spol., s.r.o.	Slovakia	50.00	PriceWaterhouseCoopers
.A.S.A. TS Prostejov, s.r.o.	Czech Republic	49.00	PriceWaterhouseCoopers
.A.S.A. Vrbak d.o.o.	Serbia	51.02	
.A.S.A. Zabcice spol., s.r.o.	Czech Republic	80.00	PriceWaterhouseCoopers
.A.S.A. Zohor spol., s.r.o.	Slovakia	85.00	PriceWaterhouseCoopers
Bec Odpady, s.r.o.	Czech Republic	100.00	PriceWaterhouseCoopers
EKO-Radomsko, sp. z o.o.	Poland	100.00	
Entsorga Entsorgungs, GmbH Nfg KG	Austria	100.00	
Erd-Kom Érdi Kommunális Hulladékkezelö	Hungary	90.00	PriceWaterhouseCoopers
Inerta Abfallbehandlungs, GmbH	Austria	100.00	
Miejskie Przedsiebiorstwo Gospodarki Komunalnej, sp. z o.o. Zabrze	Poland	80.00	PriceWaterhouseCoopers
Obsed A.S.	Czech Republic	100.00	
Quail spol., s.r.o.	Czech Republic	100.00	PriceWaterhouseCoopers
Regios A.S.	Czech Republic	99.99	PriceWaterhouseCoopers
Siewierskie Przedsiebiorstwo Gospodarki Komunalnej, sp. z o.o.	Poland	60.00	
Skládka Uhy spol., s.r.o.	Czech Republic	100.00	PriceWaterhouseCoopers
Technické Sluzby - A S A, s.r.o.	Slovakia	100.00	PriceWaterhouseCoopers
Textil Verwertung, GmbH	Austria	100.00	
Valmax Impex, S.R.L	Romania	60.00	
FCC Environment Group:	UK		
3C Holding Limited	UK	100.00	Deloitte
3C Waste Limited	UK	100.00	Deloitte
Allington O & M Services Limited	UK	100.00	Deloitte

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Company	Registered office	Effective percentage of ownership	Auditor
Allington Waste Company Limited	UK	100.00	Deloitte
Anti-Waste (Restoration) Limited	UK	100.00	Deloitte
Anti-Waste Limited	UK	100.00	Deloitte
Arnold Waste Disposal Limited	UK	100.00	Deloitte
BDR Property Limited	UK	80.02	Deloitte
BDR Waste Disposal Limited	UK	100.00	Deloitte
Darrington Quarries Limited	UK	100.00	Deloitte
Derbyshire Waste Limited	UK	100.00	Deloitte
East Waste Limited	UK	100.00	Deloitte
FCC Buckinghamshire Holdings Limited	UK	100.00	Deloitte
FCC Buckinghamshire Limited	UK	100.00	Deloitte
FCC Buckinghamshire (Support Services) Limited	UK	100.00	Deloitte
FCC Environmental Services UK Limited	UK	100.00	
FCC Environment (UK) Limited	UK	100.00	Deloitte
FCC Environment (Lincolnshire), Ltd.	UK	100.00	Deloitte
FCC Environment (Berkshire), Ltd.	UK	100.00	Deloitte
FCC Environment Limited (4)	UK	100.00	
FCC PFI Holdings Limited	UK	100.00	Deloitte
FCC Recycling (UK) Limited	UK	100.00	Deloitte
FCC Waste Services (UK) Limited	UK	100.00	Deloitte
FCC Wrexham PFI (Phase II Holding), Ltd.	UK	100.00	Deloitte
FCC Wrexham PFI (Phase II), Ltd.	UK	100.00	Deloitte
FCC Wrexham PFI Limited	UK	100.00	Deloitte
FCC Wrexham PFI Holdings Limited	UK	100.00	Deloitte
Finstop Limited	UK	100.00	
Focsa Services (UK) Limited	UK	100.00	
Hykeham O&M Services Limited	UK	100.00	
Integrated Waste Management Limited	UK	100.00	Deloitte
Kent Conservation & Management Limited	UK	100.00	
Kent Energy Limited	UK	100.00	Deloitte
Kent Enviropower Limited	UK	100.00	Deloitte
Landfill Management Limited	UK	100.00	Deloitte
Lincwaste Limited	UK	100.00	Deloitte
Norfolk Waste Limited	UK	100.00	Deloitte
Pennine Waste Management Limited	UK	100.00	Deloitte
RE3 Holding Limited	UK	100.00	Deloitte
RE3 Limited	UK	100.00	Deloitte

(4) Change of name. Formerly Herrington Limited

Company	Registered office	Effective percentage of ownership	Auditor
T Shooter Limited	UK	100.00	Deloitte
Waste Recovery Limited	UK	100.00	Deloitte
Waste Recycling Group (Central) Limited	UK	100.00	Deloitte
Waste Recycling Group (UK) Limited	UK	100.00	Deloitte
Waste Recycling Group (Scotland) Limited	UK	100.00	Deloitte
Waste Recycling Group (Yorkshire) Limited	UK	100.00	Deloitte
Wastenotts (Reclamation) Limited	UK	100.00	Deloitte
Wastenotts O & M Services Limited	UK	100.00	Deloitte
Welbeck Waste Management Limited	UK	100.00	Deloitte
WRG (Midlands) Limited	UK	100.00	Deloitte
WRG (Northern) Limited	UK	100.00	Deloitte
WRG Acquisitions 2 Limited	UK	100.00	Deloitte
WRG Environmental Limited	UK	100.00	Deloitte
WRG Waste Services Limited	UK	100.00	
Integraciones Ambientales de Cantabria, S.A.	Monte de Carceña Cr CA-924 Pk 3,280 - Castañeda (Cantabria)	90.00	PriceWaterhouseCoopers
International Petroleum Corp. of Delaware	USA	100.00	
International Services Inc., S.A., Sole-Shareholder Company	Av. Camino de Santiago, 40 - Madrid	100.00	
Jaime Franquesa, S.A.	P.I. Zona Franca Sector B calle D49 - Barcelona	100.00	
Jaume Oro, S.L.	Av. Garrigues, 15 - Bellpuig (Lleida)	100.00	
Limpieza e Higiene de Cartagena, S.A.	Luis Pasteur, 6 - Cartagena (Murcia)	90.00	PriceWaterhouseCoopers
Limpiezas Urbanas de Mallorca, S.A.	Ctra. Santa Margalida-Can Picafort - Santa Margalida (Balearic Islands)	100.00	Audinfor
Manipulación y Recuperación MAREPA, S.A.	Av. San Martín de Valdeiglesias, 22 - Alcorcón (Madrid)	100.00	PriceWaterhouseCoopers
Municipal de Serveis, S.A. - being dissolved -	Joan Torró i Cabratosa, 7 - Girona	80.00	Cataudit Auditors Associats
Newlog Logística, S.A., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	
Recuperació de Pedreres, S.L.	Rambla de Catalunya, 2 - Barcelona	80.00	PriceWaterhouseCoopers
Saneamiento y Servicios, S.A.	Federico Salmón, 13 - Madrid	100.00	
Serveis d'Escombreries i Neteja, S.A.	Coure, s/n - P.I. Riu Clar - Tarragona	100.00	
Servicios de Levante, S.A.	Camino Pla Museros, s/n - Almazora (Castellón)	100.00	PriceWaterhouseCoopers
Servicios Especiales de Limpieza, S.A.	Federico Salmón, 13 - Madrid	100.00	PriceWaterhouseCoopers
Serveis Municipals de Neteja de Girona, S.A.	Pl. del Vi, 1 - Girona	75.00	Cataudit Auditors Associats
Sistemas y Vehículos de Alta Tecnología, S.A.	Acanto, 22 - Madrid	100.00	PriceWaterhouseCoopers
Societat Municipal Medioambiental d'Igualada, S.L.	Pl. de l'Ajuntament, 1 - Igualada (Barcelona)	65.91	Audinfor
Telford & Wrekin Services, Ltd.	UK	100.00	Deloitte
Tratamientos y Recuperaciones Industriales, S.A.	Rambla de Catalunya, 2-4, P.5 - Barcelona	75.00	PriceWaterhouseCoopers
Valoración y Tratamiento de Residuos Urbanos, S.A.	Riu Magre, 6 - P.I. Patada del Cid - Quart de Poblet (Valencia)	80.00	
Valorización y Tratamiento de Residuos, S.A.	Alameda de Mazarredo, 15-4° A - Bilbao (Vizcaya)	100.00	
Zona Verde – Promoçao e Marketing Limitada	Portugal	100.00	PriceWaterhouseCoopers

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Company	Registered office	Effective percentage of ownership	Auditor
AQUALIA			
Abastecimientos y Saneamientos del Norte, S.A., Sole-Shareholder Company	Uruguay, 11 - Vigo (Pontevedra)	100.00	
Abrantaqua – Serviço de Aguas Residuais Urbanas de Municipio de Abrantes, S.A.	Portugal	60.00	Oliveira, Reis & Asociados, SROC, Lda.
Acque di Caltanissetta, S.P.A.	Italy	98.48	Ernst & Young
Aigües de Vallirana, S.A., Sole-Shareholder Company	Conca de Tremp, 14 - Vallirana (Barcelona)	100.00	
Aisa, D.O.O. Mostar	Bosnia-Herzegovina	100.00	
Aqua Campiña, S.A.	Avda. Blas Infante, 6 - Écija (Sevilla)	90.00	Audinfor
Aquacartaya, S.L.	Av. San Francisco Javier, 27 2ª - Sevilla	100.00	
Aquaelvas - Aguas de Elvas, S.A.	Portugal	100.00	Ernst & Young
Aquafundalia - Agua Do Fundão, S.A.	Portugal	100.00	Ernst & Young
Aquajerez, S.L.	Cristalería, 27. Pol. Ind. Ronda Oeste - Jerez de la Frontera (Cádiz)	51.00	Ernst & Young
Aqualia Czech, S.L.	Av. Camino de Santiago, 40 - Madrid	51.00	Ernst & Young
Aqualia Gestión Integral del Agua, S.A.	Federico Salmón, 13 - Madrid	100.00	Ernst & Young
Aqualia Industrial Solutions, S.A., Sole-Shareholder Company (5)	Federico Salmón, 13 - Madrid	100.00	Ernst & Young
Aqualia Infraestructuras Inzenyring, S.R.O.	Czech Republic	51.00	Ing. Ladislav Balaz
Aqualia Infraestructuras de México, S.A. de C.V.	Mexico	100.00	Ernst & Young
Aqualia Infraestructuras, S.A.	Av. Camino de Santiago, 40 - Madrid	100.00	Ernst & Young
Aqualia Infraestructuras Montenegro (AIM) D.O.O. Niksic	Montenegro	100.00	
Aqualia New Europe, B.V.	The Netherlands	51.00	Ernst & Young
Aqua Management Solutions, B.V.	The Netherlands	30.60	Ernst & Young
Aquamaior – Aguas de Campo Maior, S.A.	Portugal	99.92	Ernst & Young
Cartagua, Aguas do Cartaxo, S.A.	Portugal	60.00	Oliveira, Reis & Asociados, SROC, Lda.
Colaboración, Gestión y Asistencia, S.A.	Federico Salmón, 13 - Madrid	100.00	
Compañía Onubense de Aguas, S.A.	Avda. Martín Alonso Pinzón, 8 - Huelva	60.00	
Conservación y Sistemas, S.A.	Federico Salmón, 13 - Madrid	100.00	PriceWaterhouseCoopers
Depurlan, 11	San Miguel, 4. 3º B - Zaragoza	100.00	Audinfor
Depurtebo, S.A.	San Pedro, 57 - Zuera (Zaragoza)	100.00	
Empresa Mixta de Conservación de la Estación Depuradora de Aguas Residuales de Butarque, S.A.	Princesa, 3 - Madrid	70.00	
Entenmanser, S.A.	Castillo, 13 - Adeje (Santa Cruz de Tenerife)	97.00	Ernst & Young
F.S. Colaboración y Asistencia, S.A.	Av. Camino de Santiago, 40 - Madrid	100.00	
Hidrotec Tecnología del Agua, S.L., Sole-Shareholder Company	Av. San Francisco Javier, 15 - Sevilla	100.00	
Infraestructuras y Distribución General de Aguas, S.L.U.	La Presa , 14 - Adeje (Santa Cruz de Tenerife)	100.00	
Inversora Riutort	Berlín, 38-43 - Barcelona	100.00	
Ovod Spol, S.R.O.	Czech Republic	100.00	Ing. Ladislav Balaz
Severomoravské Vodovody a Kanalizace Ostrava, A.S.	Czech Republic	50.32	Ernst & Young

(5) Change of name. Formerly Graver Española, S.A., Sole-Shareholder Company

Company	Registered office	Effective percentage of ownership	Auditor
Sociedad Española de Aguas Filtradas, S.A.	Av. Camino de Santiago, 40 - Madrid	100.00	Ernst & Young
Sociedad Ibérica del Agua, S.I.A., S.A., Sole-Shareholder Company	Av. Camino de Santiago, 40 - Madrid	100.00	
Tratamiento Industrial de Aguas, S.A.	Federico Salmón, 13 - Madrid	100.00	Audinfor
CONSTRUCTION			
ACE Scutmadeira Sistemas de Gestao e Controlo de Tràfego	Portugal	100.00	
Alpetrol, S.A.	Av. Camino de Santiago, 40 - Madrid	100.00	
Alpine Consulting d.o.o.	Slovenia	100.00	
Áridos de Melo, S.L.	Finca la Barca y el Ballestar, s/n - Barajas de Melo (Cuenca)	100.00	
Autovía Conquense, S.A.	Acanto, 22 - Madrid	100.00	Deloitte
BBR Pretensados y Técnicas Especiales, S.L.	Av. Camino de Santiago, 40 - Madrid	100.00	Centium
Binatec Al Maghreb, S.A.	Morocco	100.00	
Concesionaria Túnel de Coatzacoalcos, S.A. de C.V.	Mexico	85.59	Deloitte
Concesiones Viales de Costa Rica, S.A.	Costa Rica	100.00	
Concesiones Viales S. de R.L. de C.V.	Mexico	99.97	Deloitte
Construcción y Filiales Mexicanas, S.A. de C.V.	Mexico	100.00	Deloitte
Construcción Infraestructuras y Filiales de México, S.A. de C.V.	Mexico	52.00	Deloitte
Construcciones Hospitalarias, S.A.	Panama	100.00	Deloitte
Constructora Túnel de Coatzacoalcos, S.A. de C.V.	Mexico	55.60	Deloitte
Contratas y Ventas, S.A.	Av. de Santander, 3-1° - Oviedo (Asturias)	100.00	Deloitte
Desarrollo y Construcción DEYCO CRCA, S.A.	Costa Rica	100.00	
Dezvoltare Infraestructura, S.A.	Romania	51.03	
Dizara Inversión, S.L.	Av. Camino de Santiago, 40 - Madrid	100.00	
EHST - European High-Speed Trains SGPS, S.A.	Portugal	85.71	Deloitte
FCC Colombia, S.A.S.	Colombia	100.00	
FCC Construcción, S.A.	Balmes, 36 - Barcelona	100.00	Deloitte
FCC Construcción de Centroamérica, S.A.	Costa Rica	100.00	Deloitte
FCC Construcción Chile, SPA	Chile	100.00	
FCC Construcción Perú, S.A.C.	Peru	100.00	
FCC Construcción Polska, SP Z.o.o.	Poland	100.00	
FCC Constructii Romania, S.A.	Romania	100.00	
FCC Construction Hungary Kft	Hungary	100.00	Deloitte
FCC Construction I-95, Llc.	USA	100.00	
FCC Construction, Inc.	USA	100.00	Deloitte
FCC Construction International, B.V.	The Netherlands	100.00	
FCC Construction Northern Ireland Limited	UK	100.00	Deloitte
FCC Construçoes do Brasil, Ltda.	Brazil	100.00	
FCC Elliot UK Limited	UK	50.10	

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Company	Registered office	Effective percentage of ownership	Auditor
FCC Industrial Colombia, S.A.S.	Colombia	100.00	
FCC Industrial de Panamá, S.A.	Panama	100.00	
FCC Industrial e Infraestructuras Energéticas, S.A., Sole-Shareholder Company	Av. Camino de Santiago, 40 - Madrid	100.00	Deloitte
FCC Industrial Perú, S.A.	Peru	100.00	
FCC Industrial UK Limited	UK	100.00	
FCC Industriale, SRL	Italy	100.00	
FCC Saudi Company	Saudi Arabia	100.00	
FCC Servicios Industriales y Energéticos México, S.A.C.V.	Mexico	100.00	
Fomento de Construcciones y Contratas Canada, Ltda.	Canada	100.00	
Fomento de Construcciones y Contratas Construction Ireland Limited	Ireland	100.00	Deloitte
Gavisa Portugal Montagens Eléctricas, Lda.	Portugal	97.00	
Ibervia Construcciones y Contratas, S.L.	Av. Camino de Santiago, 40 - Madrid	100.00	
Impulsora de Proyectos PROSERME, S.A. de C.V.	Mexico	100.00	
M&S Concesiones, S.A.	Costa Rica	100.00	
Mantenimiento de Infraestructuras, S.A.	Acanto, 22 - Madrid	100.00	Deloitte
Megaplás, S.A.	Hilanderas, 4-14 - La Poveda - Arganda del Rey (Madrid)	100.00	Deloitte
Megaplás Italia, S.p.A.	Italy	100.00	
Motre, S.L.	Bonastruc de Porta, 20 - Girona	100.00	
Moviterra, S.A.	Bonastruc de Porta, 20 - Girona	100.00	Deloitte
Naturaleza, Urbanismo y Medio Ambiente, S.A.	Av. Camino de Santiago, 40 - Madrid	100.00	
Nevasa Inversión, S.L.	Av. Camino de Santiago, 40 - Madrid	100.00	
PPP Infraestructure Investments, B.V.	Netherlands	100.00	
Participaciones Teide, S.A.	Av. Camino de Santiago, 40 - Madrid	100.00	
Pedrera Les Gavarres, S.L.	Bonastruc de Porta, 20 - Girona	100.00	
Pinturas Jaque, S.L.	Acanto, 22 - Madrid	100.00	
Prefabricados Delta, S.A.	Acanto, 22 - Madrid	100.00	Deloitte
Proyectos y Servicios, S.A.	Acanto, 22 - Madrid	100.00	Centium
Ramalho Rosa Cobetar Sociedade de Construçoes, S.A.	Portugal	100.00	Deloitte
Servià Cantó, S.A.	Bonastruc de Porta, 20 - Girona	100.00	Deloitte
Servicios Dos Reis, S.A. de CV	Mexico	100.00	
Sincler, S.A., Sole-Shareholder Company	Av. Camino de Santiago, 40 - Madrid	100.00	
Tema Concesionaria, S.A.	Porto Pi, 8 - Palma de Mallorca (Balearic Islands)	100.00	
Tulsa Inversión, S.L.	Av. Camino de Santiago, 40 - Madrid	100.00	
Vela Borovica Koncern, D.O.O.	Croatia	95.00	
Vialia Sociedad Gestora de Concesiones de Infraestructuras, S.L.	Acanto, 22 - Madrid	100.00	

Company	Registered office	Effective percentage of ownership	Auditor
CEMENT			
Áridos de Navarra, S.A.	Estella, 6 - Pamplona (Navarra)	47.24	
Áridos Uniland, S.A., Sole-Shareholder Company	Córcega, 299 - Barcelona	71.43	Deloitte
Áridos y Premezclados, S.A., Sole-Shareholder Company	José Abascal, 59 - Madrid	71.58	Deloitte
Atracem, S.A., Sole-Shareholder Company	José Abascal, 59 - Madrid	71.58	Deloitte
Canteras de Aláiz, S.A.	Estella, 6 - Pamplona (Navarra)	50.12	Deloitte
Cementos Alfa, S.A.	Josefina de la Maza, 4 P.E. Piasca - Santander (Cantabria)	63.03	Deloitte
Cementos Portland Valderrivas, S.A.	Estella, 6 - Pamplona (Navarra)	71.58	Deloitte
Cementos Villaverde, S.L., Sole-Shareholder Company	Almagro, 26 - Madrid	71.58	Deloitte
Coastal Cement Corporation	USA	71.58	
Compañía Auxiliar de Bombeo de Hormigón, S.A., Sole-Shareholder Company	José Abascal, 59 - Madrid	71.58	
Dragon Alfa Cement Limited	UK	63.03	Deloitte
Dragon Energy, Llc.	USA	71.58	
Dragon Products Company, Inc.	USA	71.58	
Giant Cement Company	USA	71.58	
Giant Cement Holding, Inc.	USA	71.58	Deloitte
Giant Cement NC, Inc.	USA	71.58	
Giant Cement Virgina, Inc.	USA	71.58	
Giant Resource Recovery, Inc.	USA	71.58	
Giant Resource Recovery - Arvonia, Inc.	USA	71.58	
Giant Resource Recovery - Attalla, Inc.	USA	71.58	
Giant Resource Recovery - Harleyville, Inc.	USA	71.58	
Giant Resource Recovery - Sumter, Inc.	USA	71.58	
Hormigones de la Jacetania, S.A.	Llano de la Victoria - Jaca (Huesca)	44.74	KPMG
Hormigones Reinosa, S.A., Sole-Shareholder Company	Josefina de la Maza, 4 P.E. Piasca - Santander (Cantabria)	63.03	
Hormigones Uniland, S.L., Sole-Shareholder Company	Córcega, 299 - Barcelona	71.43	Deloitte
Hormigones y Morteros Preparados, S.A., Sole-Shareholder Company	José Abascal, 59 - Madrid	71.58	Deloitte
Horminal, S.L., Sole-Shareholder Company	José Abascal, 59 - Madrid	71.58	
Keystone Cement Company	USA	71.58	
Morteros Valderrivas, S.L., Sole-Shareholder Company	José Abascal, 59 - Madrid	71.58	Deloitte
Participaciones Estella 6, S.L., Sole-Shareholder Company	Estella, 6 - Pamplona (Navarra)	71.58	
Portland, S.L., Sole-Shareholder Company	José Abascal, 59 - Madrid	71.58	Deloitte
Prebesec Mallorca, S.A.	Conradors, 6 - Marratxi - Palma de Mallorca (Balearic Islands)	48.90	
Prebesec, S.A., Sole-Shareholder Company	Córcega, 299 - Barcelona	71.43	Deloitte
Sechem, Inc.	USA	71.58	
Select Beton, S.A.	Tunisia	62.87	Consulting Management & Governance

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Company	Registered office	Effective percentage of ownership	Auditor
Société des Ciments d'Enfidha	Tunisia	62.89	Consulting Management & Governance/Cabinet Deloitte
Tratamiento Escombros Almoguera, S.L.	José Abascal, 59 - Madrid	36.53	
Uniland Acquisition Corporation	USA	71.58	
Uniland Cementera, S.A.	Córcega, 299 - Barcelona	71.43	Deloitte
Uniland International, B.V.	Netherlands	71.58	
Uniland Trading, B.V.	Netherlands	71.58	
ENERGY			
Enefi Energía, S.A., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	
Enerstar Villena, S.A.	Maestro Chanzá, 3 - Alicante	57.80	Deloitte
Eolica Calvent, S.L. (6)	Balmes, 36 - Barcelona	80.05	
Ethern Electric Power (7)	Federico Salmón, 13 - Madrid	100.00	Deloitte
FCC Energía Aragón, S.L.	Manuel Lasala, 36 - Zaragoza	100.00	
FCC Energía Aragón II, S.L.	Manuel Lasala, 36 - Zaragoza	100.00	
FCC Energía USA, S.L., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	
FCC Power Generation, S.L.	Federico Salmón, 13 - Madrid	100.00	
FM Green Power Investments, S.L.	Federico Salmón, 13 - Madrid	100.00	Deloitte
Fomento Internacional Focsa, S.A., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	
Olivento, S.L., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	Deloitte
Guzmán Energía, S.L.	Portada, 11 - Palma del Río (Córdoba)	70.00	Deloitte
Guzmán Energy O&M, S.L.	Federico Salmón, 13 - Madrid	70.00	
Helios Patrimonial 1, S.L., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	Deloitte
Helios Patrimonial 2, S.L., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	Deloitte
OTHER ACTIVITIES			
Asesoría Financiera y de Gestión, S.A.	Federico Salmón, 13 - Madrid	100.00	Deloitte
Bvefdomintaena Beteiligungsverwaltung, GmbH	Austria	100.00	
Compañía General de Servicios Empresariales, S.A., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	
Corporación Española de Servicios, S.A.	Federico Salmón, 13 - Madrid	100.00	
Europea de Gestión, S.A., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	
F-C y C, S.L., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	
FCC 1, S.L., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	
FCC Construcciones y Contratas Internacional, S.L., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	
FCC Fomento de Obras y Construcciones, S.L., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	
FCC Inmobiliaria Conycon, S.L., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	
Fedemes, S.L.	Federico Salmón, 13 - Madrid	100.00	
Per Gestora Inmobiliaria, S.L.	Federico Salmón, 13 - Madrid	100.00	Centium

(6) Change of name. Formerly FCC Energía Catalunya, S.L.

(7) Change of name. Formerly FCC Energía, S.A.

APPENDIX II COMPANIES CONTROLLED JOINTLY WITH NON-GROUP THIRD PARTIES (ACCOUNTED FOR USING THE EQUITY METHOD)

Company	Registered office	Carrying amount of the investment 2013	2012	Effective percentage of ownership	Auditor
ENVIRONMENTAL SERVICES					
Atlas Gestión Medioambiental, S.A.	Viriato, 47 - Barcelona	13,015	13,219	50.00	Deloitte
Beacon Waste Limited	UK	1,490	1,559	50.00	Deloitte
Converty Service, S.A.	Camino de los Afligidos P.I. La Esgaravita, 1 - Alcalá de Henares (Madrid)	—	2,027	50.00	
Corporación Jerezana de Transportes Urbanos, S.A., Sole-Shareholder Company	P.I. Portal - Jerez de la Frontera (Cádiz)	2,116	3,537	50.00	
Detren Compañía General de Servicios Ferroviarios, S.L.	Av. Camino de Santiago, 40 - Madrid	3,908	1,793	50.00	KPMG
Ecoparc del Besòs, S.A.	Rambla Cataluña, 91-93 - Barcelona	5,282	4,484	49.00	Castellà Auditors Consultors
Ecoserveis Urbans de Figueres, S.L.	Av. de les Alegries, s/n - Lloret de Mar (Girona)	269	213	50.00	
Electrorecycling, S.A.	Ctra. BV - 1224 Km. 6,750 - El Pont de Vilomara i Rocafort (Barcelona)	1,350	1,445	33.33	KPMG
Empresa Mixta de Limpieza de la Villa de Torrox, S.A.	Plaza de la Constitución, 1 - Torrox (Málaga)	415	429	50.00	Audinfor
Empresa Mixta de Medio Ambiente de Rincón de la Victoria, S.A.	Av. Zorreras, 8 - Rincón de la Victoria (Málaga)	423	425	50.00	Audinfor
FCC Connex Corporación, S.L.	Av. Camino de Santiago, 40 - Madrid	12,464	14,104	50.00	
Fisersa Ecoserveis, S.A.	Alemanya, 5 - Figueres (Girona)	247	252	36.36	Auditoria i Control Auditors SLP
FTS 2010 Societa Consortile a Resp. Lim	Italy	1	6	60.00	
Gestión y Valoración integral del Centro, S.L.	De la Tecnología, 2. P.I. Los Olivos - Getafe (Madrid)	76	(105)	50.00	
Proactiva Group	Cardenal Marcelo Espínola, 8 - Madrid	—	54,858	50.00	Deloitte
Hades Soluciones Medioambientales, S.L.	Mayor, 3 - Cartagena (Murcia)	60	60	50.00	
Ingeniería Urbana, S.A.	Calle I esquina calle 3, P.I. Pla de la Vallonga - Alicante	4,622	4,957	35.00	Deloitte
Mediaciones Comerciales Ambientales, S.L.	Av. Roma, 25 - Barcelona	183	185	50.00	
Mercia Waste Management, Ltd.	UK	9,556	8,829	50.00	Deloitte
Palacio de Exposiciones y Congresos de Granada	Ps del Violón, s/n - Granada	(319)	91	50.00	Hispano Belgas Economistas & Auditores SLP
Pilagest, S.L.	Ctra. BV - 1224 Km. 6,750 - El Pont de Vilomara i Rocafort (Barcelona)	209	713	50.00	
Reciclado de Componentes Electrónicos, S.A.	E Pol. Actividades Medioambientales - Aznalcóllar (Sevilla)	2,578	2,648	37.50	KPMG
Senblen, S.A.	Alameda de Urquijo, 10 - Bilbao (Vizcaya)	(90)	(90)	50.00	
Servicios de Limpieza Integral de Málaga III, S.A.	Camino Térmica, 83 - Málaga	1,563	1,894	26.01	PriceWaterhouseCoopers
Servicios Urbanos de Málaga, S.A.	Ulises, 18 - Madrid	665	570	51.00	
Severn Waste Services Limited	UK	206	188	50.00	Deloitte
Tratamiento Industrial de Residuos Sólidos, S.A.	Rambla Cataluña, 91 - Barcelona	108	712	33.33	Castellà Auditors Consultors
Tranvía de Parla, S.A.	Camino de la Cantueña, 12 - Parla (Madrid)	—	6	5.00	

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Company	Registered office	Carrying amount of the investment 2013	2012	Effective percentage of ownership	Auditor
Versia Holding, GmbH in liquidation.	Austria	—	5	100.00	
Zabalgarbi, S.A.	Camino de Artigas, 10 – Bilbao (Vizcaya)	12,902	14,581	30.00	KPMG
AQUALIA					
Aguas de Langreo, S.L.	Alonso del Riesgo, 3 - Sama de Langreo (Asturias)	749	639	49.00	Audinfor
Aguas de Narixa, S.A.	Málaga, 11 - Nerja (Málaga)	345	281	50.00	Audinfor
Aguas y Servicios de la Costa Tropical de Granada, A.I.E.	Pz. de la Aurora - Motril (Granada)	828	803	51.00	Attest Servicios Empresariales
Aigües de Girona, Salt i Sarrià del Ter, S.A.	Ciutadans, 11 - Girona	215	182	26.89	Cataudit Auditors Associats, S.L.
Aquagest Medioambiente Aqualia, A.I.E.	Condado de Jaruco, s/n - Lloret de Mar (Barcelona)	32	41	37.50	
Augas Municipais de Arteixo, S.A.	Pz. Alcalde Ramón Dopico Arteixo - La Coruña	7	—	51.00	
Compañía de Servicios Medioambientales Do Atlántico, S.A.	Ctra. De Cedeira Km. 1 - Narón (La Coruña)	308	305	49.00	Audinfor
Constructora de Infraestructura de Agua de Queretaro, S.A. de C.V.	Mexico	(719)	(406)	24.50	Deloitte
Empresa Mixta d'Aigües de la Costa Brava	Pz. Josep Pla Casadevall, 4 - Girona	203	188	25.00	Ernst & Young
Empresa Mixta de Aguas y Servicios	Elisa Cendreros, 14 - Ciudad Real	85	68	41.25	Centium
Empresa Municipal de Aguas de Benalmádena EMABESA, S.A.	Av. Juan Luis Peralta, s/n - Benalmádena (Málaga)	1,981	2,175	50.00	Audinfor
Gestión de Servicios Hidráulicos de Ciudad Real, A.I.E.	Ramirez de Arellano, 15 - Madrid	(56)	(56)	75.00	
Girona, S.A.	Travessera del Carril, 2 - Girona	1,621	1,577	33.61	Cataudit Auditors Associats, S.L.
Orasqualia Construction, S.A.E.	Egypt	1,294	1,688	50.00	KPMG
Orasqualia for the Development of the Waste Water Treatment Plant S.A.E.	Egypt	16,813	16,714	50.01	Deloitte
Orasqualia Operation and Maintenance, S.A.E.	Egypt	486	436	50.00	KPMG
PB El Caracol S del RL de CV	Mexico	327	698	50.00	Grant Thornton, SC
CONSTRUCTION					
ACE CAET XXI Construçoes	Portugal	(2,825)	(3,657)	50.00	Horwath & Associados SROC, Ltda.
ACE Edifer Construçoes Ramalho R.C. E.C.	Portugal	2	2	33.33	
ACE Ribeiradio-Ermida	Portugal	(2,463)	(1,698)	55.00	Horwath & Associados SROC, Ltda.
ACE Túnel Rua de Ceuta, Construçao e Obras Publicas	Portugal	—	(10)	49.50	
Administración y Servicios Grupo Zapotillo, S.A. de C.V.	Mexico	44	8	50.00	Grant Thornton
Ctra. Cabo San Lucas San José, S.A. de C.V.	Mexico	(402)	(124)	50.00	Deloitte
Constructores del Zapotillo, S.A. de C.V.	Mexico	1,575	1,052	50.00	Grant Thornton
Construcciones Olabarri, S.L.	Ripa, 1 - Bilbao (Vizcaya)	4,941	4,930	49.00	Charman Auditores, S.A.

Company	Registered office	Carrying amount of the investment 2013	2012	Effective percentage of ownership	Auditor
Constructora de Infraestructura de Agua de Queretaro, S.A. de C.V.	Mexico	(719)	(406)	24.50	Deloitte
Constructora Durango-Mazatlan, S.A. de C.V.	Mexico	608	1,582	51.00	Deloitte
Constructora Nuevo Necaxa Tihuatlan, S.A. de C.V.	Mexico	910	4,768	40.00	Deloitte
Dragados FCC, Canada, Inc.	Canada	(483)	(776)	50.00	
EFI Túneles Necaxa, S.A. de C.V.	Mexico	229	31	45.00	
Elaboración de Cajones Pretensados, S.L.	Av. General Perón, 36 - Madrid	2	1	50.00	
FCC Construction Kipszer Kft	Hungary	—	1	50.00	
FCC Elliot Construction Limited	Ireland	(2,115)	390	50.00	Deloitte
Ibisan Sociedad Concesionaria, S.A.	Porto Pi, 8 - Palma de Mallorca (Balearic Islands)	8,466	6,620	50.00	Deloitte
Integral Management Future Renewables, S.L.	A Condomiña, s/n - Ortoño (La Coruña)	1,927	1,492	50.00	Deloitte
Marina de Laredo, S.A.	Pasaje de Puntida, 1 - Santander (Cantabria)	(161)	1,135	50.00	PriceWaterhouseCoopers
MDM-Teide, S.A.	Panama	1,044	1,132	50.00	
North Tunnels Canada Inc.	Canada	(19,064)	(12,652)	50.00	
Operaciones y Servicios para la Industria de la Construcción, S.A. de C.V.	Mexico	(66)	(138)	50.00	Deloitte
Peri 3 Gestión, S.L.	General Álava, 26 - Vitoria Gasteiz (Álava)	2	2	50.00	
Proyecto Front Marítim, S.A.	Paseo de Gracia, 120 - Barcelona	(7,383)	(6,671)	50.00	
Servicios Empresariales Durango-Mazatlan, S.A. de C.V.	Mexico	171	106	51.00	Deloitte
Sociedad Concesionaria Tranvía de Murcia, S.A.	Olof Palmer, s/n - Murcia	18,415	20,101	50.00	Deloitte
Teide-MDM Quadrat, S.A.	Panama	178	192	50.00	
Western Carpathians Motorway Investors Company, GmbH	Austria	10	12	40.00	
Zílinská Dialnica, s.r.o.	Slovakia	(172)	(215)	40.00	
CEMENT					
Carbocem, S.A.	Paseo de la Castellana, 45 - Madrid	73	73	49.87	Deloitte
Corporación Uniland, S.A.	Córcega, 299 - Barcelona	(7)	(7)	71.58	Deloitte
Pedrera de l'Ordal, S.L.	Ctra. N 340 km. 1229,5 La Creu del L'Ordal - Subirats (Barcelona)	3,777	3,812	35.71	Busquet
ENERGY					
Sigenera, S.L.	Av. De Linares Rivas, 1 - La Coruña	398	—	50.00	Deloitte
OTHER ACTIVITIES					
Globalvía Group	Paseo de la Castellana, 141 Edificio Cuzco IV - Madrid	—	368,386	50.00	Deloitte
Realia Business Group	Paseo de la Castellana, 216 - Madrid	—	56,609	37.03	Deloitte
TOTAL VALUE OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD (JOINT VENTURES)			104,730	605,011	

APPENDIX III ASSOCIATES (ACCOUNTED FOR USING THE EQUITY METHOD)

Company	Registered office	Carrying amount of the investment 2013	2012	Effective percentage of ownership	Auditor
ENVIRONMENTAL SERVICES					
Apex/FCC, Llc.	USA	—	1,977	50.00	
Aprochim Getesarp Rymoil, S.A.	P.I. Logrenzana La Granda - Carreño (Asturias)	870	1,144	23.49	Mendez Auditores
Aragonesa de Gestión de Residuos, S.A.	Paseo María Agustín, 36 - Zaragoza	25	30	12.00	PriceWaterhouseCoopers
Aragonesa de Tratamientos Medioambientales XXI, S.A.	Ctra. Castellón Km. 58 - Zaragoza	631	647	33.00	
Betearte, S.A.U.	Cr. BI - 3342 pk 38 Alto de Areitio - Mallabia (Vizcaya)	969	999	33.33	PKF Attest
Clavegueram de Barcelona, S.A.	Acer, 16 - Barcelona	917	799	20.33	Bove Montero y Asociados
Gestión Integral de Residuos Sólidos, S.A.	Profesor Beltrán Baquena, 4 - Valencia	2,694	947	49.00	Fides Auditores
A.S.A. Group:	Austria	5,819	6,175		
.A.R.K. Technicke Sluby	Slovakia	—	—	50.00	PriceWaterhouseCoopers
.A.S A + AVE Környezetvédelmi H Kft	Hungary	—	—	50.00	PriceWaterhouseCoopers
.A.S.A. Hlohovec, s.r.o.	Slovakia	—	—	50.00	
A.K.S.D. Városgazdálkodási Korlátolt FT	Hungary	—	—	25.50	PriceWaterhouseCoopers
ASTV s.r.o.	Czech Republic	—	—	49.00	
Debreceni Hulladek Közszolgaltaró Nonprofit Kolátolt Felelösségü Társasag	Hungary	—	—	24.50	
Huber Abfallservice Verwaltungs, GmbH	Austria	—	—	49.00	
Huber Entsorgungs GmbH Nfg KG	Austria	—	—	49.00	
Killer, GmbH	Austria	—	—	50.00	
Killer GmbH & Co KG	Austria	—	—	50.00	
Recopap, s.r.o.	Slovakia	—	—	50.00	PriceWaterhouseCoopers
Technické a Stavební Sluzby, AS	Czech Republic	—	—	50.00	
Tirme Group	Ctra. Soller Km. 8,2 Camino de Son Reus - Palma de Mallorca (Balearic Islands)	11,667	11,131	20.00	KPMG
Pallars Jussà Neteja i Serveis, S.A.	Pau Casals, 14 - Tremp (Lleida)	40	43	40.80	
Sogecar, S.A.	Polígono Torrelarragoiti - Zamudio (Vizcaya)	350	556	30.00	
Tramvia Metropolità, S.A.	Córcega, 270 - Barcelona	—	1,007	3.24	
Tramvia Metropolità del Besòs, S.A.	Córcega, 270 - Barcelona	—	648	3.24	

Company	Registered office	Carrying amount of the investment 2013	2012	Effective percentage of ownership	Auditor
AQUALIA					
Abastament en Alta Costa Brava Empresa Mixta, S.A.	Pz. Josep Pla Casadevall, 4 3º 1ª - Girona	139	148	26.00	
Aguas de Archidona, S.L.	Pz. Ochavada, 1 - Archidona (Málaga)	78	63	48.00	Centium
Aguas de Denia, S.A.	Pare Pere, 17 – Denia (Alicante)	403	408	33.00	
Aguas de Priego, S.L.	Pz. de la Constitución, 3 - Priego de Córdoba (Córdoba)	(31)	173	49.00	Audinfor
Aguas de Ubrique, S.A.	Av. España, 9 - Ubrique (Cádiz)	(99)	(17)	49.00	
Aigües de Blanes, S.A.	Canigó, 5 - Blanes (Girona)	36	55	16.47	CD Auditors I Consulting, S.L.
Aigües de Tomoví, S.A.	Pz. Vella, 1 - El Vendrell (Tarragona)	356	545	49.00	GM Auditors, S.L.
Aqualia Mace Operation & General Maintenance LLC	United Arab Emirates	1,077	449	51.00	Deloitte
Aquos El Realito	Mexico	4,379	5,916	49.00	Deloitte
Concesionaria de Desalación de Ibiza, S.A.	Rotonda de Santa Eulalia, s/n - Ibiza	1,430	745	50.00	BDO Auditores, S.L.
Conducció del Ter, S.L. in liquidation	Bourg de Peage, 89 - Sant Feliu de Guixols (Girona)	—	5	48.00	
Constructora de Infraestructuras de Aguas de Potosí, S.A. de C.V.	Mexico	(1,045)	614	24.50	Deloitte
EMANAGUA Empresa Mixta Municipal de Aguas de Nijar, S.A.	Pz. de la Goleta, 1 - Nijar (Almería)	218	186	49.00	Audinfor
Empresa Municipal de Aguas de Algeciras, S.A.	Av. Virgen del Carmen - Algeciras (Cádiz)	86	(12)	49.00	Abante Unicontrol Auditores, SLP
Empresa Municipal de Aguas de Jodar, S.A.	Pz. España, 1 - Jodar (Jaén)	(9)	38	49.00	Centium
Empresa Municipal de Aguas de Linares, S.A.	Cid Campeador, 7 - Linares (Jaén)	(123)	4	49.00	Centium
Empresa Municipal de Aguas de Toxiria, S.A.	Cristobal Colón, 104 - Torredonjimeno (Jaén)	63	10	49.00	Centium
Generavila, S.A.	Pz. de la Catedral, 11 - Ávila	74	75	36.00	Audinfor
Nueva Sociedad de Aguas de Ibiza	Av. Bartolomé de Roselló, 18 - Ibiza (Balearic Islands)	66	92	40.00	
Prestadora de Servicios Acueducto El Realito, S.A.de C.V.	Mexico	1	—	24.50	
Proveïments d'Aigua, S.A.	Asturies, 13 - Girona	315	302	15.12	Antoni Riera Economistes Auditors
Sera Q A Duitama E.S.P., S.A.	Colombia	28	32	30.60	
Shariket Miyeh Ras Djinet, S.P.A.	Algeria	9,872	8,557	25.50	Mustapha Heddad
Shariket Tahlya Miyah Mostaganem, S.P.A.	Algeria	24,841	20,091	25.50	Mustapha Heddad
Suministro de Agua de Queretaro, S.A. de C.V.	Mexico	10,768	11,205	28.80	Deloitte

Company	Registered office	Carrying amount of the investment 2013	2012	Effective percentage of ownership	Auditor
CONSTRUCTION					
Aigües del Segarra Garrigues, S.A.	Av. de Tarragona, 6 - Tárrega (Lleida)	5,529	4,956	24.00	Deloitte
Auto-Estradas XXI - Subconcessionaria Transmontana, S.A.	Portugal	1,640	1,640	26.52	Deloitte
Autopistas del Valle, S.A.	Costa Rica	1,044	6,394	48.00	Deloitte
Baross Ter Ingatlanprojekt-Fejleszto Kft	Hungary	430	430	20.00	Sölch Ágostonné
BBR VT International, Ltd.	Switzerland	1,588	1,634	22.50	Trewitax Zürich AG
Cleon, S.A.	Av. General Perón, 36 - Madrid	24,733	24,797	25.00	KPMG
Concesionaria Atención Primaria, S.A.	Plaza Es Fortí, 4 - Palma de Mallorca	1,939	1,550	33.00	Deloitte
Concessió Estacions Aeroport L9, S.A.	Av. Carrilet, 3 Edificio D - L'Hospitalet de Llobregat (Barcelona)	9,222	(14,456)	49.00	Deloitte
Constructora de Infraestructuras de Aguas de Potosí, S.A. de C.V.	Mexico	(1,045)	613	24.50	Deloitte
Constructora San José - Caldera CSJC, S.A.	Costa Rica	136	2,303	50.00	Deloitte
Constructora San José-San Ramón SJSR, S.A.	Costa Rica	1,768	27	50.00	
Costa Verde Habitat, S.L.	Orense, 11 - Madrid	4,468	5,145	50.00	
Desarrollo Cuajimalpa, S.A. de C.V.	Mexico	1,807	1,904	25.00	
Desarrollos y Promociones Costa Cálida, S.A.	Saturno, 1 - Pozuelo de Alarcón (Madrid)	—	258	35.75	
Design Build and Operation, S.L.	Av. Eduardo Dato, 69 - Sevilla	7	8	40.00	
FCC Tarrio TX-1 Construçoes Ltda.	Brazil	(1,412)	—	70.00	
Gesi -9, S.A.	Sorolla, 27 - Alcalá de Guadaira (Sevilla)	—	10,613	74.90	Antonio Moreno Campillo
Alpine Group	Austria	—	13,517		
Cedinsa Concesionaria Group	Tarragona, 141 - Barcelona	32,282	44,481	34.00	Deloitte
Foment de Construccions i Consulting Group	Andorra	12	12	33.30	
MWG Wohnbau Group GmbH	Austria	1,290	—	50.00	
Las Palmeras de Garrucha, S.L. - in liquidation	Mayor, 19 - Garrucha (Almería)	999	1,083	20.00	
M50 (D&C) Limited	Ireland	(3,260)	(3,381)	42.50	Deloitte
Metro de Málaga, S.A.	Camino de Santa Inés, s/n - Málaga	13,672	13,672	10.01	Ernst & Young
N6 (Construction) Limited	Ireland	(38,733)	(37,339)	42.50	Deloitte
Nigh South West Health Partnership Limited	Ireland	—	(23,701)	39.00	Deloitte
Nova Bocana Barcelona, S.A.	Av. Josep Tarradellas, 123 - Barcelona	—	8,268	25.00	Deloitte
Nova Bocana Business, S.A.	Av. Josep Tarradellas, 123 - Barcelona	3,552	3,691	25.00	Deloitte
Omszki-To Part Kft	Hungary	(37)	(37)	20.00	
Port Premiá, S.A. - in liquidation -	Balmes, 36 - Barcelona	(555)	(555)	39.72	
Prestadora de Servicios Acueducto El Realito, S.A. de C.V.	Mexico	1	—	24.50	
Promvias XXI, S.A.	Vía Augusta, 255 Local 4 - Barcelona	(613)	(507)	25.00	

Company	Registered office	Carrying amount of the investment 2013	2012	Effective percentage of ownership	Auditor
Teide Gestión del Sur, S.L.	José Luís Casso, 68 - Sevilla	2,383	2,886	49.94	
Terminal Polivalente de Huelva, S.A.	La Marina, 29 - Huelva	(263)	(263)	31.50	
Torres Porta Fira, S.A.	Pz. Europa, 31 5º - L'Hospitalet de Llobregat (Barcelona)	23	17	40.00	
Tramvia Metropolitá, S.A.	Córcega, 270 - Barcelona	—	3,963	1.00	KPMG
Tramvía Metropolitá del Besós, S.A.	Córcega, 270 - Barcelona	—	5,618	1.00	KPMG
Urbs Iudex et Causidicus, S.A.	Av. Carrilet, 3 - L'Hospitalet de Llobregat (Barcelona)	(10,692)	(15,146)	29.00	Deloitte
Urbs Iustitia Commodo Opera, S.A.	Av. Carrilet, 3 - L'Hospitalet de Llobregat (Barcelona)	471	490	35.00	
CEMENT					
Aplicaciones Minerales, S.A.	Camino Fuente Herrero - Cueva Cardiel (Burgos)	348	390	24.74	
Canteras y Hormigones Quintana, S.A.	Ctra. Santander-Bilbao Km. 184 - Barcena de Cicero (Cantabria)	—	3,745	7.72	
Canteras y Hormigones VRE, S.A.	Arieta, 13 - Estella (Navarra)	532	633	35.79	KPMG
Hormigones Calahorra, S.A.	Brebicio, 25 - Calahorra (La Rioja)	(362)	(355)	35.79	
Hormigones Castro, S.A.	Ctra. Irún-La Coruña Km. 153 - Islares - (Cantabria)	332	338	25.21	
Hormigones del Baztán, S.L.	Estella, 6 - Pamplona (Navarra)	861	889	35.79	
Hormigones Delfín, S.A.	Venta Blanca - Peralta (Navarra)	485	487	35.79	
Hormigones en Masa de Valtierra, S.A.	Ctra. Cadreita Km. 0 - Valtierra (Navarra)	1,424	1,446	35.79	
Hormigones Galizano, S.A.	Ctra. Irún - La Coruña Km. 184 - Gama (Cantabria)	173	193	31.52	
Hormigones Reinares, S.A.	Praje Murillo de Calahorra, s/n - Calahorra (La Rioja)	476	506	35.79	
Hormigones y Áridos del Pirineo Aragonés, S.A.	Ctra. Biescas - Sabiñanigo (Huesca)	5,986	6,197	35.79	KPMG
Lázaro Echevarría, S.A.	Isidoro Melero - Alsasua (Navarra)	9,581	9,873	20.05	KPMG
Navarra de Transportes, S.A.	Ctra. Pamplona-Vitoria Km. 52 - Olazagutia (Navarra)	1,075	1,136	23.86	KPMG
Novhorvi, S.A.	Portal de Gamarra, 25 - Vitoria Gasteiz (Alava)	211	209	17.89	KPMG
Portcemen, S.A.	Muelle Contradique Sur-Puerto Barcelona - Barcelona	1,052	1,140	23.81	
Quinsa Prefabricados de Hormigón, S.L., Sole-Shareholder Company	Ctra. S. Sebastián-Coruña Km. 183 - Barcena de Cicero (Cantabria)	—	(113)	7.72	
Silos y Morteros, S.L.	Ctra. De Pamplona Km.1 - Logroño (La Rioja)	62	121	23.86	
Terminal Cimentier de Gabes-Gie	Tunisia	88	98	20.96	Ernst & Young
Terrenos Molins, S.L.	Llobregat - Molins de Rei (Barcelona)	—	4	17.87	
Transportes Cántabros de Cemento Portland, S.L.	Ctra. S. Sebastián-Coruña, 184 - Barcena de Cicero (Cantabria)	—	26	7.72	
Vescem-LID, S.L.	Valencia, 245 - Barcelona	57	76	17.86	
TOTAL VALUE OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD (ASSOCIATES)		151,672	167,411		

APPENDIX IV CHANGES IN THE SCOPE OF CONSOLIDATION

ADDITIONS	Registered office
Fully consolidated companies	
AISA D.O.O MOSTAR	Bosnia-Herzegovina
ALPINE SAUDI ARABIA LLC	Saudi Arabia
AQUACARTAYA	Av. San Francisco Javier, 27 2º - Sevilla
AQUAJEREZ	Cristalería, 27 Pol. Ind. Ronda Oeste - Jerez de la Frontera (Cádiz)
BVEFDOMINTAENA BETEILIGUNSVERWALTUNG GMBH	Austria
FCC INDUSTRIAL PERÚ, S.A.	Peru
JOINT VENTURES	
AUGAS MUNICIPAIS DE ARTEIXO, S.A. (*)	Pz. Alcalde Ramón Dopico - Arteixo (La Coruña)
ASSOCIATES	
DEBRECENI HULLADEK KÖZSZOLGALTARÓ NONPROFIT KOLÁTOLT FELELÄSEGÜ TARSASAP	Hungary
FCC TARRIO TX-1 CONSTRUÇAO LTDA.	Brazil
MWG WOHNBAU GMBH GROUP (*)	Austria
PRESTADORA DE SERVICIOS ACUEDUCTO EL REALITO, S.A. DE CV	Mexico

REMOVALS	Registered office
Fully consolidated companies	
AEBA AMBIENTE Y ECOLOGIA DE BUENOS AIRES, S.A. (1)	Argentina
AIGÜES DE L'ALT EMPORDÀ, S.A. (2)	Lluis Companys, 43 - Roses (Girona)
ÁRIDOS Y CANTERAS DEL NORTE, S.A.U. (1)	Alameda de Urquijo, 10 - Bilbao (Vizcaya)
ARRIBERRI, S.L., SOLE-SHAREHOLDER COMPANY (1)	Alameda de Urquijo, 10 - Bilbao (Vizcaya)
CÁNTABRA INDUSTRIAL Y MINERA, S.A., SOLE-SHAREHOLDER COMPANY (3)	Josefina de la Maza, 4 P.E.Piasca - Santander (Cantabria)
CANTERA ZEANURI (1)	Uribitarte, 10 - Bilbao (Vizcaya)
CANTERAS VILLALLANO, S.L. (3)	Poblado de Villallano - Villallano (Palencia)
CEMENSILOS, S.A. (3)	Josefina de la Maza, 4 P.E. Piasca - Santander (Cantabria)
CEMENTOS LEMONA (1)	Alameda de Urquijo, 10 - Bilbao (Vizcaya)
CHEMIPUR QUÍMICOS, S.L., SOLE-SHAREHOLDER COMPANY (4)	Pincel, 25 - Sevilla

(*) Change in consolidation method due to the purchases or sales of additional ownership interests.

REMOVALS	Registered office
Fully consolidated companies	
COMPAÑÍA AUXILIAR DE AGENCIA Y MEDIACIÓN, S.A. (5)	Federico Salmón, 13 - Madrid
CORPORACION FINANCIERA HISPANICA, S.A. (5)	Federico Salmón, 13 - Madrid
EGUR BIRZIKLATU BI MILA, S.L. (1)	Alameda de Urquijo, 10 - Bilbao (Vizcaya)
ENVICON GAS (6)	Czech Republic
EUROPEAN HEALTHCARE PROJECTS LIMITED (1)	UK
EUSKO LANAK, S.A. (5)	Federico Salmón, 13 - Madrid
EXPLOTACIONES SAN ANTONIO, S.L., SOLE-SHAREHOLDER COMPANY (3)	Josefina de la Maza, 4 P.E. Piasca - Santander (Cantabria)
FCC ACTIVIDADES DE CONSTRUCCION INDUSTRIAL, S.A. (7)	Av. Camino de Santiago, 40 - Madrid
FCC ENERGY LIMITED (8)	UK
FCC ENVIRONMENTAL SERVICES LIMITED (8)	UK
FCC INDUSTRIAL E INFRAESTRUCTURAS ENERGETICAS, S.L.U. (7)	Rabe de las Calzadas, 1 - Fuencarral (Madrid)
FCC SERVICIOS INDUSTRIALES Y ENERGÉTICOS, S.A., SOLE-SHAREHOLDER COMPANY (9)	Av. Camino de Santiago, 40 - Madrid
GEMECAN, GESTORA MEDIOAMBIENTAL Y DE RESÍDUOS, S.L. (1)	Josefina Mayor, 12 - Telde (Las Palmas)
ALPINE GROUP (10)	
ACOTON PROJEKMANAGEMENT & BAUTRÄGER, GMBH	Austria
AJS ACOTON PROJEKMANAGEMENT & BAUTRÄGER, GMBH CO. KG	Austria
ALPINE ALEKSANDAR D.O.O.	Macedonia
ALPINE BAU CZ, S.R.O.	Czech Republic
ALPINE BAU DEUTSCHLAND AG	Germany
ALPINE BAU, GMBH	Austria
ALPINE BAU, GMBH A-1 SP.J	Poland
ALPINE BAU, GMBH FILIALI TIRANE SH PK	Albania
ALPINE BAU, GMBH SCHWEIZ	Switzerland
ALPINE BAU INDIA PRIVATE LIMITED	India
ALPINE BEMO TUNNELLING, GMBH	Austria
ALPINE BEMO TUNNELLING CANADA, INC.	Canada
ALPINE BEMO TUNNELLING, GMBH ECHING	Germany
ALPINE BUILDING SERVICES, GMBH	Germany
ALPINE BULGARIA AD	Bulgaria

REMOVALS	Registered office
Fully consolidated companies	
ALPINE CONSTRUCTION ASERBAIDSCHAN	Azerbaijan
ALPINE CONSTRUCTION, L.L.C	Oman
ALPINE CONSTRUCTION POLSKA, SP ZO.O.	Poland
ALPINE D.O.O. BANJA LUKA	Bosnia Herzegovina
ALPINE D.O.O. BEOGRAD	Serbia
ALPINE ENERGIE CESKO SPOL., S.R.O.	Czech Republic
ALPINE ENERGIE DEUTSCHLAND, GMBH	Germany
ALPINE ENERGIE HOLDING AG (AUSTRIA)	Austria
ALPINE ENERGIE HOLDING AG (GERMANY)	Germany
ALPINE ENERGIE ITALIA SRL	Italy
ALPINE ENERGIE LUXEMBOURG, SARL	Luxembourg
ALPINE ENERGIE MAGYARORSZÁG KFT	Hungary
ALPINE ENERGIE OSTERREICH, GMBH	Austria
ALPINE ENERGIE SCHWEIZ AG	Switzerland
ALPINE ENERGIE SOLAR ITALIA SRL	Italy
ALPINE GREEN ENERGIA SP ZOO	Poland
ALPINE HOLDING, GMBH	Austria
ALPINE HUNGARIA BAU, GMBH	Hungary
ALPINE INVESTMENT D.O.O.	Bosnia Herzegovina
ALPINE KAMEN D.O.O.	Serbia
ALPINE LIEGENSCHAFTSVERWERTUNGS, GMBH	Austria
ALPINE MAYREDER CONSTRUCTION CO, LTD. AMCC	China
ALPINE PODGORICA D.O.O.	Montenegro
ALPINE PROJECT FINANCE AND CONSULTING, GMBH	Germany
ALPINE RUDNIK KRECNJAKA LAPISNICA D.O.O.	Bosnia Herzegovina
ALPINE SKOPJE DOOEL	Macedonia
ALPINE - SLASK BUDOWA, SP. ZO.O.	Poland
ALPINE SLOVAKIA SPOL, S.R.O.	Slovakia
ALPINE, S.A.	Romania
ANDEZIT STANCENI SRL	Romania
ARB HOLDING, GMBH	Austria
BAUTECHNISCHE PRÜF UND VERSUCHSANSTALT, GMBH	Austria
BEWEHRUNGSZENTRUM LINZ, GMBH	Austria
BÜROZENTRUM U3 PROJEKT, GMBH	Austria
CSS - CITY SERVICE SOLUTION, GMBH	Germany
E GOTTSCHALL & CO, GMBH	Germany

REMOVALS	Registered office
Fully consolidated companies	
ECOENERGETIKA D.O.O.	Slovenia
FRÖHLICH BAU UND ZIMMEREIUNTERNEHMEN, GMBH	Austria
GEOTECHNIK SYSTEMS, GMBH	Austria
GMBH "ALPINE"	Russia
GRADOS D.O.O. NOVI SAD	Serbia
GRUND PFAHL UND SONDERBAU, GMBH	Austria
GRUND UND SONDERBAU GMBH ZNL BERLIN	Austria
HAZET BAUUNTERNEHMUNG, GMBH	Austria
HOCH & TIEF BAU BETEILIGUNGS, GMBH	Austria
ING ARNULF HADERER, GMBH	Austria
INGENIEURBÜRO FÜR ENERGIE - UND HAUSTECHNIK ANDREAS DUBA, GMBH	Germany
KAI CENTER ERRICHTUNGS UND VERMIETUNGS, GMBH	Austria
KAPPA D.O.O.	Croatia
KLÖCHER BAUGESELLSCHAFT MBH	Austria
KONRAD BEYER & CO SPEZIALBAU, GMBH	Austria
MLA BETEILIGUNGEN, GMBH	Austria
OEKOTECHNA ENTSORGUNGS UND UMWELTTECHNIK, GMBH	Austria
OKTAL PLUS D.O.O.	Croatia
OSIJEK - KOTEKS D.D.	Croatia
PRO - PART AG	Switzerland
PRO-PART ENERGIE, GMBH	Switzerland
PRO - PART IN AUSTRIA HANDELS, GMBH	Austria
PROJECT DEVELOPMENT, GMBH	Austria
RMG D.O.O.	Bosnia Herzegovina
SALZBURGER LIEFERASPHALT, GMBH CO. OG	Austria
SCHAUER EISENBAHNBAU, GMBH	Austria
SOLAR PARK SERENA, SRL	Italy
STUMP - GEOSPOL S.R.O. PRAGUE	Czech Republic
STUMP HYDROBUDOWA, SP. ZO.O. WARSCHAU	Poland
STUMP SPEZIALTIEFBAU, GMBH	Germany
TAKUS BETEILIGUNGS, GMBH	Germany
TAKUS, GMBH & CO KG	Germany
TERRA E SOLE S.R.L.	Italy
THALIA ERRICHTUNGS UND VERMIETUNGS, GMBH	Austria

FINANCIAL STATEMENTS

REMOVALS	Registered office
Fully consolidated companies	
UNIVERSALE BAU, GMBH	Austria
VELICKI KAMEN D.O.O.	Croatia
WALTER HAMANN HOCH TIEF UND STAHLBETONBAU, GMBH	Germany
WEINFRIED BAUTRÄGER, GMBH	Austria
WELLNESSHOTEL ÉPITO KFT	Hungary
HORMIGONES PREMEZCLADOS DEL NORTE, S.A. (1)	Alameda de Urquijo, 10 - Bilbao (Vizcaya)
MORTEROS BIZKOR, S.L. (1)	Alameda de Urquijo, 10 - Bilbao (Vizcaya)
NILO MEDIOAMBIENTE, S.L., SOLE-SHAREHOLDER COMPANY (4)	Pincel, 25 - Sevilla
PUERTO CALA MERCED, S.A. (5)	Arquitecto Gaudí, 4 - Madrid
SANTURBASA (1)	Alameda de Urquijo, 10 - Bilbao (Vizcaya)
SOUTHERN CEMENT LIMITED (1)	UK
TELSA, S.A. (1)	Alameda de Urquijo, 10 - Bilbao (Vizcaya)
TELSA, S.A. Y COMPAÑÍA REGULAR COLECTIVA (1)	Alameda de Urquijo, 10 - Bilbao (Vizcaya)
TRANSPORTES GOROZTETA, S.L., SOLE-SHAREHOLDER COMPANY (1)	Alameda de Urquijo, 10 - Bilbao (Vizcaya)
UTONKA, S.A., SOLE-SHAREHOLDER COMPANY (8)	Córcega, 299 - Barcelona
WINTERTON POWER LIMITED (8)	UK
WRG PROPERTIES LIMITED (8)	UK
Companies accounted for using the equity method	
JOINT VENTURES	
ATLANTICA DE GRANELES Y MOLIENDAS, S.A. (1)	Muelle de Punta Sollana, s/n - Zierbena (Vizcaya)
FCC CONSTRUCTION KIPSZER, KFT (11)	Hungary
PROACTIVA GROUP (1)	Cardenal Marcelo Espínola, 8 - Madrid
VERSIA HOLDING, GMBH IN LIQUIDATION (8)	Austria

REMOVALS	Registered office
ASSOCIATES	
APEX – FCC – L.L.C. (8)	USA
ARIDOS UNIDOS, S.A. (1)	Alameda de Urquijo, 10 - Bilbao (Vizcaya)
CANTERAS Y HORMIGONES QUINTANA, S.A. (12)	Ctra. Santander - Bilbao Km 184 - Barcena de Cicero (Cantabria)
CONDUCCIÓ DEL TER (2)	Bourg de Peage, 89 - San Feliu de Guíxols (Girona)
DESARROLLOS Y PROMOCIONES COSTA CÁLIDA, S.A. (11)	Saturno, 1 - Pozuelo de Alarcón (Madrid)
ENERGYLINK LIMITED (8)	UK
ALPINE GROUP (10)	
ABO ASPHALT-BAU OEYNHAUSEN, GMBH	Austria
AMW ASPHALTWERK, GMBH	Austria
AMW LEOPOLDAU TEERAG-ASDAG AG & ALPINE BAU, GMBH OG	Austria
ASPHALTMISCHWERK BETRIEBS, GMBH & CO KG	Austria
ASPHALTMISCHWERK GREINSFURTH, GMBH & CO OG	Austria
ASPHALTWERK SIERNING, GMBH	Austria
ASW-ASPHALTMISCHONLAGE INNSBRUCK, GMBH	Austria
ASW-ASPHALTMISCHONLAGE INNSBURCK, GMBH & CO KG	Austria
AWT ASPHALTWERK, GMBH	Austria
AWW ASPHALTMISCHWERK WÖLBLING, GMBH	Austria
BONAVENTURA STRASSENERRICHTUNGS, GMBH	Austria
D1 CONSTRUCTION SRO IN LIQUIDATION	Slovakia
DOLOMIT-BETON LIEFERBETONWERK, GMBH	Austria
DRAUBETON, GMBH	Austria
FMA ASPHALTWERK, GMBH & CO KG	Austria
HEMMELMAIR FRÄSTECHNIK, GMBH	Austria
KIESWERK-BETRIEBS, GMBH & CO. KG	Austria
INTERGEO UMWELTMANGAMENT, GMBH	Austria
LIEFERASPHALTGESELLSCHAFT JAUNTAL, GMBH	Austria
MSO MISCHANLAGEN SÜD-OST BETRIEBS, GMBH UND CO KG	Austria

REMOVALS	Registered office
ASSOCIATES	
PALTENTALER BETON ERZEUGUNGS, GMBH	Austria
PORR ALPINE AUSTRIARAIL, GMBH	Austria
PPE MALZENICE, S.R.O.	Slovakia
RASTÄTTEN BETRIEBS, GMBH	Austria
RBA RECYCLING UND BETONANLAGEN, GMBH & CO NFG KG	Austria
RFM ASPHALTMISCHWERK, GMBH & CO KG	Austria
SALZURGER LIEFERASPHALT, GMBH & CO OG	Austria
SCHABERREITER, GMBH	Austria
SILASFALT, S.R.O.	Czech Republic
STRAKA BAU, GMBH	Austria
TRANSPORTBETON UND ASPHALT, GMBH	Austria
TRANSPORTBETON UND ASPHALT, GMBH & CO KG	Austria
WALDVIERTLER LIEFERASPHALT, GMBH & CO KG	Austria
NEUCICLAJE, S.A. (1)	Alameda de Urquijo, 10 - Bilbao
NIGH LIMITED (1)	Ireland
NIGH SOUTH WEST HEALTH PARTNERSHIP LIMITED (1)	Ireland
NOVA BOCANA BARCELONA, S.A. (1)	Av. Josep Tarradellas, 123 - Barcelona
QUINSA PREFABRICADOS DE HORMIGON, S.L., SOLE-SHAREHOLDER COMPANY (12)	Ctra. S. Sebastián - Coruña Km. 183 - Barcena de Cicero (Cantabria)
SA STRIA CONSORTILE A RESPONSABILITA LIMITATA (8)	Italy
TERRENOS MOLINS, S.L. (8)	Llobregat. Molins de Rei (Barcelona)
TRANSPORTES CÁNTABROS DE CEMENTO PORTLAND, S.L. (12)	Ctra. S. Sebastián - Coruña Km. 184 - Barcena de Cicero (Cantabria)

1. Exclusion due to sale
2. Exclusion due to dissolution and liquidation
3. Exclusion due to merger by absorption of Cementos Alfa, S.A.
4. Exclusion due to merger by absorption of Aqualia Industrial Solutions, S.A.
5. Exclusion due to merger with Per Gestora Inmobiliaria, S.L.
6. Exclusion due to merger with .A.S.A. Spol SRO
7. Exclusion due to downstream merger with FCC Servicios Industriales y Energéticos, S.A.U. (*)
8. Exclusion due to liquidation
9. Exclusion due to merger with FCC Servicios Industriales y Energéticos, S.A.U. (*)
10. Exclusion due to de-consolidation (see Notes 2 and 4)
11. Exclusion due to dissolution
12. Exclusion due to loss of percentage of ownership

(*) Change of name. Currently FCC Industrial e Infraestructuras Energéticas, S.A.U.

APPENDIX V UNINCORPORATED TEMPORARY JOINT VENTURES (UTES), ECONOMIC INTEREST GROUPINGS (AIES) AND OTHER BUSINESSES MANAGED JOINTLY WITH NON-GROUP THIRD PARTIES

	Percentage of ownership at 31 December 2013
ENVIRONMENTAL SERVICES	
CLEAR CHANNEL CEMUSA, UTE	50.00
PASAIA UTE	70.00
PUERTO UTE	50.00
TRAMBESOS UTE	33.00
UTE ABSA - PERICA	60.00
UTE ABSA - PERICA I	60.00
UTE ABSA - PERICA II	60.00
UTE AEROPUERTO V	50.00
UTE AEROPUERTO VI	50.00
UTE AESA - FCC	50.01
UTE AGARBI	60.00
UTE ARGI GUEÑES	70.00
UTE ARUCAS II	70.00
UTE BAILIN ETAPA 2	60.00
UTE BILBOKO LORATEGIAK	60.00
UTE BILBOKO SANEAMENDU	50.00
UTE BILBOKO SANEAMENDU BI	50.00
UTE BIOCOMPOST DE ÁLAVA	50.00
UTE BOADILLA	50.00
UTE CÁDIZ	50.00
UTE CANA PUTXA	20.00
UTE CARMA	50.00
UTE CARPA - FCC PAMPLONA	50.00
UTE CASTELLANA – PO	50.00
UTE CASTELLAR DEL VALLÈS	50.00
UTE CASTELLAR POLÍGONOS	50.00
UTE CEMENTERIOS PERIFÉRICOS II	50.00
UTE CHIPIONA	50.00
UTE CGR GUIPUZCOA	35.14
UTE COLEGIOS SANT QUIRZE	50.00
UTE CONTENEDORES MADRID	38.25

	Percentage of ownership at 31 December 2013
UTE CLAUSURA SAN MARCOS	60.00
UTE CTR. DE L'ALT EMPORDÀ	45.00
UTE CTR - VALLÈS	20.00
UTE CYCSA-EYSSA VIGO	50.00
UTE DOS AGUAS	35.00
UTE ECOPARQUE CACERES	50.00
UTE ECOURENSE	50.00
UTE EKOFERRO	85.00
UTE ENERGÍA SOLAR ONDA	25.00
UTE ENVASES LIGEROS MÁLAGA	50.00
UTE ERETZA	70.00
UTE F.L.F. LA PLANA	47.00
UTE F.S.S.	50.00
UTE FCC - ERS LOS PALACIOS	50.00
UTE FCC - HIJOS DE MORENO, S.A.	50.00
UTE FCC - PERICA	60.00
UTE FCC - SUFI MAJADAHONDA	50.00
UTE FCCMA - RUBATEC STO. MOLLET	50.00
UTE FCCSA - GIRSA	89.80
UTE FCCSA - VIVERS CENTRE VERD, S.A.	50.00
UTE GALERÍAS III	50.00
UTE GESTIÓ INTEGRAL DE RUNES DEL PAPIOL	40.00
UTE GESTIÓN INSTALACIÓN III	34.99
UTE GIREF	20.00
UTE GIRSA - FCC	59.20
UTE HIDRANTES	50.00
UTE INTERIORES BILBAO	80.00
UTE JARDINES MOGÁN	51.00
UTE JARDINES TELDE	95.00
UTE JUNDIZ	51.00
UTE JUNDIZ II	51.00
UTE KABIEZESKO KIROLDEGIA	60.00

	Percentage of ownership at 31 December 2013
UTE LA LLOMA DEL BIRLET	80.00
UTE LEA - ARTIBAI	60.00
UTE LEGIO VII	50.00
UTE LEKEITIOKO MANTENIMENDUA	60.00
UTE LIMPIEZA SANTA COLOMA	50.00
UTE LIMPIEZA Y RSU LEZO	55.00
UTE LODOS ARAZURI	50.00
UTE LOGROÑO LIMPIO	50.00
UTE LV Y RSU ARUCAS	70.00
UTE MANTENIMIENTO REG CORNELLÁ	60.00
UTE MANTENIMIENTO COLEGIOS II	60.00
UTE MANTENIMIENTO COLEGIOS III	60.00
UTE MANTENIMIENTO DE EDIFICIOS	60.00
UTE MAREPA - CARPA PAMPLONA	50.00
UTE MELILLA	50.00
UTE MMI 5º CONTENEDOR	60.00
UTE MOLLERUSSA	60.00
UTE MUSKIZ III	70.00
UTE ONDA EXPLOTACIÓN	33.33
UTE PÁJARA	70.00
UTE PAMPLONA	80.00
UTE PARQUES SINGULARES MÓSTOLES	50.00
UTE PISCINA CUBIERTA BENICARLÓ	65.00
UTE PISCINA CUBIERTA MUNICIPAL ALBATERA	93.00
UTE PISCINA CUBIERTA PAIPORTA	90.00
UTE PLAN RESIDUOS	47.50
UTE PLANTA RSI TUDELA	60.00
UTE PLANTA TRATAMIENTO VALLADOLID	60.00
UTE PLATGES VINARÓS	50.00
UTE PLAYAS	50.00
UTE PLAYAS GIPUZKOA	55.00
UTE PLAYAS GIPUZKOA II	55.00
UTE PONIENTE ALMERIENSE	50.00
UTE POSU - FCC VILLALBA	50.00
UTE PUERTO II	70.00
UTE PUERTO DE PASAIA	55.00
UTE PUERTO DE PTO DEL ROSARIO	70.00

	Percentage of ownership at 31 December 2013
UTE QUINTO CONTENEDOR	50.00
UTE R.S. UTE PONIENTE ALMERIENSE	50.00
UTE RBU VILLA-REAL	47.00
UTE RESIDENCIA	50.00
UTE RESIDUOS 3 ZONAS NAVARRA	60.00
UTE RSU TOLOSALDEA	60.00
UTE S.U. ALICANTE	33.50
UTE S.U. BENICASSIM	35.00
UTE S.U. BILBAO	60.00
UTE S.U. OROPESA DEL MAR	35.00
UTE SALTO DEL NEGRO	50.00
UTE SANEAMIENTO URBANO CASTELLÓN	65.00
UTE SANT QUIRZE	50.00
UTE SANT QUIRZE DEL VALLÉS	50.00
UTE SANTA COLOMA DE GRAMANET	61.00
UTE SANTURTZIKO GARBIKETA	60.00
UTE SANTURTZIKO GARBIKETA II	60.00
UTE SASIETA	75.00
UTE SAV - FCC TRATAMIENTOS	35.00
UTE SELECTIVA LAS PALMAS	55.00
UTE SELECTIVA SAN MARCOS	65.00
UTE SELECTIVA UROLA KOSTA	60.00
UTE SELLADO VERTEDERO LOGROÑO	50.00
UTE SON ESPASES	50.00
UTE TORRIBERA V	50.00
UTE TRAMBAIX	33.00
UTE TRANSPORTE SAN MARCOS	80.00
UTE TRANSPORTE DEBARRENA TXINGUDI	60.00
UTE TREMP	51.00
UTE TXINGUDI	75.00
UTE TXINGUDIKO GARBIKETA	73.00
UTE UROLA ERDIA	60.00
UTE URRETXU Y ZUMARRAGA	65.00
UTE VERTEDERO ARTIGAS	50.00
UTE VERTEDERO GARDALEGUI II	70.00
UTE VERTEDERO TALES Y CORTES	50.00
UTE VERTRESA	10.00

	Percentage of ownership at 31 December 2013
UTE VIGO RECICLA	70.00
UTE VILOMARA	33.33
UTE VINAROZ	50.00
UTE ZAMORA LIMPIA	30.00
UTE ZARAGOZA DELICIAS	51.00
UTE ZARAUZKO GARBIETA	60.00
UTE ZUMAIA	60.00
UTE ZURITA	50.00
UTE ZURITA II	50.00
AQUALIA	
EDIFICIO ARGANZUELA UTE	95.00
UTE ABASTECIMIENTO ZARAGOZA	70.00
UTE ACTUACION 11 TERUEL	50.00
UTE AGNITA-EPTISA-AISA	50.00
UTE AGUAS ALCALÁ	37.50
UTE AGUAS DEL DORAMÁS	50.00
UTE AIGÜES ELS POBLETS	95.00
UTE AMPLIACION IDAM SANT ANTONI	50.00
UTE AMPLIACION IDAM DELTA DE LA TORDERA	66.66
UTE AQUALIA-FCC-MYASA	94.00
UTE BYPASS SUR	50.00
UTE C-17 SERVEI	50.00
UTE CAP DJINET	50.00
UTE CC CLOT ARAGÓ	60.00
UTE CENTRO DEPORTIVO VILLENA	81.83
UTE CONSORCIO LOURO	70.00
UTE COLECTORES A GUARDA 2012	50.00
UTE COSTA TROPICAL	51.00
UTE COSTA TROPICAL II	51.00
UTE DEPURACION PONIENTE ALMERIENSE	75.00
UTE EDAR A GUARDA 2012	50.00
UTE EDAR A GUARDA 2013	50.00
UTE EDAR ÁVILA	55.00
UTE EDAR BAEZA	50.00
UTE EDAR CULEBRO EQUIPOS	50.00
UTE EDAR GIJON	60.00
UTE EIX LLOBREGAT	50.00

	Percentage of ownership at 31 December 2013
UTE EPTISA-AISA (ZIMNICEA)	50.00
UTE EPTISA - ENTENMANSER	48.50
UTE ETAP LAS ERAS	50.00
UTE ETAPS ESTE	65.00
UTE EXPLOTACION ITAM TORDERA	50.00
UTE EXPLOTACION PISCINAS VIGO	50.00
UTE EXPLOTACION PRESAS DEL SEGURA	60.00
UTE FCC ACISA AUDING	45.00
UTE GESTION FANGOS MENORCA	55.00
UTE GESTION PISCINAS VIGO	50.00
UTE HIDC - HIDR. - INV DO CENTR. ACE	50.00
UTE IBIZA-PORTMANY EPC	32.00
UTE IDAM SAN ANTONI	50.00
UTE IDAM SANT ANTONI II	50.00
UTE INFILCO	50.00
UTE INTAGUA	50.00
UTE LOURO	65.00
UTE MANTENIMIENTO PRESAS DEL SEGURA	80.00
UTE MENDIZULOA	30.00
UTE MOSTAGANEM	50.00
UTE OBRAS AGUAS ALCALÁ	55.00
UTE ONDA EXPLOTACION	33.33
UTE OYM CAP DJINET	50.00
UTE OYM MOSTAGANEM	50.00
UTE PISCINA CUBIERTA CENTRO DEPORTIVO ALBORAYA	99.00
UTE POTABILIZADORA ELS POBLETS	70.00
UTE REDES CABB	65.00
UTE SCC SICE	50.00
UTE SEAFSA LANZAROTE	60.00
UTE SENTINAS	50.00
UTE S.G.V.V.	50.00
UTE TOSSA DE MAR	20.00
UTE USSA A	65.00
CONSTRUCTION	
ACP DU PORT DE LA CONDAMINE	45.00
ASTALDI - FCC J.V.	50.00
CONSORCIO FCC-FI	50.00

	Percentage of ownership at 31 December 2013
CONSORCIO NUEVA ESPERANZA	63.00
CONSORCIO LINEA UNO	45.00
CONSORCIO TORRE MUISCA	5.00
CONSORCIO CHICAGO II	60.00
CONSORCIO FCC-JJCC (PUERTO CALLAO)	50.00
CONSORCIO ICA - FCC - MECO PAC-4	43.00
J.V. ASOCIEREA ARAD-TIMISOARA	50.00
J.V. BBR PTE SL - TENSACCAI SPA	51.00
J.V. BYPASS CONSTATA	50.00
J.V. ESTENSION OF LINE 2 TO ANTOHOUPOLI	50.01
J.V. FCC CO-MCM	95.00
J.V. FCC, HOCHTIEF UN ACB - AIRPORT	36.00
J.V. PETROSERV LTD. FCC CONSTRUCCIÓN, S.A.	60.00
OHL CO. CANADA & FCC CANADA LTD.	50.00
SHIMMICK CO. INC. FCC CO. IMPREGILO SPA JV	30.00
UTE 2º FASE DIQUE DE LA ESFINGE	35.00
UTE 57 VIVIENDAS PC-6 CERRO DE REYES	90.00
UTE 77 VIVIENDAS EN ELCHE	55.00
UTE A-2 FERMS: TRAM SILS-CALDES	50.00
UTE ACCESO NORTE A VIGO NUEVA ESTACIÓN	50.00
UTE ACCESO ZAMORA	65.00
UTE ACCESOS A LA ESTACIÓN DE LA SAGRERA	37.50
UTE ACON. Y PEATON. SAN BARTOLOMÉ TIRAJANA	70.00
UTE ACTUACIONES AEROPUERTO DE LOGROÑO	80.00
UTE ADAMUZ	33.33
UTE AEROPUERTO DE CASTELLÓN	50.00
UTE AL - DEL PALENCIA	50.00
UTE AL - DEL SANTIAGO	50.00
UTE AL - DEL XÁTIVA	50.00
UTE AL - DEL OLMEDO	50.00
UTE AL-DEL POLIVALENTES	50.00
UTE ALARCÓN	55.00
UTE ALBACETE - ALMANSA	50.00
UTE ALBUERA	50.00
UTE ALCAR	45.00
UTE ALERTA AVENIDAS SAIH	50.00
UTE ALMANSA CAUDETE	60.00

	Percentage of ownership at 31 December 2013
UTE ALMENDRALEJO II	50.00
UTE AMOREBIETA	66.66
UTE AMPLIACIÓN EDAR GIRONA	67.00
UTE AMP. PLAT COSTERA REC. GUINIGUADA	50.00
UTE AMPLIACIÓN SAIH	50.00
UTE AMPLIACIÓN MUELLE SANTA CATALINA	80.00
UTE AMPLIACIÓN SUPERFICIE DIQUE DE CONEXIÓN	50.00
UTE ANAGA	33.33
UTE APARCAMIENTO TERM. ACT. AEROPUERTO G.C.	70.00
UTE ARINAGA III	50.00
UTE ARMILLA INSTALACIONES	50.00
UTE ARRIXACA GASES	26.00
UTE ARROYO DEL FRESNO	50.00
UTE AUCOSTA CONSERVACIÓN	50.00
UTE AUDITORIO DE BURGOS	65.00
UTE AUDITORIO DE LUGO	50.00
UTE AUTOPISTA CARTAGENA - VERA	50.00
UTE AUTOVÍA COSTA BRAVA	65.00
UTE AUTOVÍA DE LA SAGRA	50.00
UTE AUTOVÍA EL BATAN - CORIA	50.00
UTE AVE ALCÁNTARA-GARROVILLAS	85.00
UTE AVE GIRONA	40.00
UTE AVE MASIDE	67.00
UTE AVE MONTBLANC	75.00
UTE AVE TÚNEL DE SERRANO	42.00
UTE ÁVILA 6	35.00
UTE BALLONTI ARDANZA	9.80
UTE BARBADOS	50.00
UTE BELLTALL	40.00
UTE BENTA AUNDI	50.00
UTE BERGARA ANTZUOLA	50.00
UTE BIBLIOTECA DE NAVARRA	65.00
UTE BILBAO MANTENDU	24.50
UTE BIMENES	70.00
UTE BIMENES III	70.00
UTE BOCANA PUERTO TARRAGONA	70.00
UTE BOETTICHER	50.00

	Percentage of ownership at 31 December 2013
UTE BOETTICHER CLIMA	50.00
UTE BOETTICHER ELECTRICIDAD	50.00
UTE BOQUILLA SUR TÚNEL VIGO - DAS MACEIRAS	50.00
UTE BULEVAR PINTO RESINA	50.00
UTE BUÑEL - CORTES	80.00
UTE BUSINESS	25.00
UTE BUSINESS ELECTRICIDAD	57.00
UTE BUSINESS MECÁNICAS	40.00
UTE C31-ACCESOS MATARÓ	50.00
UTE C&F JAMAICA	50.00
UTE C.A.R.E. CÓRDOBA	75.00
UTE CÁCERES II	50.00
UTE CÁCERES NORTE	50.00
UTE CAMPO GIBRALTAR	80.00
UTE CAMPUS CLIMA	50.00
UTE CAN TUNIS	70.00
UTE CANAL PRINCIPAL DE ORBIGO	50.00
UTE CANALES DEL JÚCAR	60.00
UTE CANONADA SANT JUST	60.00
UTE CÁRCEL MARCOS PAZ	35.00
UTE CARCHUNA - CASTELL	75.00
UTE CARRETERA HORNACHOS - LLERA	65.00
UTE CARRETERA IBIZA - SAN ANTONIO	50.00
UTE CARRETERAS ACCESO PUERTO CASTELLON	50.00
UTE CASON II	50.00
UTE CASTELLÓ D'AMPÚRIES	50.00
UTE CASTILLO SAN JUAN	85.00
UTE CATENARIA - CERRO NEGRO	50.00
UTE CATENARIA RIGIDA TERRASSA	50.00
UTE CATLANTICO	25.00
UTE CECOEX	20.00
UTE CEIP OROSO	60.00
UTE CENTRO COMERCIAL ARANJUEZ	50.00
UTE CENTRO COMERCIAL ARANJUEZ PLAZA F. II	50.00
UTE CENTRO COMERCIAL LA GRELA	50.00
UTE CENTRO COMERCIAL MESOIRO	50.00
UTE CERRO GORDO	75.00

	Percentage of ownership at 31 December 2013
UTE CHUAC	50.00
UTE CIBELES	50.00
UTE CIBELES ELECTRICIDAD	50.00
UTE CINE AVENIDA	50.00
UTE CIRCUITO	70.00
UTE CIUDAD DE LAS COMUNICACIONES	50.00
UTE CIUDAD DEPORTIVA VALDEBEBAS II	50.00
UTE CIUTAT DE LA JUSTÍCIA	30.00
UTE CLIMA "LA FE"	38.00
UTE CLIMATIZACIÓN CIBELES	50.00
UTE CLIMATIZACIÓN SON DURETA	42.00
UTE CLIMATIZACIÓN W.T.C.	50.00
UTE CLUB NÁUTICO CASTELLÓN	50.00
UTE COALVI - CONVENSA	25.00
UTE COIMA, S.A. - T.P. D ARMENGOLS C.P.	29.97
UTE COLADA	70.00
UTE COLECTOR ABOÑO II	80.00
UTE COLECTOR NAVIA	80.00
UTE CONEXIÓN CORREDOR MEDITERRÁNEO	40.00
UTE CONEXIÓN MOLINAR	70.00
UTE CONSEJERÍA AGRICULTURA	85.00
UTE CONSERVACION ANTEQUERA	50.00
UTE CONSERVACION MALPARTIDA	50.00
UTE CONSERVACION BADAJOZ	50.00
UTE CONSTRUCCIÓN HOSPITAL SURESTE	50.00
UTE CONSTRUCCIÓN HOSPITAL TORREJÓN	66.70
UTE CONSTRUCCIÓN TRANVÍA ZARAGOZA	50.00
UTE CONSTRUCTORA ATENCIÓN PRIMARIA	33.00
UTE CONTROL MOGÁN	33.33
UTE COORDINACIÓN	34.00
UTE COPERO	70.00
UTE CORREDOR	55.00
UTE COSTA DEL SOL	50.00
UTE CP NORTE I	50.00
UTE CREAA	50.00
UTE CYCSA - ISOLUX INGENIERÍA	50.00
UTE CYM - ESPELSA INSTALACIONES	50.00

	Percentage of ownership at 31 December 2013
UTE CYS - IKUSI - GMV	43.50
UTE DE SUMINISTROS PUENTE RÍO OZAMA	50.00
UTE DESALADORA BAJO ALMANZORA	60.00
UTE DESDOBLAMIENTO CV - 309 EN SAGUNTO	50.00
UTE DESARROLLO PUERTO DE AVILES FASE I	80.00
UTE DESDOBLAMIENTO DE LA AS-17 I	70.00
UTE DESDOBLAMIENTO EX-100 BADAJOZ	50.00
UTE DIQUE ESTE	35.00
UTE DIQUE ESTE DÁRSENA SUR PUERTO DE CASTELLÓN	50.00
UTE DIQUE TORRES	27.00
UTE DIQUE TORRES II	27.00
UTE DOCENCIA HOSPITAL SON ESPASES	33.00
UTE DOZÓN	29.60
UTE DRAGADO CANAL ENTRADA Y DÁRSENA SUR	50.00
UTE DRAGADO MUELLE COMERCIAL VILAGARCÍA	50.00
UTE DRENAJES ADAMUZ	33.33
UTE EBRACONS	68.00
UTE EDAM OESTE	70.00
UTE EDAR LOIOLA	89.80
UTE EDAR NAVIA	80.00
UTE EDIFICIO 4 WTC	56.25
UTE EDIFICIO 6-7-8 WTC	36.00
UTE EDIFICIO C. CULT. POLIV., F. II-V. D'UIXO	60.00
UTE EDIFICIO DE LAS CORTES	65.00
UTE EDIFICIO IDI 5 TERCERA FASE CPI	75.00
UTE EDIFICIO TERMINAL	40.00
UTE EDIFICIOS TÉCNICOS CIUDEN	80.00
UTE EIX BERGUEDÀ	34.00
UTE EL CONDADO	40.00
UTE ELECTRICIDAD BY PASS SUR CALLE 30	33.33
UTE ELECTRICIDAD CIBEK	50.00
UTE ELECTRICIDAD CIUDAD COMUNICACIONES	50.00
UTE ELECTRICIDAD HOSPITAL SON DURETA	50.00
UTE ELECTRIFICACION ARRIONDAS RIBADESELLA	60.00
UTE ELECTRIFICACIÓN BURGOS	33.33
UTE ELECTRIFICACIÓN GRANOLLERS	20.00
UTE ELECTRIFICACIÓN TRANVÍA DE MURCIA	55.00

	Percentage of ownership at 31 December 2013
UTE EMISARIO MOMPAS	89.80
UTE ENCAUZAMIENTO BARRANCO DE FRAGA	60.00
UTE EQUIPAMIENTO AUDITORIO BURGOS	65.00
UTE ESCLUSA SEVILLA	70.00
UTE ESCUELA DE ARTES Y DISEÑOS	70.00
UTE ESPELSA - CYMI INSTALACIONES NORTE	50.00
UTE ESPELSA - OCESA	75.00
UTE ESTACIÓN FGV MERCADO - ALICANTE	60.00
UTE ESTACIÓN LUCERO ALICANTE	33.33
UTE ESTACIÓN GIRONA	40.00
UTE ESTACIÓN METRO SERRERÍA	50.00
UTE ESTACIONS AEROPORT L9	49.00
UTE ESTACIONS LÍNEA 9	33.00
UTE ESTACIONS TERRASSA	36.00
UTE ESTEPONA	25.00
UTE EZKIO ITSASO	40.00
UTE F.I.F. GNL FB 301/2	35.96
UTE F.I.F. GNL TK-3.002/3	39.06
UTE FASE II C.I.C.C.M.	60.00
UTE FASE II HOSPITAL DE MÉRIDA	50.00
UTE FASE II PABELLÓN REYNO DE NAVARRA	50.00
UTE FCC - SCENIC LIGHT	80.00
UTE FCC - TECYSU	80.00
UTE FGV ALICANTE TRAMO 2	60.00
UTE FGV VARIANTE TRAMO FINCA ADOC	55.00
UTE FIBER	50.00
UTE FUENTE DE CANTOS	50.00
UTE FUENTE LUCHA	77.00
UTE GANGUREN	11.03
UTE GASODUCTOS ENAGAS GD	50.00
UTE GC - 1 PUERTO DE RICO - MOGÁN	40.00
UTE GEDERIAGA	24.50
UTE GIRONA NORTE	70.00
UTE GIRONA NORTE II	70.00
UTE GOIAN	70.00
UTE GOIERRIALDEA 2010	55.00
UTE GRAU DE LA SABATA	90.00

	Percentage of ownership at 31 December 2013
UTE GUADARRAMA 3	33.33
UTE GUADARRAMA 4	33.33
UTE HABILITACIÓN ED. C. COMUNICACIONES	50.00
UTE HORCHE	65.00
UTE HORKASITAS	24.50
UTE HOSPITAL ALCÁZAR	60.00
UTE HOSPITAL CAMPUS DE LA SALUD	80.00
UTE HOSPITAL DE CARTAGENA	70.00
UTE HOSPITAL DE MIRANDA	65.00
UTE HOSPITAL DEL SUR	80.00
UTE HOSPITAL DEL SUR, SEGUNDA FASE	40.00
UTE HOSPITAL FCC - VVO	80.00
UTE HOSPITAL MARQUÉS VALDECILLA FASE III	33.33
UTE HOSPITAL NORTE TENERIFE	80.00
UTE HOSPITAL SON DURETA	33.00
UTE HOSPITAL UNIVERSITARIO DE MURCIA	50.00
UTE HUELVA NORTE II	55.00
UTE HUELVA SUDESTE	40.00
UTE HUESNA CONSTRUCCIÓN	33.33
UTE IBAI EDER	24.50
UTE IBARRETA	24.50
UTE IFEVI	50.00
UTE IMPERMEABILIZACIÓN TÚNEL PAJARES NORTE	50.00
UTE INSTALACIONES C - 17 VIC - RIPOLL	33.33
UTE INSTALACIONES ELECTRICAS MOGÁN	50.00
UTE INSTALACIONES FONTFREDA	50.00
UTE INSTALACIONES METRO MÁLAGA	54.00
UTE INSTALACIONES TÚNELES MUROS-DUEÑAS	50.00
UTE INSTITUTO DE SUANCES	70.00
UTE INTERFICIES AEROPORT L9	49.00
UTE INTERMODAL PRAT	35.00
UTE IRO	80.00
UTE JAÉN - MANCHA REAL	80.00
UTE JEREZ - LA BARCA	80.00
UTE JONCADELLA	34.00
UTE JUAN DE LA COSA	80.00
UTE JUAN GRANDE	50.00

	Percentage of ownership at 31 December 2013
UTE L9 HOSPITALET	50.00
UTE LA ALDEA	35.00
UTE LAKUA 796	24.50
UTE LAS ROSAS I - 7	33.33
UTE LASGARRE	50.00
UTE LAUDIO	24.50
UTE LINEA 1 TRANVÍA DE MURCIA	50.00
UTE LÍNEA 2	50.00
UTE LÍNEA 5	40.00
UTE LÍNEA 9	33.00
UTE LLAGOSTERA	50.00
UTE LLOVIO 2012	70.00
UTE LOT 2 PMI BCN	80.00
UTE LOT 3 PMI BCN	80.00
UTE LUKO	45.00
UTE M-407	50.00
UTE M-30 TÚNEL SUR	50.00
UTE MÁLAGA COCHERAS	50.00
UTE MALLABIA	14.70
UTE MANTENIMENT RONDES II	70.00
UTE MANTENIMENT RONDES 2012	70.00
UTE MANTENIMIENTO ARANJUEZ II	76.00
UTE MANTENIMIENTO CÓRDOBA	49.00
UTE MANTENIMIENTO HUSE	50.00
UTE MANTENIMIENTO FIGUERAS	50.00
UTE MANTENIMIENTO TDM	50.00
UTE MANTENIMIENTO TRANVÍA ZARAGOZA	50.00
UTE MANTENIMIENTO TÚNELES CÁDIZ	40.00
UTE MANTENIMIENTO TÚNELES GUADALHORCE	40.00
UTE MANTENIMIENTO TÚNELES SEVILLA	40.00
UTE MANTENIMIENTO VÍA ARANJUEZ	50.00
UTE MANTENIMIENTO VÍA SEVILLA	50.00
UTE MANZANAL	50.00
UTE MAQUINARIA PESADA INFOMA	50.00
UTE MAQUINARIA VERÍN	50.00
UTE MATADERO	57.50
UTE MECÁNICA VILLENA	65.00

	Percentage of ownership at 31 December 2013
UTE MEDINACELI	22.40
UTE MEJORA VIADUCTOS LORCA	50.00
UTE MEL9	49.00
UTE METRO MÁLAGA	36.00
UTE MONTAJE VIA MOLLET - GIRONA	50.00
UTE MONTAJE VIA O IRIXO - SANTIAGO	50.00
UTE MONTAJE VIA SIETE AGUAS - VALENCIA	50.00
UTE MONT-RAS	50.00
UTE MONTSERRAT	35.00
UTE MORA	30.00
UTE MORALEDA	66.00
UTE MUELLE BOUZAS	70.00
UTE MUELLE COMERCIAL VILAGARCÍA	70.00
UTE MUELLES COMERCIALES	60.00
UTE MUELLE DE LA QUÍMICA	70.00
UTE MUNGUIA	13.72
UTE MURCIA	40.00
UTE MUSEO NACIONAL DE LA ENERGÍA	50.00
UTE N.O.M.	63.00
UTE NACIMIENTO	54.00
UTE NANCLARES	95.00
UTE NOU PONT DE FUSTA	50.00
UTE NTC CÁDIZ	50.00
UTE NUDO DE MOLLET	50.00
UTE NUEVO ESTADIO VCF	49.00
UTE NUEVO HOSPITAL DE CÁCERES	33.33
UTE NUEVO PUERTO DE IGOUMENITZA	50.00
UTE OFICINAS HOSPITALET	50.00
UTE OLOT MONTAGUT	45.00
UTE OPERACIÓN TRANVÍA DE MURCIA	50.00
UTE OPERADORA TERMOSOLAR GUZMÁN	67.50
UTE OPERADORA VILLENA	88.00
UTE ORDIZIA	90.00
UTE ORENSE - MELÓN	50.00
UTE PABELLÓN ARENA	50.00
UTE PABELLÓN REYNO DE NAVARRA	50.00
UTE PAGO DE ENMEDIO	75.00

	Percentage of ownership at 31 December 2013
UTE PALACIO DE CONGRESOS DE LEÓN	50.00
UTE PALACIO DE LOS DEPORTES	50.00
UTE PANADELLA	50.00
UTE PARADOR DE EL SALER	75.00
UTE PARANINFO ZARAGOZA	60.00
UTE PARQUE MÁLAGA	60.00
UTE PARQUE MAYORDOMÍA	50.00
UTE PARQUE TECNOLÓGICO	60.00
UTE PASAIA BERRI	50.00
UTE PASAIA BERRI INSTALACIONES	80.00
UTE PASEO PARQUE RIBALTA CASTELLÓN	65.00
UTE PAVONES VIVIENDAS	50.00
UTE PCI METRO DE MÁLAGA	40.00
UTE PERI AR.8 LA MADRAZA	99.00
UTE PIEDRAFITA	66.67
UTE PINO MONTANO P 5	50.00
UTE PLA DE NA TESA	70.00
UTE PLANTA BARAJAS MELO	50.00
UTE PLANTA DE RESIDUOS	50.00
UTE PLASENCIA	50.00
UTE PLATAFORMA TPTE PBCO CASTELLÓN	55.00
UTE PLATAFORMA TRANSPORTE UJI DE CASTELLÓN	65.00
UTE PLATAFORMA TTE.PUB. TRAMO I COLUMBRETES	55.00
UTE POBLA TORNESA	50.00
UTE POLÍGONO BOBES	50.00
UTE POLÍGONO DE TANOS	50.00
UTE POLÍGONO LLOREDA	70.00
UTE POLÍGONO VICÁLVARO	80.00
UTE PONT DE CANDI	75.00
UTE PORT DE LLANÇÀ	60.00
UTE PREFABRICADOS POLA	50.00
UTE PRESA ENCISO	50.00
UTE PRESAS ITOIZ	33.00
UTE PRESAS EBRO	50.00
UTE PRESAS JÚCAR	53.00
UTE PREVENCIÓN DE INCENDIOS NORESTE	50.00
UTE PREVENCIÓN DE INCENDIOS NORTE	50.00

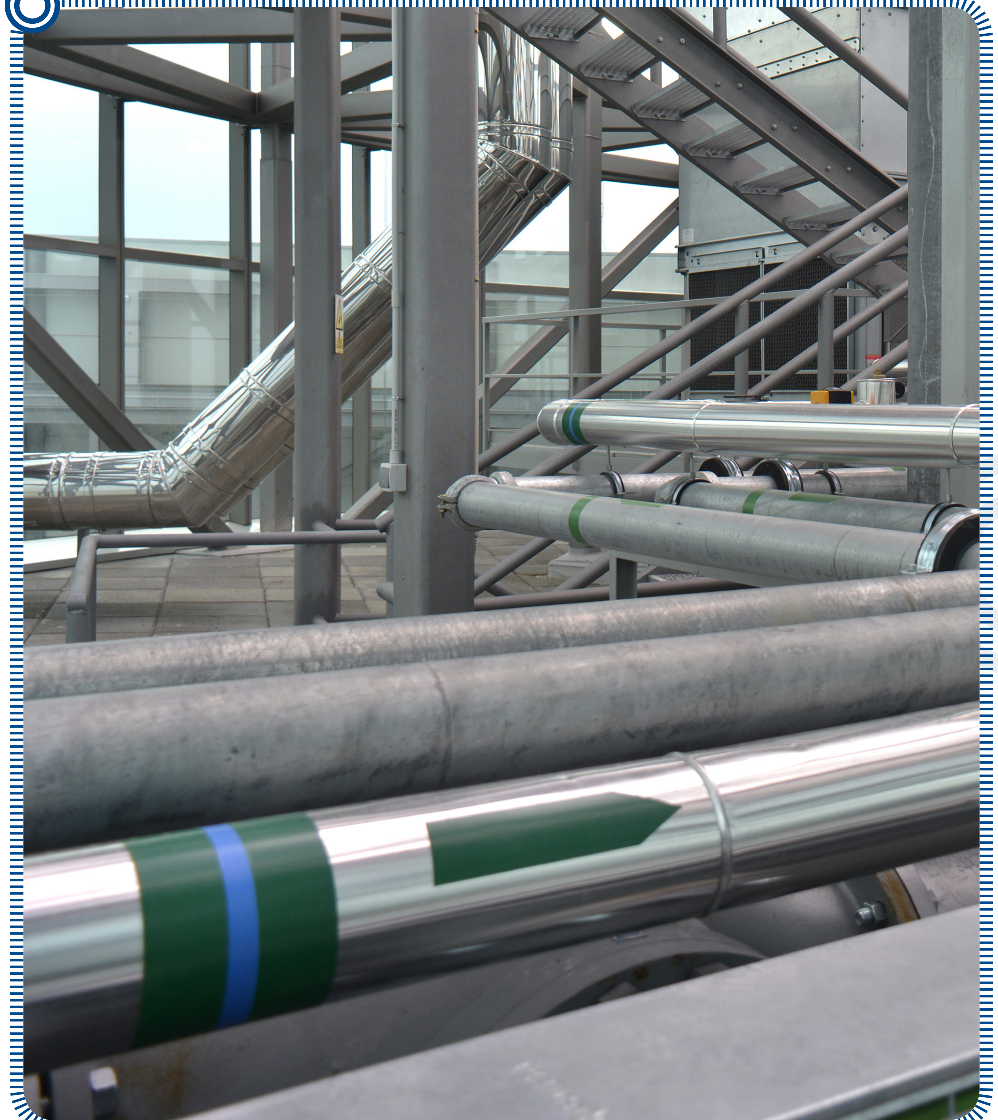
FINANCIAL STATEMENTS

	Percentage of ownership at 31 December 2013
UTE PROLONGACIÓN DIQUE REINA SOFÍA	40.00
UTE PROSER-BATLLE I ROIG	50.00
UTE PROSER - GEOCONTROL	60.00
UTE PROSER - GEOCONTROL II	62.00
UTE PROSER - NORCONTROL	50.00
UTE PROSER - NORCONTROL II	50.00
UTE PROSER - PAYMACOTAS IV	50.00
UTE PROSER - UG 21	70.00
UTE PROSER- LA ROCHE TF - 5 III	50.00
UTE PSIR CASTRO URDIALES	50.00
UTE PUENTE RIO OZAMA (DFC-COCIMAR)	35.00
UTE PUENTE DE PONFERRADA	55.00
UTE PUENTE DEL REY	33.33
UTE PUENTE Ma - 1110	33.00
UTE PUENTE PISUERGA	50.00
UTE PUENTE SERRERÍA	60.00
UTE PUERTO DE GRANADILLA	40.00
UTE PUERTO DE LAREDO	50.00
UTE PUERTO DEL ROSARIO	90.00
UTE R. ARCADIA	97.00
UTE RADIALES	35.00
UTE RANILLA CONSTRUCCIÓN	85.00
UTE RECINTOS FERIALES	50.00
UTE RED ARTERIAL PALENCIA FASE I	80.00
UTE REFORÇ C-25	40.00
UTE REFORMA HOSPITAL V SALUD (TOLEDO)	60.00
UTE RELLENO EXPLANADA MUELLE QUÍMICA	70.00
UTE RELLENO UBE CHEMICAL PTO. CASTELLÓN	50.00
UTE REMODELACION CTRA. RIBES (BCN)	80.00
UTE RESIDENCIAS REAL MADRID	50.00
UTE REVLON	60.00
UTE RÍO CABE	50.00
UTE RÍO LLOBREGAT	55.00
UTE ROCKÓDROMO	50.00
UTE ROCKÓDROMO 2	40.00
UTE ROCKÓDROMO FASE 3	40.00
UTE RODADURA I	50.00

	Percentage of ownership at 31 December 2013
UTE RODADURA II	50.00
UTE RONDA HISPANIDAD	45.00
UTE RUTA NACIONAL HAITÍ	55.00
UTE S.A.I.H. CHJ	50.00
UTE S.A.I.H. SUR	40.00
UTE SAGUNTO	60.00
UTE SAGUNTO PARCELA M17-3	50.00
UTE SAN PEDRO	24.50
UTE SAN VICENTE	43.00
UTE SANEAMIENTO ARCO SUR	56.50
UTE SANEAMIENTO DE VILLAVICIOSA	80.00
UTE SANTA BRÍGIDA	50.00
UTE SANTA COLOMA DE FARNERS	50.00
UTE SANTA MARÍA D'OLO-GURB	60.00
UTE SANTO DOMINGO	70.00
UTE SECTOR M-5 2012	70.00
UTE SEGUNDA FASE DELICIAS ZARAGOZA	50.00
UTE SEMINARIO P3-2	99.00
UTE SERVEIS AFECTATS CASTELLÓ D'AMPÚRIES	50.00
UTE SIETE AGUAS - BUÑOL	66.66
UTE SISTEMA INTEGRAL ALACANTI SUR	66.67
UTE SISTEMAS METRO MALAGA	25.00
UTE SISTEMAS TRANVÍA DE MURCIA	32.00
UTE SOMOSAGUAS	50.00
UTE SOTIELLO	50.00
UTE SOTO DE HENARES	70.00
UTE SSAA AP - 7	50.00
UTE STA Mª DEL CAMÍ	45.00
UTE STADIUM	70.00
UTE SUBESTACIÓN SERANTES	50.00
UTE TARRAGONA LITORAL	70.00
UTE TECSACON	20.00
UTE TELENEO	50.00
UTE TEMPLO Y C. ECUM. EL SALVADOR F1	65.00
UTE TERMINAL SUR MUELLE LEÓN Y CASTILLO	35.00
UTE TERMOSOLAR GUZMÁN	67.50
UTE TF-5 2ª FASE	70.00

	Percentage of ownership at 31 December 2013
UTE TINDAYA	50.00
UTE TORQUEMADA	50.00
UTE TORRE DON JIMENO	50.00
UTE TORREBLANCA	50.00
UTE TORRE ISLA CARTUJA	80.00
UTE TRAGSA - FCC A.P.	50.00
UTE TRAMBESÒS	50.00
UTE TRAMMET	50.00
UTE TRAMO DE NUEVA CONSTRUCCIÓN JÚCAR-VINALOPO	70.00
UTE TRANVÍA DE PARLA	50.00
UTE TRANVÍA L-2 PARQUE ALICANTE	55.00
UTE TRANVÍA LUCEROS-MERCADO ALICANTE	60.00
UTE TRASVASE JÚCAR VINALOPÓ	50.00
UTE TREN TRAM I	50.00
UTE TRIANGLE LÍNEA 9	33.00
UTE TS VILLENA	88.00
UTE TÚNEL AEROPORT	33.00
UTE TÚNEL AEROPORT II	33.00
UTE TÚNEL C.E.L.A.	50.00
UTE TÚNEL AVE CHAMARTÍN - ATOCHA	42.00
UTE TÚNEL DE BRACONS	75.00
UTE TÚNEL DE PAJARES 1	50.00
UTE TÚNEL FIRA	33.00
UTE TÚNEL PASANTE ESTACION DE ATOCHA	42.00
UTE TÚNEL PROVISIONAL ESTACIÓN ATOCHA	42.00
UTE TÚNEL SANT JUST	60.00
UTE TÚNEL TERRASSA	36.00
UTE TUNELADORA METRO	33.00
UTE TUNELES BARAJAS	50.00
UTE TÚNELES BOLAÑOS	45.00
UTE TÚNELES DE GUADARRAMA	33.33
UTE TÚNELES DE SORBES	67.00
UTE TÚNELES DELICIAS	65.00
UTE UE 1 ARROYO DEL FRESNO	50.00
UTE UE 2 ARROYO DEL FRESNO	50.00
UTE UNIVERSIDAD DE MÁLAGA	65.00
UTE UNQUERA - PENDUELES	80.00

	Percentage of ownership at 31 December 2013
UTE URBANITZACIÓ GIRONA	40.00
UTE URBANIZACIÓN PARC SAGUNT	50.00
UTE URBANIZACIÓN VIA PARQUE TRAMO A.V.L. CARB.-P	60.00
UTE VALDEVIVIENDAS II	33.33
UTE VALLE INFERIOR	80.00
UTE VARIANTE DE MONZÓN	70.00
UTE VARIANTE MANCHA REAL	67.00
UTE VELA BCN	33.33
UTE VELÓDROMO	60.00
UTE VERTEDERO CASTAÑEDA	62.50
UTE VÍA ACCESOS SANTIAGO	50.00
UTE VÍAS COLECTORAS LA CARPETANIA	50.00
UTE VIC - RIPOLL	34.00
UTE VIDRERES	34.00
UTE VIGO-DAS MACEIRAS	50.00
UTE VILARIÑO (VIA IZQUIERDA)	90.00
UTE VILLAR - PLASENCIA	70.00
UTE VULLPALLERES	65.00
UTE WTC ELECTRICIDAD	50.00
UTE YELTES	75.00
UTE YESA	33.33
UTE ZONAS VERDES ENSANCHE DE VALLECAS	33.33
CEMENT	
UTE A-27 VALLS-MONTBLANC	35.71
UTE AVE GIRONA	35.71
UTE BCN SUD	10.71
UTE GROUPEMENT EUROBETON	31.44
UTE LAV SAGRERA	23.81
UTE NUEVA ÁREA TERMINAL	35.71
UTE OLERDOLÁ	42.86
UTE ULLÁ	35.71
UTE VILADECAVALLS 92	23.81



DIRECTORS' REPORT

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND SUBSIDIARIES (CONSOLIDATED GROUP)

This report was prepared in accordance with the guidelines established in the "Guide for the preparation of directors reports of listed companies" published by the Spanish National Securities Market Commission (CNMV).

1. COMPANY SITUATION

1.1. Company situation: Organisational structure and management decision-making process

On a primary level, the organisational structure of the FCC Group is composed of areas, which are divided into two large groups: operating and functional.

The operating areas encompass all the activities relating to the production line. As described in greater detail in Note 1 to the consolidated financial statements, the FCC Group is composed of the following operating areas:

- **Environmental Services.**
- **Integral Water Management.**
- **Construction.**
- **Cement.**

Each of these operating areas is presided over by one or various Specialised Companies, which report to FCC and encompass the activities inherent to the Group.

The functional areas that provide support to the operating areas are as follows:

- **General Secretariat:** legal affairs of the FCC Group and coordination of the functioning of the various managing bodies.
- **Organisation:** includes the Human Resources, Information Technologies and Systems and Aggregate Purchases departments.
- **Administration:** administrative management, general accounting, tax management and administrative procedures.
- **Finance:** financial management of the FCC Group, relations with financial institutions, capital markets, shareholders, stock markets and the Spanish National Securities Market Commission (CNMV), financial analysis of investments, integrated Group financial management and control, management, budgetary and planning control.
- **Internal Audit:** effective oversight of the Internal Control System, which contributes to Good Corporate Governance, verifies correct compliance with applicable regulations and reduces the potential impact of risks in the attainment of the FCC Group's objectives.
- **Communication and Corporate Responsibility:** management of Communication Services, Corporate Image and Corporate Responsibility.

On a secondary level, the areas may be divided into Sectors – operating sectors – and divisions – functional divisions - , creating spheres permitting greater specialisation when required.

The structure of the decision-making bodies is as follows:

- **Board of Directors:** this is the body with the most wide-reaching, unrestricted powers, except for those expressly reserved by the Spanish Limited Liability Companies Law or the Bylaws, to the powers of the shareholders at the General Meeting.
- **Strategy Committee:** this supports the Board of Directors in determining the Group's strategy, in accordance with the guidelines agreed by the latter, by preparing the corresponding reports and proposals, reporting on the investment and divestment proposals, association agreements, third-party agreements, development of new lines of business and financial transactions that might affect the Group's strategy.
- **Executive Committee:** the Board of Directors delegates the most wide-reaching powers to the Executive Committee, which may exercise all the functions and powers conferred by the Bylaws and the Spanish Limited Liability Companies Law to the Board of Directors, with the sole exception of those that cannot be delegated.
- **Audit and Control Committee:** its main function is to support the Board of Directors in its supervisory tasks, through the periodic review of the process for preparing economic and financial information, its internal controls and independence of the external auditor.
- **Nomination and Remuneration Committee:** this supports the Board of Directors in relation to the proposals for the nomination, re-election, ratification and termination of Directors, establishes and controls the remuneration policy of the Company's Directors and Senior Executives and the fulfilment by the Directors of their duties, particularly in relation to situations of conflicts of interest and related-party transactions.
- **Management Committee:** transaction of business which requires coordinated actions between various areas of activity.

More detailed information on the functions of the FCC Group's decision-making bodies is provided in section 1 of the Internal Control over Financial Reporting system (ICFR).

1.2 Company situation: Company business model and strategy

1.2.1. Business model

FCC is one of the main European groups specialised in environmental services and infrastructure development, with a presence in 35 countries worldwide. Over 42% of its billings arise from international markets, mainly Europe and the United States.

Environmental Services

The Environmental Services area has a solid presence in Spain and has been leader in the provision of environmental urban services for over 100 years, while also broadening its international scope. In Spain, activities are performed through offices of the Parent and the specialised companies FCC Medio Ambiente, S.A. and FCC Ámbito, S.A., which engages in industrial waste management. Also, international business is carried on mainly by its subsidiary FCC Environment (UK) Limited, whose registered office is located in the UK, and by the A.S.A Group, which operates in Austria and Eastern Europe. Both subsidiaries are leaders in the integral management of urban solid waste and energy recovery. Consequently, FCC's main line of business is considerably diverse in geographical terms, with approximately 43% of total revenues stemming from international markets.

Environmental services generate recurring cash flows since they are based on long-term contracts (5-10 year contracts in waste collection and up to 30 years in urban waste treatment).

In Spain, FCC is leader in waste collection, street cleaning and green area upkeep, the contracts of which have a very high renewal rate upon expiry, and efforts are made to obtain new contracts.

The Environmental Services area also includes the Industrial Waste sector, where FCC operates mainly in Spain and Portugal.

In Spain, it manages hazardous waste (with a market share of approximately 25%, making it market leader); and non-hazardous waste. In relation to recoverable non-hazardous industrial waste, FCC focuses mainly on paper and cardboard. It also operates in soil decontamination.

With regard to its international activities in Portugal, FCC is focused on the management and treatment of hazardous industrial waste. The company is leader with a market share of approximately 50%.

Integral Water Management

Like Environmental Services, Integral Water Management generates recurring cash flows, since it is based on long-term contracts (up to 30 years in water management and distribution).

92% of the income from this line derives from water management and distribution, where FCC estimates that it is ranked number two in terms of leadership in Spain through its subsidiary Aqualia, and number three in the Czech Republic through Aqualia Czech. Also, approximately 20% of the income generated by the water business hails from international markets.

FCC Aqualia is ranked number three among the European companies in its industry and number six worldwide, behind the large "utilities" of Sao Paulo, Beijing and Shanghai, according to the magazine Global Water Intelligence, the most widely renowned media source and main benchmark in the international water industry.

In the Spanish market, although no official statistics are available, if we take into account the publications of the Spanish Association of Water Supply and Treatment (AEAS) prepared using the information furnished by the companies themselves, referring exclusively to municipalities of over 5,000 inhabitants, FCC Aqualia, by number of served inhabitants, would be ranked in second place in terms of private operators with a 15% market share overall and a 26% market share of the privatised market.

Construction

The area's activity is divided into four lines of business:

- **Civil engineering:** Represents 75% of the area's revenues. Its activity is focused, inter alia, on the construction of roads, bridges, tunnels, railway infrastructure, airports, hydroelectric and port work.
- **Non-residential building:** Represents 12% of the area's revenues. Its activity is focused, inter alia, on the construction of administrative, health, cultural and sports centres.
- **Residential building:** Represented 6% of the area's revenues. Its activity is focused, inter alia, on the construction of housing units, housing developments and car parks.
- **Industrial:** Represents 7% of the area's revenues. Its activity is focused, inter alia, on the construction of mechanical and electrical facilities, distribution networks, generation plants, energy maintenance and efficiency.

The revenues from international markets represent approximately 43% of the total.

Cement

The FCC Group carries on its cement activity through Cementos Portland Valderrivas, S.A. (CPV), a company listed on the Spanish stock market interconnection system, in which it holds a 71.6% ownership interest. Its activity is geared towards the operation of quarries and mineral deposits for the manufacture of cement, which entails approximately 87% of the activity's total income. The remaining 13% is contributed by the manufacture of concrete, aggregates and mortar.

With regard to its geographical diversification, 60% of income comes from international markets. CPV is present in Spain, Tunisia and the US, although the company also exports mainly to Canada, UK and North Africa from these three countries.

CPV has an estimated penetration of 20 % in Spain and 22% in Tunisia.

1.2.2. Company strategy

The new Strategic Plan was launched in March 2013 which sets out the Company's objectives and strategy.

The objectives of the aforementioned Plan are concentration in the strategic business areas (Environmental Services, Construction and Integral Water Management), efficient operations with costs adapted to current market conditions, alignment of the debt and capital structure with the cash generation of the businesses, with an international presence limited to regions, and more profitable activities.

The foregoing will give rise to higher cash generation, EBITDA recovery and debt reduction.

In order to achieve the objectives of debt reduction and profitability enhancement, the Strategic Plan establishes five initiatives:

- Sale of non-strategic assets.

During the implementation of the 2013 divestment plan linked to the Strategic Plan, the group resolved to sell assets for an estimated amount of 917.1 million euro. Of these, noteworthy are the formalisation and corresponding collection of the sale of 49% of the water business in the Czech Republic for 96.5 million euro, 50% of Proactiva for 125 million euro and the sale of treasury shares for 150 million euro.

Also, on 27 December 2013, 51% of Energía was sold for 8 million euro, which also implies a reduction in net financial debt of 763 million euro. This transaction was subject to a number of conditions precedent, compliance with which is estimated to occur in early 2014.

On 27 February 2014, FCC reached an agreement with CCF Logistics Holding, S. à. r. l. to sell its logistics company for 32 million euro, which will entail a 27 million euro reduction in the Group's financial debt.

On 17 March 2014, an agreement was reached with JCDecaux to sell the Cemusa group for 80 million euro.

- Restructuring of the Construction business

In Spain, the main measure consists of adjusting production resources in order to bring them into line with the current market climate.

Both its domestic and international structure have been reorganised by simplifying the organisational levels, improving efficiency and eliminating functional and geographical structures that do not correspond to the volume of activity.

- Adjustment of Cement capacity and production resources

The Group is currently putting in place certain measures to reduce costs and enhance profitability. These include most notably adapting the activity of the Spanish cement factories to the market climate through temporary shutdowns, enabling capacity to be brought into line with current demand by minimising activity costs.

Also, CPV has shut down concrete, aggregate and mortar plants in Spain, which were generating negative EBITDA.

- Strengthening of the leadership of Environmental Services in Spain and repositioning in the UK

The objective consists of reinforcing FCC's leadership in Environmental Services in Spain and in waste management services in Central Europe (where the Group operates through ASA). Also, the Group's strategy is aimed at shifting the UK business towards waste management and treatment activities and maintaining Aqualia's leadership (water) in Spain, together with its commitment to international development.

Similarly, the efficiency and savings plans identified in 2013 are being implemented across the board, in accordance with the level of activity.

- Reduction of overheads

This initiative consists mainly of centralising support functions, reducing the number of offices, focusing offices on commercial and technical activities and simplifying administration processes and support tasks.

Despite the current restrictive economic environment conditioned by slow economic recovery and scant financing, the various areas present the following future strategies:

Environmental Services:

- Strengthen its leadership in Spain by increasing contracts and enhancing efficiency through cost control and the use of cutting-edge technology.
- Effluent restrictions in the EU (65% effluent reduction by 2016 vs 1995 - EU Landfill Directive).
- Need for infrastructure in the waste treatment sector.
- On an international scale, FCC aims to strengthen waste management and treatment services in the UK and adapt landfill capacity to meet current demand.

Integral Water Management:

- Increase its current market share and obtain tariff-based improvements, improve service coverage and the outsourcing of public services.
- International expansion through Engineering Services and Infrastructure Construction models to develop activities and the use of proprietary technology in managing the water cycle due to increased profitability in the development of hydro infrastructures, which at present only contribute 8% to the line of business's revenues.
- Growing demand of integral water management in regions with water stress, especially in Latin America and MENA.
- Urban growth in emerging countries implying the need for significant investment in hydroelectric infrastructure.

Construction:

- Selective activity strategy in large highly-complex value added civil engineering works to be performed in markets considered to be of a high potential: certain countries in Latin America, North Africa and the Middle East, together with specific projects in the US.
- Double the volume of construction in emerging markets up to 2020.
- US Transport Infrastructure Renewal Plan (investment of 476 billion dollars from 2013 - 2019).
- Industrial construction investment programmes, especially in Latin America (Brazil and Mexico).

Cement:

- In view of the slump in demand over the past six years in Spain from the construction sector, CPV's main objective continues to focus on adjusting capacity and production resources, together with developing measures to increase efficiency both in Spain, given the current property market crisis, and in the US, where a complete optimisation programme has been implemented, which mainly includes the reduction of variable costs, the increased use of factories and the optimisation of purchases.

Consequently, the FCC Group holds a position of leadership in its strategic markets, has an extensive international presence and significant recurring income.

2. BUSINESS PERFORMANCE AND RESULTS

2.1. Operating performance

2.1.1. Highlights

FCC awarded largest international contract ever won by a Spanish construction company

FCC achieved a new milestone in international construction in the second half of the year. The Arriyadh Development Authority (ADA) awarded the FCC-led consortium one of three contracts to build the Riyadh metro, the longest subway system under development in the world (176 kilometres), with a total estimated budget of over 16.3 billion euro.

The FCC-led consortium, which includes Samsung and Alstom, will build lines 4, 5 and 6 of the subway under a contract worth 6.070 billion euro. The project will take five years.

Additionally, in the first half of 2013, a consortium including FCC was awarded the contract to build, maintain and operate the new Mersey Gateway Bridge in Liverpool for 700 million euro; this is the Group's largest contract in the UK. In March, the company obtained two contracts in Peru: construction of the port of Callao, in Lima, for 165 million euro, and upgrading of the Trujillo sports complex for 32 million euro.

As a result of these contracts, the backlog at 31 December expanded by 12.3%, guaranteeing over 30 months' work.

Notable progress in the divestment plan

Since the Strategic Plan was implemented in April 2013, the group has agreed on asset sales and divestments of 917.1 billion euro. More detail about the significant sales is provided in note 1.2.2.

Second Supplier Payment Fund and new legislation to reduce the public sector's trade accounts payable

The Organic Act to Control Trade Accounts Payable by the Public Sector and the Act on Electronic Billing and Accounting of Public Sector Invoices were approved in Spain on 19 December. They complement the final stage of the Second Supplier Payment Fund, approved in July 2013, which is structured in two phases of payment: in the fourth quarter of 2013 and the first quarter of 2014. These measures aim to reduce the average period of payment to public sector suppliers to 30 days.

At 31 December, FCC had over 600 million euro in past-due trade receivables from public administrations in Spain.

FCC Aqualia lands contracts worth over 1.140 billion euro

Aqualia, FCC's water management subsidiary, has obtained new end-to-end water management contracts, including a 25-year concession in Jerez worth close to 900 million euro. The company also added or extended contracts worth over 200 million euro in Madrid, Ávila, Oviedo, Girona, Cantabria, León, Vizcaya, Guipúzcoa and Pontevedra. As a result, the backlog totalled 14.373 billion euro at the end of December 2013.

Complete refinancing of FCC Environment (previously WRG)

In December, FCC reached an agreement with all of the banks comprising the syndicate of the loan to Azincourt Investment (the holding company that owns 100% of FCC Environment UK) to fully refinance the loan for a four-year period. The loan amounts to 381 million pounds sterling and, like the previous loan, is without recourse to FCC,S.A. The syndicate comprises 26 banks: 10 Spanish and 16 from other countries.

Deconsolidation of Alpine

Alpine filed for protection from creditors in June 2013. The receivers immediately commenced the process of liquidation, which is currently under way. As a result, FCC wrote off its investment in Alpine in the consolidated financial statements.

2.1.2 Executive Summary

- The pace of contraction in revenues eased (-9.5%), to 6,726.5 billion euro, despite the decline in infrastructure investment in Spain.
- The EBITDA margin recovered steadily in all areas during the year, to 10.7%, even though the impact of ongoing restructuring measures is still limited.
- The company had a net attributable loss of 1,506.3 million euro as a result of sharp adjustments in goodwill, provisioning, impairments, and results from discontinued operations.
- Net interest-bearing debt declined notably, by 1,112.2 million euro with respect to 2012, to 5,975.5 million euro; that figure does not yet reflect all the divestments envisioned in the Strategic Plan.

- The backlog increased by 6.4% in the year, to 32,865.1 million euro, due to major new contracts in the Construction, Water and Environmental Services businesses.

Note: Assets held for sale

The assets and liabilities corresponding to Versia and FCC Energía have been designated as "held for sale", the former since 30 June 2013, the latter since 1 July 2011. The stakes in FCC Environmental (industrial waste in the US), GVI and Realia have been so classified since 31 December (Note 2.1.5.2). Accordingly, their earnings are recognised under "results from discontinued operations" (Note 2.1.4.5.2).

As a result of these changes, the income statement and cash flow statement for 2012 have been restated to enable comparison.

KEY FIGURES			
(million euro)	Dec. 13	Dec. 12	Chg. (%)
Net sales	6,726.5	7,429.3	-9.5%
EBITDA	719.9	820.3	-12.2%
EBITDA margin	10.7%	11.0%	-0.3 p.p.
EBIT	(303.1)	147.4	N/A
EBIT margin	-4.5%	2.0%	-6.5 p.p.
Income attributable to equity holders of the parent company	(1,506.3)	(1,028.0)	46.5%
Operating cash flow	765.1	1,159.0	-34.0%
Investing cash flow	(159.7)	(227.2)	-29.7%
(million euro)	Dec. 13	Dec. 12	Chg. (%)
Equity	242.8	1,697.0	-85.7%
Net interest-bearing debt	5,975.5	7,087.7	-15.7%
Backlog	32,865.1	30,896.4	6.4%

2.1.3. Summary by business area

Area (million euro)	Dec. 13	Dec. 12	Chg. (%)	% of 2013 total	% of 2012 total
REVENUES BY BUSINESS AREA					
Environmental Services	2,770.4	2,827.6	-2.0%	41.2%	38.1%
Water	930.0	901.4	3.2%	13.8%	12.1%
Construction	2,589.2	2,935.6	-11.8%	38.5%	39.5%
Cement	540.9	653.7	-17.3%	8.0%	8.8%
Corp. services and adj.1	(104.0)	111.0	-193.7%	-1.5%	1.5%
Total	6,726.5	7,429.3	-9.5%	100.0%	100.0%
REVENUES BY GEOGRAPHIC AREA					
Spain	3,909.6	4,621.9	-15.4%	58.1%	62.2%
Latin America	912.5	701.0	30.2%	13.6%	9.4%
United Kingdom	840.6	896.0	-6.2%	12.5%	12.1%
Central & Eastern Europe	560.5	630.0	-11.0%	8.3%	8.5%
United States	196.3	170.1	15.4%	2.9%	2.3%
Middle East & North Africa	147.5	131.5	12.2%	2.2%	1.8%
Others	159.5	278.9	-42.8%	2.4%	3.8%
Total	6,726.5	7,429.3	-9.5%	100.0%	100.0%
EBITDA					
Environmental Services	425.4	497.3	-14.5%	59.1%	60.6%
Water	191.7	188.9	1.5%	26.6%	23.0%
Construction	98.8	89.4	10.5%	13.7%	10.9%
Cement	50.4	69.8	-27.9%	7.0%	8.5%
Parent co. and adj.	(46.4)	(25.1)	84.9%	-6.4%	-3.1%
Total	719.9	820.3	-12.2%	100.0%	100.0%
EBIT					
Environmental Services	(66,6)	48,4	N/A	22,0%	32,8%
Water	114,9	114,2	0,6%	-37,9%	77,5%
Construction	(247,7)	43,6	N/A	81,7%	29,6%
Cement	(24,2)	(133,4)	-81,9%	8,0%	-90,5%
Corp. services and adj.1	(79,5)	74,6	N/A	26,2%	50,6%
Total	(303,1)	147,4	N/A	100,0%	100,0%

Area (million euro)	Dec. 13	Dec. 12	Chg. (%)	% of 2013 total	% of 2012 total
NET DEBT					
Environmental Services	2.220,0	2.472,4	-10,2%	37,2%	34,9%
Water	396,2	761,0	-47,9%	6,6%	10,7%
Construction	(153,3)	754,3	-120,3%	-2,6%	10,6%
Cement	1.363,7	1.320,5	3,3%	22,8%	18,6%
Corp. services and adj.	2.148,9	1.779,5	20,8%	36,0%	25,1%
Total	5.975,5	7.087,7	-15,7%	100,0%	100,0%
BACKLOG					
Environmental Services	11,883.7	11,381.7	4.4%	36.2%	36.8%
Water	14,373.3	13,628.5	5.5%	43.7%	44.1%
Construction	6,608.1	5,886.2	12.3%	20.1%	19.1%
Total	32,865.1	30,896.4	6.4%	100.0%	100.0%

1 Corporate Services in 2012 include results from the Handling business (151.8 million euro in revenues and 10.5 million euro in EBITDA), which was divested in September 2012.

2.1.4. Income Statement

(million euro)	Dec. 13	Dec. 12	Chg. (%)
Net sales	6,726.5	7,429.3	-9.5%
EBITDA	719.9	820.3	-12.2%
EBITDA margin	10.7%	11.0%	-0.3 p.p.
Depreciation and amortisation	(423.5)	(487.2)	-13.1%
Impairments in goodwill and other assets	(469.7)	(243.7)	92.7%
Exceptional provisions for restructuring and works	(231.1)	13.8	N/A
Other operating income	101.3	44.2	129.2%
EBIT	(303.1)	147.4	N/A
EBIT margin	-4.5%	2.0%	-6.5 p.p.
Financial income	(438.8)	(373.2)	17.6%
Other financial results	(77.8)	(48.9)	59.1%
Equity-accounted affiliates	59.0	14.1	N/A

(million euro)	Dec. 13	Dec. 12	Chg. (%)
Earnings before taxes (EBT) from continuing activities	(760.8)	(260.7)	191.8%
Corporate income tax expense	135.5	38.0	N/A
Income from continuing operations	(625.3)	(222.7)	180.8%
Income from discontinued operations	(905.2)	(869.5)	4.1%
Net profit	(1,530.4)	(1,092.2)	40.1%
Non-controlling interests	24.1	64.2	-62.5%
Income attributable to equity holders of the parent company	(1,506.3)	(1,028.0)	46.5%

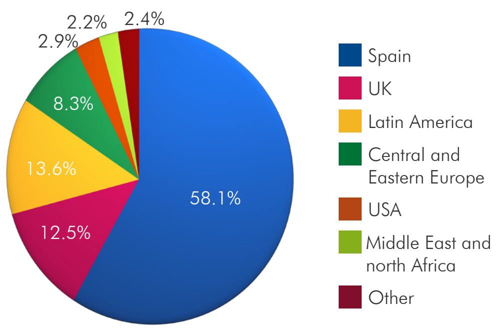
2.1.4.1. Revenues

Consolidated revenues totalled 6,726.5 million euro in 2013, a decline of 9.5% year-on-year. In Spain, revenues fell by 15.4%, due mainly to the negative impact on the Construction and Cement areas of the sharp reduction in public expenditure on infrastructure; meanwhile, international revenues increased slightly (0.3%) despite the adverse baseline effect caused by the sale of the airport handling business in September 2012 and a cement port terminal in the UK in February 2013. In like-for-like terms, revenues in international markets increased by 4.6%.

Revenue breakdown, by region			
(million euro)	Dec. 13	Dec. 12	Chg. (%)
Spain	3,909.6	4,621.9	-15.4%
Latin America	912.5	701.0	30.2%
United Kingdom	840.6	896.0	-6.2%
Central & Eastern Europe	560.5	630.0	-11.0%
United States	196.3	170.1	15.4%
Middle East & North Africa	147.5	131.5	12.2%
Others	159.5	278.9	-42.8%
Total	6,726.5	7,429.3	-9.5%

Revenues in Latin America increased by 30.2%, due mainly to the execution of the final section of the metro and the reorganisation of roads in Panama City (Construction area), together with the commencement of contracts in new markets, such as Chile and Peru. The 6.2% decline in the United Kingdom is due mainly to the completion of a construction contract (not yet offset by new contracts), to the negative currency effect, and to the sale of the cement terminal in February 2013. In Central and Eastern Europe, revenues fell by 11.0% broadly as a result of the completion of major contracts, such as the bridge over the Danube connecting Bulgaria and Romania (Construction area), and the soil decontamination project in the Czech Republic (Environmental Services area). Revenues increased by 15.4% in the United States due to the positive performance by the Cement business and commencement of construction of a bridge in California. In the Middle East and North Africa, revenues increased by 12.2%, boosted by the Construction business in Qatar; the decline in other markets reflects the baseline effect of divesting the airport handling business in September 2012. A total of 64% of revenues of this activity came from outside Spain in 2012.

% revenues by geographic area



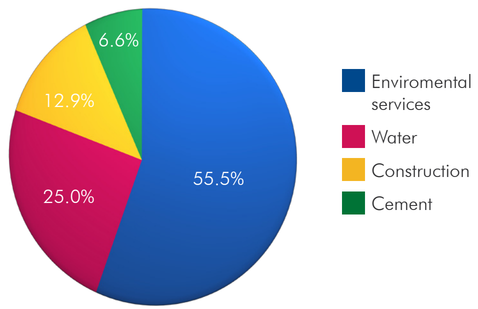
2.1.4.2. EBITDA

NOTE: Given the size of certain non-recurring events, EBITDA does not include the charge/release of exceptional provisions for restructuring and works or exceptional asset impairments for either year.

EBITDA totalled 719.9 million euro in 2013, i.e. 12.2% less than in 2012 due to the sharp decline in Construction and Cement in Spain, together with lower margins in the Environmental Services area.

The EBITDA margin was 10.7%, compared with 11.0% in 2012, but it recovered gradually over the course of the year due to the first restructuring measures, mainly in the Construction and Cement areas, which will become increasingly visible in the coming quarters.

% Ebitda by business area



2.1.4.3. EBIT

The depreciation charge in 2013 decreased by 13.1% with respect to 2012, to 423.5 million euro, due largely to changes in consolidation scope during the period. That figure includes 62.9 million euro for assets that were stepped up on consolidation in the FCC Group (75.1 million euro in 2012).

Impairment of goodwill and other assets amounted to 469.7 million euro in 2013, and includes:

1) Impairment of goodwill in Environmental Services at FCC Environment UK (236.4 million euro) and in Industrial Waste companies (24 million euro).
2) Impairment of assets in the Construction area, mainly real estate and concessions, totalling 156.1 million euro.
3) Impairment of assets in the Cement area, mainly in the concrete, mortar and aggregate businesses, for 53.2 million euro, because of their closure to adapt to current demand.

This same line item amounted to 243.7 million euro in 2012, and included:

1) Impairment of goodwill at FCC Environment UK (190.2 million euro) and in Industrial Waste companies (22.8 million euro).

2) Impairment of assets in the Cement area, mainly in the concrete, mortar and aggregate businesses, for 30.7 million euro, in connection with their closure to adapt to current demand.

Exceptional provisions, which amounted to 231.1 million euro in 2013, include 127.2 million euro for workforce restructuring (51.7 million euro in Cement, 49 million euro in Construction, and 26.5 million euro in Corporate Services) and 103.9 million euro for risks associated with international Construction projects. In 2012, this item included 121.9 million euro for workforce restructuring (60 million euro in Construction, 46.9 million euro in Cement and 15 million euro in Central Services) and the net release of 135.7 million euro in provisions for risks associated with international projects (82.6 million euro in the Parent company and 53.1 million euro in Construction).

Other operating income, amounting to 101.3 million euro, was mainly from the Cement business and reflects the 104.9 million euro in capital gains on the asset swap and sale of the port terminal in the UK.

The 44.2 million euro in 2012 correspond to capital gains on the sale of the airport handling business.

Overall, EBIT amounted to -303.1 million euro in 2013, compared with 147.4 million euro in 2012.

2.1.4.4. Earnings before taxes (EBT) from continuing activities

Earnings before taxes from continuing activities were negative in the amount of 760.8 million euro after incorporating the following to EBIT:

2.1.4.4.1. Financial income

Net financial expenses amounted to 438.8 million euro in the period, 17.6% more than in 2012. This increase is attributable to the higher cost of funding, in part caused by the full refinancing of the Cement business in July 2012.

Other financial results, which amounted to -77.8 million euro, mainly reflect impairments for loans to concession companies in which the Construction area has a minority stake.

2.1.4.4.2. Equity-accounted affiliates

The contribution from equity-accounted affiliates amounted to 59 million euro in 2013, compared with 14.1 million euro in 2012. This increase is mainly due to the sale of 50% of Proactiva and to greater income from the minority stake in Construction area concession companies.

2.1.4.5. Income attributable to equity holders of the parent company

Net attributable income amounted to -1,506.3 million euro (compared with -1,028 million euro in 2012), after including the following items in EBT:

2.1.4.5.1. Income tax

The corporate income tax reflects a tax credit of 135.5 million euro, compared with 38 million euro in 2012.

2.1.4.5.2. Income from discontinued operations

This includes the results from all of the entities classified as discontinued at 31 December, including:

- **a.** Alpine, which contributed a loss of 423.9 million euro, due to writing off the investment in that company and including its results up to the date of deconsolidation as well as provisions for possible risks associated with the current liquidation process.
- **b.** FCC Energy, which contributed a net loss of 267.3 million euro following the sale agreement reached on 30 December, reflecting both the value adjustments in its portfolio of renewable assets as a result of a series of regulatory changes implemented by the government, and transaction costs related to its sale.
- **c.** Realia and GVI, which contributed losses of 99.7 million euro, mainly including impairments on the investment in both companies and their attributable income in the year, which totalled -32.9 million euro.
- **d.** The remaining 114.3 million euro is attributable to -50.9 million euro in losses and impairments at Versia, and -63.4 million euro corresponding to FCC Environmental (industrial waste in the US).

Overall, discontinued activities made a negative contribution of 905.2 million euro in 2013, compared with a loss of 869.4 million euro in 2012.

2.1.4.5.3. Non-controlling interests

Income attributable to non-controlling interests, mainly in the Cement area, amounted to a loss of 24.1 million euro, compared with 64.2 million euro in 2012.

2.1.5. Balance Sheet

(million euro)	Dec. 13	Dec.12[1]	Chg.(M€)
Intangible assets	2,857.3	3,821.7	(964.4)
Property, plant and equipment	3,750.9	4,691.3	(940.4)
Investments accounted for using the equity method	368.7	935.0	(566.3)
Non-current financial assets	383.5	412.6	(29.1)
Deferred tax assets and other non-current assets	1,082.0	732.8	349.2
Non-current assets	**8,442.4**	**10,593.5**	**(2,151.1)**
Non-current assets classified as held for sale	2,172.5	1,476.2	696.3
Inventories	798.0	1,128.7	(330.7)
Trade and other accounts receivable	2,809.4	4,921.3	(2,111.8)
Other current financial assets	401.8	437.2	(35.4)
Cash and cash equivalents	977.8	1,166.2	(188.4)
Current assets	**7,159.6**	**9,129.5**	**(1,969.9)**
TOTAL ASSETS	15,601.9	19,723.0	(4,121.1)
Equity attributable to equity holders of parent company	3.2	1,246.9	(1,243.7)
Non-controlling interests	239.6	450.1	(210.5)
Net equity	**242.8**	**1,697.0**	**(1,454.2)**
Grants	226.3	220.2	6.1
Long-term provisions	1,092.0	1,155.0	(63.0)
Long-term interest-bearing debt	1,070.6	4,540.0	(3,469.4)
Other non-current financial liabilities	66.3	565.9	(499.6)
Deferred tax liabilities and other non-current liabilities	1,017.2	1,106.1	(88.9)
Non-current liabilities	**3,472.3**	**7,587.2**	**(4,114.9)**
Liabilities associated with non-current assets classified as held for sale	1,729.2	970.4	758.8
Short-term provisions	340.1	303.6	36.5
Short-term interest-bearing debt	6,284.4	4,151.8	2,132.6
Other current financial liabilities	114.1	172.8	(58.7)
Trade and other accounts payable	3,419.1	4,840.4	(1,421.3)
Current liabilities	**11,886.9**	**10,438.9**	**1,448.0**
TOTAL LIABILITIES	15,601.9	19,723.0	(4,121.1)

(1) Figures have been restated for the sole purpose of complying with IAS 19, which requires recognition in net equity of the actuarial gains and losses from deferred compensation of employees (pension funds). The net impact of the tax effect is 24.6 million euro.

2.1.5.1. Investments accounted for using the equity method

The investment accounted for using the equity method companies (368.7 million euro) comprised mainly the following at the end of December:

1) 97.3 million euro in Environmental Services companies.
2) 77.5 million euro in Water concession companies.
3) 36.9 million euro corresponding to concession companies in the Construction area not contributed to GVI.
4) 157 million euro corresponding to the other stakes in, and loans to, equity-accounted affiliates.

2.1.5.2. Non-current assets and liabilities classified as held for sale

Of the 2,172.5 million euro in non-current assets classified as held for sale at 31 December 2013, 933.3 million euro correspond to FCC Energy, 870.1 million euro to Versia and to FCC Environmental, and the remaining 369.1 million euro to the stakes in GVI and Realia. FCC Energy has been so classified since 1 July 2011 (and is pending only completion of the sale), Versia since 30 June 2013 and the remainder since 31 December 2013.

Those assets had associated liabilities amounting to 1,729.2 million euro, of which 918.7 million euro correspond to FCC Energy, and 810.5 million euro to Versia and to FCC Environmental. Net debt for those areas was 797.1 million euro at 31 December: 736.9 million euro in non-recourse project finance in the Energy area, and 63.6 million euro at Versia and FCC Environmental.

2.1.5.3. Net equity

Net equity amounted to 242.8 million euro as of 31 December 2013. The decline with respect to 31 December 2012 is mainly due to losses on discontinued operations detailed in section 2.1.4.5.2 together with impairment losses and exceptional provisions detailed in section 2.1.4.3.

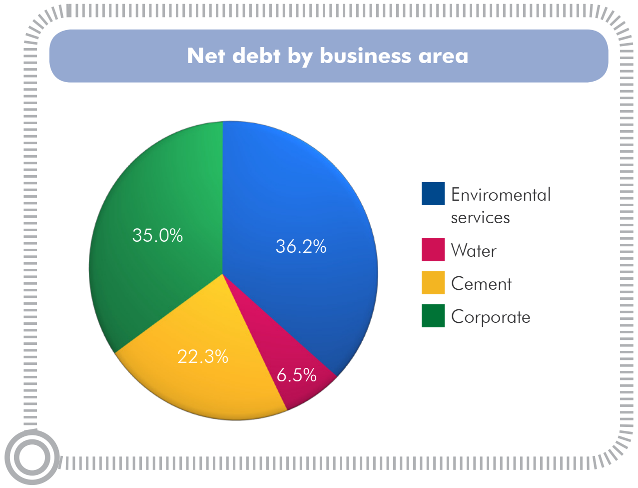
2.1.5.4. Net interest-bearing debt

At 31 December 2013, net interest-bearing debt amounted to 5,975.5 million euro, i.e. a decline of 1,112.2 million euro compared with the end of 2012, due mainly to the effect of deconsolidating Alpine and to divestments over the course of the year.

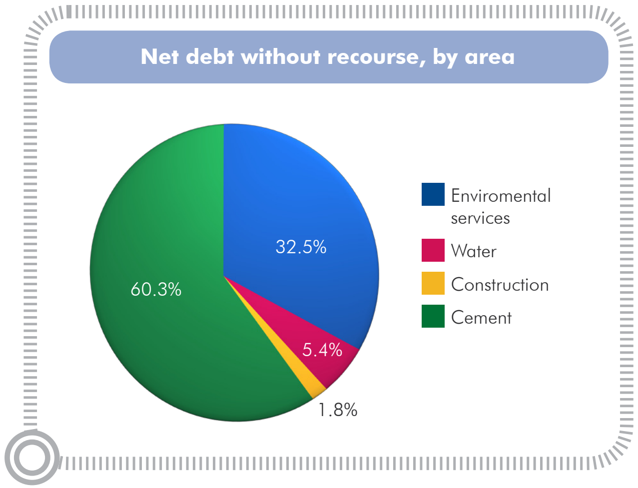
(million euro)	Dec. 13	Dec. 12	Chg.(M€)
Bank borrowings	6,227.1	7,247.0	(1,019.9)
Debt instruments and other loans	851.1	1,144.7	(293.6)
Accounts payable due to financial leases	48.3	70.9	(22.6)
Derivatives and other financial liabilities	228.6	228.6	0.0
Gross interest-bearing debt	7,355.1	8,691.1	(1,336.0)
Cash and other financial assets	(1,379.6)	(1,603.4)	223.8
Net interest-bearing debt	5,975.5	7,087.7	(1,112.2)
With recourse	3,893.4	4,262.9	(369.5)
Without recourse	2,082.1	2,824.8	(742.7)

The large balance of gross interest-bearing debt maturing in the short term, amounting to 6,284.4 million euro, is because the process of refinancing most of the Group's corporate debt was still pending at 31 December 2013. It is expected to be included in a new long-term credit facility, its main components aligned with the current Strategic Plan. This item also includes a 450 million euro convertible bond maturing in October 2014 and 456.6 million euro in funding for FCC Environment UK, which completed long-term refinancing in January 2014.

Environmental Services and Water accounted for 42.7% of net debt, connected to regulated long-term public service contracts; 22.3% of net debt corresponds to Cement, which represents a large proportion of fixed assets on the balance sheet. The remaining 35% corresponds to the Parent company, which includes a 450 million euro convertible bond, funding for investees in the process of being divested (GVI, Realia, etc.) and acquisition debt in connection with several operating companies in the various business areas.



Net interest-bearing debt without recourse to the Parent company amounted to 2,082.1 million euro in 2013, accounting for 34.8% of the total. The breakdown by business area is as follows:



It is important to note that almost all of the debt in the Cement area is without recourse to the rest of FCC Group, as stipulated in the refinancing agreement for the area that was signed in July 2012. The remaining debt without recourse, 456.6 million euro, corresponds to the acquisition of FCC Environment UK and to funding of projects in the Water and Waste Treatment areas of the Environmental Services division.

2.1.5.5. Other current and non-current financial liabilities

The balance of other current and non-current financial liabilities amounted to 180.4 million euro and includes financial liabilities not classified as interest-bearing debt, such as those linked to suppliers of property, plant and equipment, deposits and guarantees received, and stock options. The 558.3 million euro decline with respect to 31 December 2012 is mainly due to the classification of operating licenses in the Urban Furniture business as non-current assets available for sale.

2.1.6. Cash Flow

(million euro)	Dec.13	Dec.12	Chg.(%)
Funds from operations	748.3	1,176.7	-36.4%
(Increase)/decrease in working capital	257.3	145.7	76.6%
Other items (taxes, dividends, etc.)	(240.5)	(163.4)	47.2%
Operating cash flow	765.1	1,159.0	-34.0%
Investing cash flow	(159.7)	(227.2)	-29.7%
Cash flow from business operations	605.4	931.8	-35.0%
Financing cash flow	(170.0)	(601.2)	-71.7%
Other cash flow (exchange differences, change in consolidation scope, etc.)	676.8	(292.8)	N/A
(Increase) / decrease in net interest-bearing debt	1,112.2	37.8	N/A

2.1.6.1. Operating cash flow

Operating cash flow totalled 765.1 million euro in 2013, compared with 1,159 million euro in 2012. It includes a decline in funds from operations and an improvement in operating cash flow, reflecting the effect of the Second Supplier Payment Plan, which was partially executed in 2013. The Others section includes costs incurred for restructuring, which began in 2013.

A total of 257.3 million euro in working capital were released, with an improvement in all areas of activity and especially in Construction, due to the commencement of repositioning efforts by that area. This change includes a 19.8 million euro decline in factoring with respect to 2012, to 290.5 million euro at 31 December 2013.

(million euro)	Dec.13	Dec.12	Chg. (M€)
Environmental Services	200.8	236.3	(35.5)
Water	6.5	19.5	(13.0)
Construction	1.7	(165.7)	167.4
Cement	15.7	13.3	2.4
Corporate services and adjustments	32.6	42.3	(9.7)
(Increase)/decrease in working capital	257.3	145.7	111.6

Past-due accounts receivable from local government sector clients in Spain exceeded 600 million euro at the end of 2013. In view of the procedures and terms established under Royal Decree-Act 8/2013, of 28 June, it is possible to estimate that outstanding payments from regional governments that fell due prior to 31 May 2013 will be received in the first quarter of 2014. The Act to Control Trade Accounts Payable by the Public Sector and the Electronic Invoice Act were approved at the end of last year. These Acts seek to reduce the average payment period for suppliers to the public sector to 30 days by establishing an automatic progressive payment control system.

"Other operating cash flow" amounted to -240.5 million euro and includes 99.4 million euro released from provisions for non-recurring restructuring costs.

2.1.6.2. Investing cash flow

Consolidated investing cash flow totalled 159.7 million euro in 2013, vs. 227.2 million euro in 2012. This year's accounts include the payment of a 40.5 million euro fee for a 25-year concession to provide end-to-end water management services in Jerez.

This item also includes 125 million euro received in connection with the sale of 50% of Proactiva (Environmental Services area) in the fourth quarter of 2013 and another 90.4 million euro from the divestment of group and associated companies and business units, mainly the sale of minority stakes in various concession companies in the Construction area and of the Cement area's port terminal in Ipswich (UK) for 22.1 million euro. The 2012 figures included the sale of the airport handling business for 128 million euro.

The breakdown of net investments by activity is as follows:

(Investment/divestment, million euro)	Dec.13	Dec.12	Chg. (M€)
Environmental services	(76.3)	(168.8)	92.5
Water	(87.7)	(50.8)	(36.9)
Construction	(5.7)	(84.2)	78.5
Cement	26.8	(23.4)	50.2
Corporate services and adjustments	(16.8)	100.0	(116.8)
Total	(159.7)	(227.2)	67.5

2.1.6.3. Financing cash flow

Consolidated financing cash flow was -170 million euro in 2013, compared with -601.2 million euro in 2012, which included 150.7 million euro of dividend payments, together with capital expenditure of 52.6 million euro to buy out the remaining non-controlling interests (13.5%) in Alpine, in accordance with the agreement signed the previous year.

In addition to interest payments and other financing flows, this item also includes the receipt of 97 million euro from the sale of 49% of the water business in the Czech Republic and of 150.6 million euro for own shares (9.7% of capital) sold during the second quarter of 2013.

2.1.6.4. Others

This item, amounting to 676.8 million euro, reflects the effect of exchange differences, value adjustments in derivatives and changes in consolidation scope.

2.1.7. Business performance

2.1.7.1. Environmental Services

NOTE: The assets and liabilities corresponding to FCC Environmental (industrial waste management in the US) have been classified as "held for sale" since 31 December 2013 (Note 2.1.5.2). The related income is recognised under "results from discontinued operations" (Note 2.1.4.5.2). Accordingly, and to enable comparison, the income statement and cash flow statement for 2012 have been restated

EBITDA in Environmental Services amounted to 55.5% of the FCC Group total. Overall, 95% of its activity is focused on municipal solid waste collection, processing and disposal, as well as other municipal services such as street cleaning and green area upkeep. The other 5% corresponds to industrial waste collection and management.

The business in Spain focuses on municipal waste management and street cleaning; in the UK, it is involved notably in municipal waste treatment and disposal; in Central and Eastern Europe, mainly Austria and the Czech Republic, it engages in end-to-end municipal waste management (collection, processing and disposal); and in Portugal and Italy it is involved in industrial waste management.

2.1.7.1.1. Results

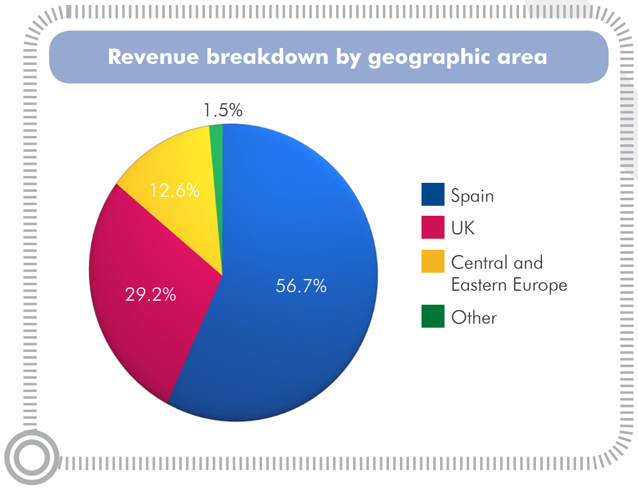
(million euro)	Dec. 13	Dec. 12	Chg. (%)
Revenues	2,770.4	2,827.6	-2.0%
Environmental	2,633.3	2,662.2	-1.1%
Industrial Waste	137.1	165.5	-17.1%
EBITDA	425.4	497.3	-14.5%
EBITDA margin	15.4%	17.6%	-2.2 p.p.
EBIT	(66.6)	48.4	-237.7%
EBIT margin	-2.4%	1.7%	-4.1 p.p.

Revenues in this area amounted to 2,770.4 million euro in 2013, down 2% with respect to 2012 due to a 17.1% contraction in the industrial waste business in Spain and Italy, the negative currency effect in the UK, and the completion of a soil decontamination contract in the Czech Republic in the Environment area.

Revenue breakdown by region			
(million euro)	Dec. 13	Dec.12	Chg. (%)
Spain	1,571.2	1,595.6	-1.5%
United Kingdom	809.2	806.9	0.3%
Central and Eastern Europe	349.6	367.0	-4.7%
Others (Portugal, Italy, etc.)	40.4	58.1	-30.5%
Total	2,770.4	2,827.6	-2.0%

In Spain revenues declined by 1.5% to 1,571.2 million euro due to the contraction in the Industrial Waste business and to the adaptation of services provided to certain clients to adjustments in their budgets approved in 2012.

In the UK (0.3%), the increase in recycling offset the 4.5% depreciation by the pound sterling (5.3% at constant exchange rates). In Central and Eastern Europe, the 4.7% decline in revenues is mainly attributable to the completion of a soil decontamination contract in the Czech Republic and to 3.3% currency depreciation. The 30.5% decline in revenues in other markets is due to the completion of a large sludge removal contract in Italy.



EBITDA declined by 14.5% to 425.4 million euro, and the EBITDA margin was 15.4%, compared with 17.6% in 2012. The decline in the margin is due to several factors: the sharp decrease in revenues and margins in Industrial Waste; the decline in landfill prices in the UK, as well as lower waste collection prices in Austria and the implementation of a landfill fee in Hungary; and the adaptation of services provided to certain clients in Spain.

EBIT amounted to -66.6 million euro, reflecting 260.4 million euro of impairment in goodwill, of which 236.4 million euro is attributable to FCC Environment UK and 24 million euro to the Industrial Waste companies.

Backlog breakdown by region			
(million euro)	Dec. 13	Dec. 12	Chg.(%)
Spain	7,436.2	7,473.0	-0.5%
International	4,447.5	3,908.7	13.8%
Total	11,883.7	11,381.7	4.4%

The international backlog increased by 13.8% with respect to 2012 year-end, to 4,447.5 million euro, due mainly to the inclusion of a 30-year contract worth over 1,000 million euro to manage the Buckinghamshire waste treatment plant, which did not contribute to revenues in the period.

The backlog in Spain remained in line with 2012 year-end (-0.5%), following the inclusion of Madrid street cleaning contracts 5 and 6, which will last 8 years and are over 500 million euro in total.

2.1.7.1.2. Cash flow

(million euro)	Dec.13	Dec.12	Chg.(%)
Funds from operations	444.3	488.9	-9.1%
(Increase) / decrease in working capital	200.8	236.3	-15.0%
Other items (taxes, dividends, etc.)	(64.2)	(35.7)	79.9%
Operating cash flow	580.9	689.5	-15.7%
Investing cash flow	(76.3)	(168.8)	-54.8%
Cash flow from business operations	504.6	520.7	-3.1%
Financing cash flow	(147.0)	(190.1)	-22.7%
Other cash flow (exchange differences, change in consolidation scope, etc.)	(105.2)	549.7	N/A
(Increase) / decrease in net interest-bearing debt	252.4	880.2	-71.3%
(million euro)	Dec.13	Dec.12	Chg.(M€)
Net interest-bearing debt	2,220.0	2,472.4	(252.4)
With recourse	1,543.7	1,792.5	(248.8)
Without recourse	676.3	679.9	(3.6)

Operating cash flow in the Environmental Services area totalled 580.9 million euro in 2013, down 15.7% with respect to 2012, in line with the decline in EBITDA and the smaller reduction in working capital.

Working capital performed well in the year, declining by 200.8 million euro, including the receipt of 182 million euro in the fourth quarter under the Second Supplier Payment Plan. The difference in working capital in 2012 reflected the 544 million euro collected under the first Supplier Payment Plan.

On 19 December, Spanish Parliament approved the Act to Control Trade Accounts Payable by the Public Sector and the Electronic Invoice Act, which aim to reduce the supplier payment period to 30 days by establishing an automatic oversight and payment system under Central Government control. At 31 December, the average collection period in the Environment business in Spain was five months, equivalent to close to 500 million euro in past-due accounts.

Investing cash flow, which totalled -76.3 million euro, includes an inflow of 125 million euro from the sale of 50% of Proactiva. The remaining 25 million euro is expected to be collected in the first half of 2014.

Other cash flow reflects intragroup movements as well as variations in exchange rates and in the value of derivatives. In 2012, this item included the reclassification as parent company debt of 648 million euro of acquisition debt relating to FCC Environment UK, which is with recourse to the parent company.

The area's net interest-bearing debt declined by 252.4 million euro in the year, to 2,220 million euro. Net interest-bearing debt without recourse to the parent company includes 449.4 million euro corresponding to FCC Environment UK and funding for various municipal waste treatment and abatement plants in the UK and Austria.

2.1.7.2. Water

The Water area accounts for 25.5% of FCC Group EBITDA. Public concessions for end-to-end water management (capture, distribution and treatment) account for 92% of total revenues, and water infrastructure design and construction for the other 8%.

FCC serves more than 13 million people in over 850 municipalities in Spain. In Eastern Europe, FCC serves 1.3 million users, mainly in the Czech Republic. It also has a strong presence in Italy, where it has an end-to-end water management contract in Sicily, and it operates in Portugal. In Latin America, the Middle East and North Africa, FCC is involved mainly in water infrastructure design, construction and management.

2.1.7.2.1. Result

(million euro)	Dec. 13	Dec. 12	Chg.(%)
Revenues	**930.0**	**901.4**	**3.2%**
Concessions	852.7	809.4	5.3%
Water Infrastructure	77.3	92.0	-16.0%
EBITDA	**191.7**	**188.9**	**1.5%**
EBITDA margin	20.6%	21.0%	-0.3 p.p.
EBIT	**114.9**	**114.2**	**0.6%**
EBIT margin	12.4%	12.7%	-0.3 p.p.

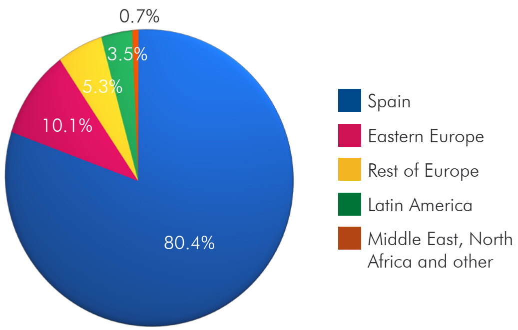
Water revenues expanded by 3.2% year-on-year in 2013 to 930 million euro. Revenues from concessions increased by 5.3% due to new end-to-end water management contracts in Spain and tariff revisions in Italy, while revenues from the construction of water infrastructure declined by 16% due to the completion of several plants in Latin America.

Revenue breakdown by region			
	Dec. 13	Dec. 12	Chg. (%)
Spain	747.6	723.7	3.3%
Eastern Europe	94.2	93.7	0.5%
Rest of Europe	49.3	45.1	9.3%
Latin America	32.5	34.4	-5.5%
Middle East, North Africa and Others	6.4	4.5	42.2%
Total	930.0	901.4	3.2%

Revenues in Spain increased by 3.3% due to the commencement of new end-to-end water management contracts, notably in Jerez and Arcos de la Frontera, as well as a sewage treatment contract in Algeciras, among others. The 3% decline in consumption was offset by the increase in average tariffs.

Revenues were stable in Eastern Europe (0.5%), and increased by 9.3% in the rest of Europe due to the revision of tariffs in Italy. The decline in revenues in Latin America is due to the completion of several sewage treatment plants in Mexico and a desalination plant in Chile. Notable growth in other markets is due to the commencement of the service to optimise the water supply network in Riyadh.

Revenue breakdown by region



EBITDA increased by 1.5% to 191.7 million euro, and the EBITDA margin was 20.6%, compared with 21.0% in 2012.

Backlog breakdown by region			
	Dec. 13	Dec. 12	Chg.(%)
Spain	10,166.7	9,279.7	9.6%
International	4,206.6	4,348.8	-3.3%
Total	14,373.3	13,628.5	5.5%

In Spain, the backlog increased by 9.6% to 10,116.7 million euro, due to the inclusion of a 25-year end-to-end water management contract in Jerez that is worth close to 900 million euro.

2.1.7.2.2. Cash Flow

(million euro)	Dec.13	Dec.12	Chg.(%)
Funds from operations	209.3	195.8	6.9%
(Increase) / decrease in working capital	6.5	19.5	-66.7%
Other items (taxes, dividends, etc.)	(19.4)	(21.5)	-9.8%
Operating cash flow	196.4	193.8	1.3%
Investing cash flow	(87.7)	(50.8)	72.6%
Cash flow from business operations	108.7	143.0	-24.0%
Financing cash flow	31.8	(46.3)	-168.7%
Other cash flow (exchange differences, change in consolidation scope, etc.)	224.3	20.3	N/A
(Increase) / decrease in net interest-bearing debt	364.8	116.9	N/A
(million euro)	Dec.13	Dec.12	Chg. (M€)
Net interest-bearing debt	396.2	761.0	(364.8)
With recourse	284.1	704.0	(419.9)
Without recourse	112.1	57.0	55.1

The Water area's operating cash flow increased slightly (1.3%) with respect to 2012. The increase in funds from operations, in line with higher EBITDA, was offset by a lower recovery of working capital, which reflects the 11.4 million euro collected in 2013 under the Second Supplier Payment Plan, compared with 85 million euro collected under the First Plan in 2012.

The area's investing cash flow amounted to -87.7 million euro compared with -50.8 million euro in 2012, due mainly to the payment of 50% of the fee for the 25-year end-to-end water management concession in Jerez of 40.5 million euro. The rest of the payment is expected to be made in April 2014.

Financing cash flow amounted to 31.8 million euro, compared with -46.3 million euro in 2012, mainly as a result of the collection of 97 million euro from the sale of a minority stake of the water business in the Czech Republic.

Other cash flow reflects intragroup movements as well as variations in exchange rates and in the value of derivatives. In 2013, this item includes the reclassification as parent company debt of 195.4 million euro of non-operating debt in this area.

Net interest-bearing debt declined by 364.8 million euro with respect to December 2012, to 396.2 million euro. Net interest-bearing debt without recourse to the parent company amounted to 112.1 million euro, corresponding mainly to debt at the Czech water subsidiary, Aqualia Czech.

2.1.7.3. Construction

Note: The Construction activity does not include subsidiary Alpine, which was deconsolidated in June 2013 since it was placed in liquidation. Its earnings are recognised under "results from discontinued operations" (Note 2.1.4.5.2). Accordingly, and to enable comparison, the income statement and cash flow statement for 2012 have been restated.

The Construction area accounts for 12.9% of FCC Group EBITDA. It is mainly involved in the design and construction of large civil engineering and industrial works and building in certain geographies. It operates in highly complex public works such as railways, tunnels and bridges, which, with industrial installation and maintenance projects, account for a large part of its activity.

2.1.7.3.1. Results

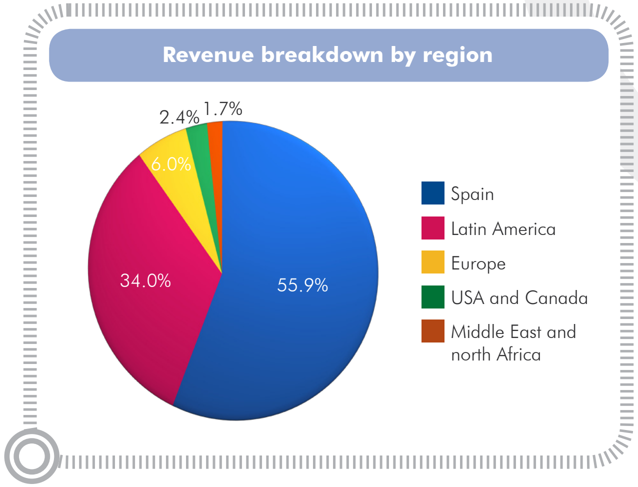
(million euro)	Dec. 13	Dec. 12	Chg. (%)
Revenues	2,589.2	2,935.6	-11.8%
EBITDA	98.8	89.4	10.5%
EBITDA margin	3.8%	3.0%	0.8 p.p.
EBIT	(247.7)	43.6	N/A
EBIT margin	-9.6%	1.5%	-11.1 p.p.

Revenues in the Construction area totalled 2,589.2 million euro in 2013, a decline of 11.8% year-on-year. The sharp adjustment in public spending on infrastructure reduced revenues in Spain by 25.3%. In contrast, revenues from other countries expanded by 14.5%.

Revenue breakdown by region

(million euro)	Dec. 13	Dec. 12	Chg. (%)
Spain	1,447.6	1,938.5	-25.3%
Latin America	880.0	666.6	32.0%
Europe	159.6	272.6	-41.5%
US and Canada	61.0	35.2	73.3%
Middle East, North Africa and Others	41.0	22.7	80.5%
Total	2,589.2	2,935.6	-11.8%

Revenues in Latin America increased notably, by 32%, principally as a result of the contracts for the metro and road reorganisation in Panama City entering the final phase of execution, as well as the commencement of projects in new markets such as Peru, Chile and Colombia. Revenues in Europe declined by 41.5% due to the completion of large contracts, such as the bridge over the Danube between Bulgaria and Romania, and the fact that some new projects were at a very early stage and other contracts had yet to be signed and started (e.g. Mersey Bridge and Haren Prison). Strong growth in revenues in the US and Canada is due to the start of work on the Gerald Desmond bridge, in Los Angeles, and to the faster pace of the Toronto subway contract.



EBITDA amounted to 98.8 million euro in 2013, and the EBITDA margin was 3.8%. Operating profitability recovered gradually over the course of the year, due mainly to actions under way to adapt the cost structure in Spain to current demand.

EBIT, which amounted to -247.7 million euro, reflects impairments, mainly of real estate and concession assets (156.1 million euro), and provisions for risks associated with certain international contracts (103.9 million euro) and for workforce restructuring costs (49 million euro).

Backlog breakdown by region			
(million euro)	Dec. 13	Dec. 12	Chg. (%)
Spain	2,520.6	3,686.9	-31.6%
International	4,087.5	2,199.3	85.9%
Total	6,608.1	5,886.2	12.3%

The international backlog increased by 85.9%, to 4,087.5 million euro, driven by large contracts such as the construction of lines 4, 5 and 6 of the Riyadh metro (1,722.6 million euro) and the hospital complex in Panama (445 million euro). However, the backlog does not yet include other important adjudications such as the new bridge over the River Mersey in Liverpool and the prison complex in Haren, which together are worth over 300 million euro.

Backlog breakdown, by business segment			
(million euro)	Dec. 13	Dec. 12	Chg. (%)
Civil engineering	5,095.3	4,523.3	12.6%
Building	1,237.1	1,070.5	15.6%
Industrial projects	275.7	292.4	-5.7%
Total	6,608.1	5,886.2	12.3%

Civil engineering and industrial projects continued to account for the bulk of the backlog, i.e. 81.3% of the total, while building (basically non-residential) accounted for the remaining 18.7%. At the end of 2013, the backlog guaranteed over 30 months' work.

2.1.7.3.2. Cash flow

(million euro)	Dec. 13	Dec. 12	Chg. (%)
Funds from operations	124.9	504.9	-75.3%
(Increase) / decrease in working capital	1.7	(165.7)	-101.0%
Other items (taxes, dividends, etc.)	(97.6)	(9.5)	N/A
Operating cash flow	29.0	329.7	-91.2%
Investing cash flow	(5.7)	(84.2)	-93.2%
Cash flow from business operations	23.3	245.5	N/A
Financing cash flow	(82.8)	(94.6)	-12.5%
Other cash flow (exchange differences, change in consolidation scope, etc.)	967.1	273.2	254.0%
(Increase) / decrease in net interest-bearing debt	907.6	424.1	114.0%
(million euro)	Dec. 13	Dec. 12	Chg. (M€)
Net interest-bearing debt	(153.3)	754.3	(907.6)
With recourse	(191.5)	(46.6)	(144.9)
Without recourse	38.2	800.9	(762.7)

The Construction area's operating cash flow was 29 million euro, after applying 71.5 million euro in non-recurrent provisions for restructuring costs.

Working capital remained stable in the year (1.7 million euro) and includes the collection of 20.7 million euro from the Second Supplier Payment Plan. In 2012, this item included 97 million euro under the First Supplier Payment Plan.

Investing cash flow totalled -5.7 million euro and includes the collection of 63.2 million euro on the sale of minority stakes in various concession companies during the year and of 31 million euro from the sale of real estate assets.

Other cash flow reflects intragroup movements as well as variations in exchange rates and in the value of derivatives. In 2013, this item includes a 400 million euro increase in the area's equity, the deconsolidation of Alpine's debt, amounting to 741 million euro, and the 149 million euro injected into that company in the first quarter. In 2012, this item included a 347 million euro increase in the area's equity and the 99 million euro injection into Alpine in the fourth quarter.

Overall, the area's net interest-bearing debt declined by 907.6 million euro with respect to December 2012, resulting in a net cash position of 153.3 million euro at year-end. The 38.2 million euro in net interest-bearing debt without recourse to the parent company corresponds to the Coatzacoalcos Tunnel and Conquense Highway concession companies.

2.1.7.4. Cement

The Cement area accounts for 6.6% of FCC Group EBITDA through its 69.8% stake in Cementos Portland Valderrivas. It focuses mainly on cement, concrete, aggregate and mortar production. That company has seven cement factories in Spain, three in the US and one in Tunisia.

2.1.7.4.1. Results

(million euro)	Dec. 13	Dec. 12	Chg.(%)
Revenues	540.9	653.7	-17.3%
Cement	426.2	468.3	-9.0%
Other	114.7	185.4	-38.1%
EBITDA	50.4	69.8	-27.9%
EBITDA margin	9.3%	10.7%	-1.4 p.p.
EBIT	(24.2)	(133.4)	-81.9%
EBIT margin	-4.5%	-20.4%	15.9 p.p.

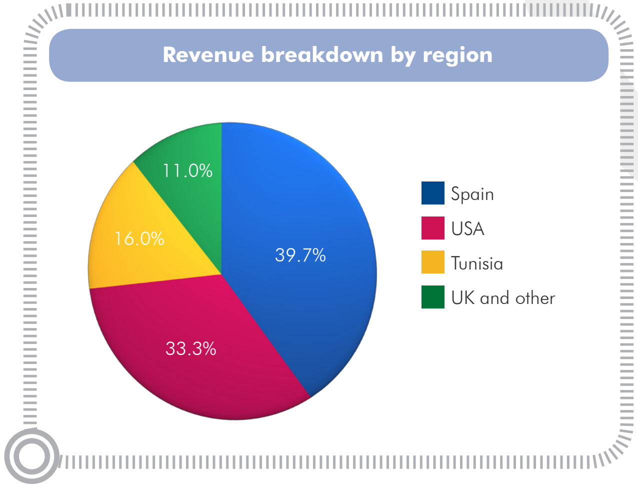
Revenues in the area totalled 540.9 million euro in 2013, down 17.3% year-on-year. Nevertheless, adjusting for the swap of Cementos Lemona and the sale of a port terminal in the United Kingdom in the first quarter, the decline was just 11.3% in like-for-like terms.

Revenue breakdown by region

(million euro)	Dec. 13	Dec. 12	Chg. (%)
Spain	215.0	320.1	-32.8%
USA	180.3	165.3	9.1%
Tunisia	86.4	90.0	-3.9%
UK and others	59.2	78.3	-24.5%
Total	540.9	653.7	-17.3%

Revenues in Spain decreased by 32.8%, compared with the 19.2% reduction in cement consumption nationwide in 2013, due to deconsolidating Cementos Lemona and the closure of less profitable concrete, mortar and aggregate plants. Cementos Lemona was swapped with CRH for the non-controlling interests in Corporación Uniland, which was already fully consolidated.

Revenues in the US increased by 9.1%, and that country now accounts for one-third of the area total, while revenues in Tunisia declined slightly with respect to the previous year due to the currency effect. Exports to the UK and other markets reflect the aforementioned effect of the sale of the Ipswich terminal in the UK.



The area's EBITDA declined by 27.9%, to 50.4 million euro, due to lower sales of emission rights, which amounted to 2.6 million euro, compared with 33.6 million euro in 2012. Excluding emissions right sales, EBITDA would have expanded by 32%. The decline in emissions rights sales is due to the delay in receiving the allocation under the new 2013/2020 framework; they will be received and sold together with the 2014 rights.

The area's EBITDA margin reflects a gradual recovery during the year, due to cost saving measures implemented in Spain in the last few quarters, together with the recovery in the US.

EBIT totalled -24.2 million euro, and includes capital gains amounting to 104.9 million euro, impairments totalling 53.2 million euro in connection with the mortar and aggregate business, and provisions of 51.7 million euro for workforce restructuring costs. Of the 104.9 million euro in capital gains, 89.8 million euro correspond to the asset swap (with no cash effect) and 15.1 million euro to the sale of the terminal in Ipswich (UK) in the first quarter.

2.1.7.4.2. Cash flow

(million euro)	Dec. 13	Dec. 12	Chg. (%)
Funds from operations	42.8	30.3	41.3%
(Increase) / decrease in working capital	15.7	13.3	18.0%
Other items (taxes, dividends, etc.)	(33.1)	(5.3)	N/A
Operating cash flow	25.4	38.3	-33.7%
Investing cash flow	26.8	(23.4)	N/A
Cash flow from business operations	52.2	14.9	N/A
Financing cash flow	(74.9)	(70.3)	6.5%
Other cash flow (exchange differences, change in consolidation scope, etc.)	(20.4)	20.0	N/A
(Increase) / decrease in net interest-bearing debt	(43.2)	(35.5)	21.7%
(million euro)	Dec. 13	Dec. 12	Chg. (M€)
Net interest-bearing debt	1,363.7	1,320.5	43.2
With recourse	108.3	33.4	74.9
Without recourse	1,255.4	1,287.1	(31.7)

The Cement area's operating cash flow amounted to 25.4 million euro in 2013, compared with 38.3 million euro in 2012. Nevertheless, funds from operations increased by 41.3%, partially offsetting the application of 30 million euro in non-recurrent provisions for workforce restructuring costs.

Investing cash flow, which totalled 26.8 million euro in 2013, includes an influx of 22.1 million euro from the sale of the terminal in Ipswich and of 8.1 million euro from the sale of two hydroelectric plants in Spain. Investment in the quarter was mainly concentrated on increasing the use of alternative fuels and raw materials in Spain. At the end of 2013, the fossil fuel replacement rate was 18% in Spain, compared with 41% in the US.

After applying financing cash flow and other changes, such as variations in exchange rates and the value of derivatives, the area's net interest-bearing debt increased by 43.2 million euro, to 1,363.7 million euro. Of that amount, 108.3 million euro is debt owed to the Group's parent company, while the remainder is without recourse to FCC.

2.2. Business performance. Environment

The information relating to the FCC Group's Environmental Policy is described in greater detail in Note 30 to the consolidated financial statements. Information on the environment.

The FCC Group's strategy maintains a socially responsable commitment in relation to environmental services, complying with applicable legal requirements, respect for the relationship with its stakeholders and its desire to generate wealth and social wellbeing.

At the FCC Group, the following principles, which form the basis of its contribution to sustainable development, are encouraged and stimulated throughout the organisation:

- On-going improvement: To promote environmental excellence through the setting of targets to achieve on-going improvements in the performance of activities, while minimising the negative impacts of the FCC Group's processes, products and services and strengthening the positive impacts.
- Control and monitoring: To establish environmental indicator management systems for the operational control of processes, which provide the necessary information for monitoring, assessing, taking decisions on and communicating the FCC Group's environmental efforts, and ensure compliance with the commitments acquired.

- Climate change and prevention of pollution: To lead the battle against climate change by implementing processes involving reduced emission of greenhouse gases and by promoting energy efficiency and the use of renewable energies. To prevent pollution and protect the natural environment through responsible management and consumption of natural resources and by minimising the impact of the emissions, discharges and waste generated and managed as a result of the FCC Group's activities.
- Observation of the environment and innovation: To identify the risks and opportunities of the activities with respect to the changing natural environment in order to promote innovation and the use of new technologies, and to generate synergies between the FCC Group's various activities.
- Life cycle of the products and services: To intensify environmental considerations in the planning of activities, purchase of materials and equipment and in relationships with suppliers and contractors.
- Everyone's participation is needed: To promote awareness and application of the environmental principles among employees and other interest groups.

2.3. Business performance. Employees

Following is a detail, by business area, of the FCC Group's headcount at 31 December 2013:

AREAS	SPAIN	INTERNATIONAL	TOTAL
Construction	5,676	5,000	10,676
Environment	29,126	8,598	37,724
Water Management	5,670	1,455	7,125
Industrial Waste	661	517	1,178
Versia	3,567	730	4,297
Cement	849	989	1,838
Central Services	417	-	417
TOTAL	45,966	17,289	63,255

3. LIQUIDITY AND CAPITAL RESOURCES

Liquidity

To optimise its financial position, the FCC Group maintains a proactive liquidity risk management policy by comprehensively monitoring cash and its projections on a fortnightly basis.

For the purpose of ensuring liquidity and enabling it to meet all the payment obligations arising from its business activities, the Group has the cash disclosed in the consolidated balance sheet (see Note 17 to the consolidated financial statements), and the credit and financing facilities detailed in Note 21 to the consolidated financial statements.

With a view to improving its financial position, the Group actively manages collection from its customers to ensure they meet their payment obligations.

In 2013 additional sources were added to the Group's usual liquidity sources arising from recurring activity, such as the II Supplier Payment Plan, the divestments which occurred during the year and the sale of treasury shares.

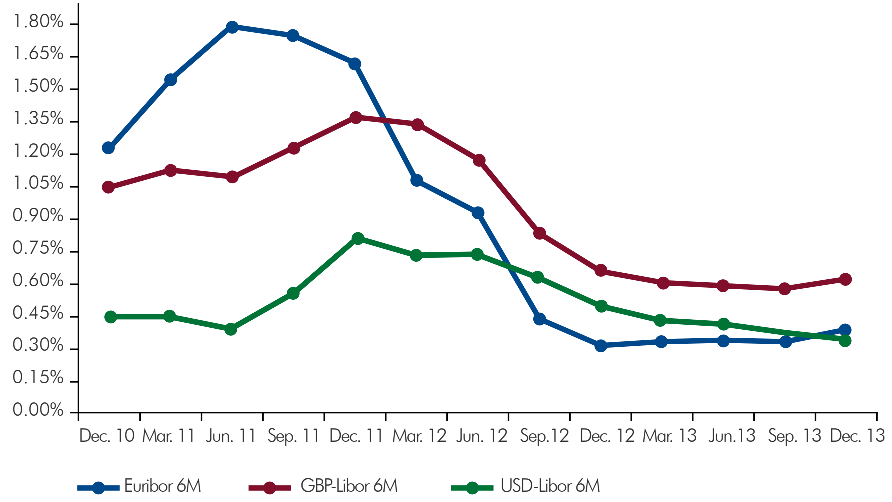
Capital resources

The Group manages its capital to ensure that the companies of which it is composed are capable of continuing as profitable and solvent businesses.

As part of capital management operations, the Group obtains financing through a wide variety of financial products from over 70 domestic and international financial institutions.

In 2013 the Group commenced the global refinancing of most of its debt and reached various limited recourse debt refinancing agreements (Note 21 to the consolidated financial statements).

In order to optimise the cost of capital resources, the FCC Group maintains an active interest rate risk management policy that includes ongoing monitoring of the market and assumes various positions based mainly on the financed asset. As shown by the chart, interest-rate stability over the past year led to very stable interest rate risk in 2013 (Note 31 to the consolidated financial statements).



This section is discussed in further detail in Note 31 to the consolidated financial statements.

4. MAIN RISKS AND UNCERTAINTIES

The FCC Group has an Integrated Risk Management Model, which it is progressively deploying and enables it to contend with the risks to which its activities are subject, since it operates in various geographical spheres, activities and legal environments, which, in turn, imply different risk levels inherent to the businesses in which it performs its operations.

The adopted Model allows a high-level risk map to be developed, using Enterprise Risk Management (COSO II) methodology, which furnishes information to Senior Executives and contributes to the definition of the FCC Group's strategy.

The FCC Group's risk management philosophy is consistent with the business strategy, seeking maximum efficiency and solvency at all times, for which strict risk control and management criteria are established. It consists of identifying, measuring, analysing and controlling the risks incurred by the Group's operations and the risk policy is correctly integrated in the organisation thereof.

In view of the unique nature of each FCC Group business area, risk is managed in each area, by preparing a Risks Map in each one and subsequently, based on the reported information, a consolidated Risks Map of the FCC Group is prepared.

Using this model, the risk in each business area is managed through:

- The identification of the key risks for the FCC Group, based on their potential threat to the attainment of the organisation's objectives in each business area.
- Risk evaluation. The risk valuation scales are defined in accordance with their potential impact if they materialise and their likelihood of occurrence.
- The identification of the controls and procedures that mitigate both the economic impact and their likelihood of occurrence.
- The identification of an owner for each identified risk, as the person responsible for maintaining an adequate Internal Control level.
- In addition, for risks that exceed the Accepted Risk for each sector of activity, the necessary action plans are implemented, including possible corrective measures to make their critical nature fall within the Accepted Risk area. These action plans include the measures required to strengthen existing controls and even include new controls.
- The implementation of specific procedures to carry out Risk Management in each business area, ensuring that it forms part of decision making.

Also, the results of Ongoing Risk Management are reported to the Audit Committee, the body ultimately responsible for overseeing the Group's risk management, as included in the Group's Board Regulations.

Consequently, the model enables the FCC Group to:

- Adopt measures to prevent their materialisation (likelihood of occurrence) or minimise their economic impact, by identifying early the key risks, in the case of identifying an internal control area of improvement.

- Compare the objectives to be reached by the Group with the risks that could prevent them from being executed and with the control activities required so that the risk does not materialise, or minimise their economic impact if they do materialise.
- Ensure compliance with prevailing legislation and the Group's internal regulations and procedures.
- Reasonably assure the reliability and integrity of financial information.
- Safeguard assets.

By following the best corporate practices in this area and applying COSO II methodology, the various types of risks are categorised in the model into:

- Strategic risks. These are risks related to the Group's strategy and are given priority management. They include the risks relating to the markets /countries/sectors in which the FCC Group operates. They also include reputational risks, innovation risks and economic planning.
- Operating risks. These are risks relating to the operational management and the value chain of each business where the FCC Group operates. They include the risks relating to tender and contracting processes, partner selection, subcontracting and suppliers, human resources management and ongoing employee training.
- Compliance risks. These affect internal or external regulatory compliance. They include those relating to compliance with the FCC Group's code of ethics, compliance with legislation applicable to: legal, tax, ICFR matters, protection of data, quality, environment, information security and the prevention of occupational risks.
- Financial risks. Risks associated with financial markets, cash generation and management. They include the risks relating to liquidity, working capital management, access to financial markets, exchange rates and interest rates.

4.1. Main risks and uncertainties. Operating risks.

Tenders and contracts.

The risks and opportunities that arise during the tenders and contracts process is one of the main challenges faced by the FCC Group. In this respect, the Group is redefining the specific processes relating to risk management during the tenders and contracts phases. The Company has formally established policies and procedures focused on the technical quality, technological capacity, economic viability and competitiveness of bids. The process of preparing, submitting and monitoring bids is subject to various levels of authorisation within the organisation, assigning the main tasks in this area to specific departments composed of highly-qualified technical employees.

Selection of partners, outsourcing and suppliers.

The Group selects the partners with which it participates in the various business areas by applying the procedures contained in the FCC Group's General Regulations Manual.

In relation to outsourcing risks, the outsourcing model established by the FCC Group is applied uniformly, in accordance with the aforementioned General Regulations Manual, which also establishes a protocol of action indicating the minimum requirements under which the Group companies can outsource public or private projects.

Furthermore, the Human Resources Manual defines the employment-related responsibilities assumed by the FCC Group in the case of outsourcing staff for projects or services.

Human Resources Management and Ongoing Employee Training

In Spain the FCC Group has implemented a project to modernise the human resources information and management system, by compiling all the information in a single global database unique to the whole Group, in order to support and facilitate human resources management.

This project also includes a SAP-based IT tool to design and implement the payroll for all FCC Group companies in Spain, thereby improving their security, quality and uniformity.

The FCC Group has implemented training processes in Spain and at certain subsidiaries, which are specific training plans structured on the basis of scheduled periodic training, albeit basic, or to improve knowledge, or specific training that meets particular needs at any given time. In fact, the FCC Group develops training plans for all employees involved in the preparation of the Group's financial statements. This plan involves continuously updating the activities carried on by the various Group companies during the evolution of the business and regulatory environment with regard to International Financial Reporting Standards and the regulations and evolution relating to internal control over financial reporting principles.

The 2013 Corporate Training Plan included specific Risk Management training, including the risks associated with ICFR and their evaluation, as well as criminal risks arising from the liability of legal entities.

4.2. Main risks and uncertainties. Financial risks

The concept of financial risk refers to the changes in the financial instruments arranged by the Group as a result of political, market and other factors and the repercussion thereof on the consolidated financial statements. The FCC Group's risk management philosophy is consistent with its business strategy and seeks to achieve maximum efficiency and solvency at all times. To this end, strict financial risk management and control criteria have been established, consisting of identifying, measuring, analysing and controlling the risks incurred in the Group's operations, and the risk policy has been integrated into the Group organisation in the appropriate manner.

In view of the Group's activities and the transactions through which it carries on its business, it is currently exposed to the following financial risks:

Capital risk

Capital risk is described in greater detail in Note 3 to the consolidated Directors' Report.

Interest rate risk

In order to ensure a position that is in the FCC Group's best interest, an interest rate risk management policy is actively implemented based on the ongoing monitoring of markets and the assumption of different positions based primarily on the asset financed.

Foreign currency risk

A noteworthy consequence of the FCC Group's positioning in international markets is the exposure resulting from net positions in foreign currencies against the euro or in one foreign currency against another when the investment and financing of an activity cannot be made in the same currency. The FCC Group's general policy is to mitigate, as far as possible, the adverse effect on its financial statements of exposure to foreign currencies, with regard to both transactional and purely equity-related changes. The FCC Group therefore manages the effect that foreign currency risk can have on the balance sheet and the income statement.

Solvency risk

The most representative ratio to measure solvency and debt repayment capacity is: Net Debt/Ebitda.

Liquidity risk

Liquidity risk is described in greater detail in Note 3 to the consolidated Directors' Report.

Concentration risk

This is the risk deriving from the concentration of financing transactions based on common characteristics and is distributed as follows:

- Financing sources: In order to diversify this risk, the FCC Group works with a large number of domestic and international financial institutions in order to obtain financing.
- Markets/geographical area (Spanish, foreign): the FCC Group operates in a wide variety of Spanish and international markets, the Group's debt concentrated mainly in euros and in other various international markets, with different currencies.
- Products: The FCC Group uses various financial products: loans, credit facilities, debt instruments, syndicated transactions, assignments and discounts, etc.
- Currency: the FCC Group finances its operations in a wide variety of currencies, corresponding to the country of the investment.

Credit risk

The provision of services or the acceptance of orders from customers, whose financial solvency cannot be guaranteed at the time of acceptance, is not known or cannot be assessed by the Group, together with situations that may arise during the provision of a service or execution of an order that could affect the customer's financial position could result in a collection risk with regard to the amounts owed.

The Group requests commercial reports and assesses the financial solvency of its customers before entering into agreements with them and also engages in on-going monitoring of customers, and has a procedure in place to be followed in the event of insolvency. In the case of public customers, the Group follows the policy of not accepting projects without an allocated budget and financial approval. The bids that exceed a certain collection period must be authorised by the Finance Department. Furthermore, late payment is monitored on an ongoing basis by specific bodies, including the risk.

Financial derivatives designated as hedging instruments

In general, the financial derivatives arranged by the FCC Group are treated for accounting purposes, according to the legislation on hedge accounting described in the Notes to the consolidated financial statements. The main financial risk being hedged by the FCC Group using derivative instruments is that relating to the change in floating interest rates to which the financing of the FCC Group companies is referenced. Financial derivatives are measured by experts on the subject that are independent from the Group and the entities financing it. Financial derivatives are measured by experts on the subject that are independent from the Group and the entities financing it, using generally accepted methods and techniques.

The financial risks to which the Group is exposed are discussed in further detail in Note 31 to the FCC Group's consolidated financial statements.

5. IMPORTANT CIRCUMSTANCES OCCURRING AFTER THE REPORTING PERIOD

As indicated in Note 21 to the consolidated financial statements, the FCC Group managed to include 99.4% of its total debt in the refinancing agreement, which will be formalised upon fulfilment of certain conditions precedent. This situation will enable a sustainable financial structure to be achieved that is adapted to the projected cash generation of the various businesses, which will enable the objectives established in the FCC Group's Strategic Plan of improving profitability and reducing debt to be focused on.

With regard to the Energy Area, as indicated in Note 1, an agreement was reached to sell 51% of ownership interest to Plenium FMGP, S.L. Since the agreement is conditional on the fulfilment of the habitual conditions precedent in agreements of this kind, the assets and liabilities have been recognised under "Non-Current Assets Classified as Held for Sale" and "Liabilities Associated with Non-Current Assets Classified as Held for Sale", and are measured at the sale price agreed upon in the aforementioned agreement (see Note 4). On 31 January 2014, the Spanish Ministry of Industry, Energy and Tourism submitted to the Spanish National Markets and Competition Commission, for its mandatory report, its draft order approving the standard facility remuneration parameters applicable to certain electricity production facilities using renewable energy sources, cogeneration and waste. Since, as indicated above, the ownership interest was measured at sale price, the implementation of the draft order will not have any impact on the financial statements of the FCC Group.

On 27 February 2014, an agreement was reached with CCF Logistics Holding, S.à.r.l. for the sale of the Logistics business, which is recognised as a discontinued operation in these consolidated financial statements (see Note 4). The sale proceeds amounted to EUR 32 million. The completion of this transaction is subject to the habitual conditions precedent in transactions of this kind.

On 17 March 2014, an agreement was reached with JCDecaux for the sale of the Cemusa Group for EUR 80 million. The Cemusa Group is recognised as a discontinued operation in these consolidated financial statements (see Note 4). The completion of this transaction is subject to the habitual conditions precedent in transactions of this kind.

6. COMPANY OUTLOOK

Set forth below are the prospects for 2014 for the main business areas composing the FCC Group. The construction and services backlog at 2013 year-end, which amounted to 32,865.1 million euro guarantees the continuation of a high level of activity over the coming years.

In 2014 the **Environmental Services** area is expected to maintain the budgets in Spanish local corporations, extend certain contracts and renew those for which invitations to tender are issued, without making any further significant cuts in services, and include some new additions, which should lead to growth in activity. At the beginning of 2014, the Environmental Services area portfolio amounted to 11,883.7 million euro, which is equal to 4.29 years of production, thereby giving a clear perception of future revenues.

In relation to Spanish Public Authority debt, the implementation of the so-called electronic invoice and the law to control public sector commercial debt help to significantly reduce the average collection period, which will contribute to greater financial stability in this area.

Despite the current economic climate in the United Kingdom and the slump in landfill activity (caused mainly by legislative changes and a substantial rise in waste disposal rates), activity is set to pick up in 2014 due to the implementation in 2013 of new mechanical-biological treatment plants, the construction of the facilities required for the PFI projects in Buckinghamshire and Wrexham and the undertaking of new investments to implement the PFI contracts that have already been awarded. Also, substantial improvement is forecast in activities relating to energy recovery and recyclable materials at treatment plants and collection points, in addition to ongoing enhanced output at the Allington incineration plant. Lastly, work is expected to commence on the construction and implementation of wind farms.

With respect to the Central European market where the FCC Group operates in the Environmental Services area through the ASA Group, no significant changes are expected to occur in 2014 compared to the activities performed in 2013. In this year there was a slight drop in revenues of 4.8%, due mainly to the 14% decrease in activities carried on in the Czech Republic (whose economy is in recession, with a 1.2% decline in GDP in 2012 and 0.4% envisaged for 2013). This economic recession has led to a decrease in the sale price of recycled materials and the discontinuation by Czech authorities of contaminated soil recovery activities. Also, the depreciation of the Czech koruna against the euro in 2013 has had an adverse impact on revenues in euros.

Income from Hungry fell by 16% as a result of the nationalisation by the Government of municipal collection services. This nationalisation trend is expected to continue in the future.

However, activities in Poland rose by 34% due to the award of new municipal contracts and the winter services in Slovakia performed well (6% increase in revenues). Serbia and Romania also showed improvement, reporting revenue increases of 24% and 8% respectively. This scenario will foreseeably continue in 2014.

Although there is still a certain degree of uncertainty surrounding the performance of the economy in 2014, activities in the Industrial Waste sector will foreseeably enjoy moderate recovery which, together with the prospects of favourable raw materials prices and the effects of the adjustments made in 2013 means there should be substantial improvement in results in Spain.

Mention should be made of the 3% growth in revenues in 2013 arising from the Company's activities in Portugal, due to the award of various bids for contaminated land management put out to tender by the Portuguese Government, financed by ERDF funds. This sector of activity is expected to continue in 2014 as a result of the award of the San Pedro da Cova decontamination project and the most likely incipient recovery in industrial activity.

Endeavours are underway in various European countries (Israel, Italy, Ukraine, etc.) to import hazardous waste for subsequently treatment at our Chamusca plant (Portugal).

Also, at the end of the last quarter in 2013, bids were made for the decontamination of industrial liabilities in Algeria and Kuwait, markets in which FCC has already consolidated its presence.

In the **Integral Water Management** area, expansion in 2014 will continue to be boosted through projects in familiar markets, such as Spain, Portugal, Central and Eastern Europe, the Middle East (Egypt, Saudi Arabia and UAE) and Latin America, where divestment in Proactiva paves the way for or improves the potential of an important market.

The need for and important development of infrastructure for supply and treatment services and the ability of multilateral bodies to finance them (World Bank, Inter-American Development Bank, etc.), means that the market for Engineering, Procurement and Construction (EPC) and Build Operate Transfer (BOT) activities, as well as industrial activities, has limited barriers from a geographical viewpoint. As a result of the current state of maturity of certain projects, we can estimate that on the whole, each one will report positive revenue growth in 2014.

In terms of profitability, the resizing of the workforce due to the reduction in the number of Management Units in the territorial structure and due to the inclusion of Aqualia Infraestructuras and Aqualia Industrial, together with ongoing improvement in operating margins, will have a positive impact on profitability in 2014.

In Spain in particular, the possible processing and approval of the Spanish Water Sector Law is expected to have important repercussions on the consolidation of a legal framework that gives greater guarantees that attract investment by foreign funds and thus, improve access to financing.

In the **Construction** area, the projections for 2014 are set forth in the FCC Group's Strategic Plan, which consists of three phases:

Phase one, which was implemented in 2013 and which consisted of significant restructuring and adjustments, as shown in the section in this consolidated Directors' Report describing the performance of the FCC Construcción Group during the aforementioned year.

Phase two, which will be foreseeably developed in 2014 emphasising better management, thus enabling the FCC Construcción Group to contribute a positive balance to the income statement.

Phase three will commence upon completion of the other two phases and growth will continue, while following a selective policy enabling the new projects undertaken to have clear profitability and financing perspectives.

Taking into account the foregoing, it is estimated that the revenues obtained in Spain in 2014 will be lower than in 2013, due to ongoing stagnation in the private construction sector and budgetary restrictions in the public sector.

Conversely, in the foreign market, revenues earned in 2014 are estimated to exceed those obtained in 2013, as a result of the endeavours being made to open new markets and enabling it operate, as main areas, in the Americas (Central America, Mexico, Chile, Peru, Brazil, Colombia, US and Canada), the Middle East (Saudi Arabia), North Africa (Algeria) and Europe (UK, Romania, Portugal and Poland).

With respect to the **Cement** area, it should be noted that the level of income is closely linked to the economic performance of the various countries in which the Company is established, which are mainly Spain, accounting for approximately 40% of total revenues, the US, with 33% and Tunisia, with 16%. CPV exports to other countries such as Canada, UK and North Africa from these three countries.

In Spain where the Cementos Portland Valderrivas Group has most of its production facilities, the estimates for 2014 by Oficimen (the Cement Production Grouping in Spain) indicates an 8% fall in cement consumption (compared to the 20% drop forecast in the market for 2013 and the actual 19% that occurred).

However, CPV's projections concerning the downturn in the market are slightly more optimistic than those of Oficemen. Of the total number of tonnes produced by CPV in Spain, approximately 35% are earmarked mainly for exports. This proportion is expected to remain the same in 2014. Also, prices are forecast to increase by 1% in the domestic market.

The slight drop in revenues in Spain in 2014 will be offset by the expected increase in revenues from the US, where the estimates from PCA (Portland Cement Association) indicate annual market growth of approximately 8%/9% for the 2014-2016 period, which will be headed by the residential sector, while civil works will see more moderate increases due to the budgetary restrictions of the union's government and states. In view of this market performance, as well as the various improvements in management undertaken by the Group in 2012 and 2013, the outlook is bright for the inflows of funds over the coming years in this market. Conversely, although the weight of the sales in tonnes for export to the US stood at approximately 6% in 2013, they will foreseeably increase significantly in coming years, leading to growth in revenues from the US.

The Tunisian market is expected to decrease slightly in 2014, the effect of which will be exacerbated by the arrival of new competitors. However, prices and sales from Tunisia to other countries in North Africa are forecast to increase, thus enabling CPV's income in this country to remain more or less in line with that from 2013.

In this context, the Cementos Portland Valderrivas Group will continue developing its policies to contain costs and restrict investments and adapt all organisational structures to the reality of the various markets in which it operates, in order to obtain a better inflow of funds.

7. R&D+I ACTIVITIES

In 2013 the FCC Group's R&D+i activities materialised into more than 60 projects.

Among the Corporate R&D+i projects, the following must be highlighted:

- **IISIS Project – Integrated Research on Sustainable Islands.** It is led by FCC, S.A. through the Environmental Services and Energy areas, with the participation of other Group areas such as Aqualia, FCC Construcción and the Cementos Portland Valderrivas Group, together with various outside companies. Its objective is to achieve sustainability and self-sufficiency with regard to urban developments for the future, including:
  - Elements, materials, technologies and systems required to develop the building in a marine environment, without constituting a threat to the environment. Hydraulic tests have continued on the models on what would be the island's support platform.
  - Self-sufficiency in all respects (energy, water, basic food, waste treatment and recycling), achieved through all kinds of integrated facilities.
  - A smart management and control system. All the processes and sub-processes involved in all stages of the lifecycle of the island have been identified, which will be used to create the smart control and management orders, based on achieving maximum efficiency and sustainability.

In 2013 the business areas performed the following R&D+i activities.

SERVICES

In **Environmental Services** activities:

- **Advanced solution for the global management of all the processes and players in environmental contracts.** With various objectives such as process improvement, swiftness of response vis à vis new business requirements, global access to more favourable functionalities, management of geo-referenced information, etc.
- **Project "Secado de los rechazos de las plantas de tratamiento"** (drying of treatment plant refuse).
- **Hybrid electric vehicle projects.** Hybrid electric vehicle developments have continued in the field of machinery.
- **Adaptation of urban cleaning vehicles to Euro 6 standard.** In order to obtain the technical specification and technological development of the adaptations to chassis and bodywork, to comply with the Euro 6 exhaust fumes regulations, which will become effective in January 2014.
- **HUELLA DE CARBONO Project.** The objective of this project is to design a methodology and functional model that make it possible to calculate the carbon footprint of the services rendered within the framework of an urban services contract. In short, it is about achieving energy efficiency and combating climate change.
- **Acceleration of composting processes.** Familiar with the fermentation process of organic material confined in tunnels, the objective is to reduce the length of the process through doping or the inclusion of a certain dose of catalysts and enzymes in the mass being fermented.
- **Liquid fuels from urban waste.** In order to subject waste to a process of pyrolysis, the chemical decomposition of organic matter caused by heating (thermolysis) in the absence of oxygen. The objective is to acquire in-depth knowledge of this industrial waste application by obtaining waste to fuel conversion ratios.
- **Measurement Evaluation and Exposition of Urban Trees and Climate Change Interactions (Life+Meet).** The proposed goal consists of determining its influence on the quality of the urban environment of the interaction between urban trees, climate change and the management of such trees, with the involvement of citizens, governments and managers.

With regard to **Industrial Waste** activities:

- **Cemesmer (Innova project).** To meet the demand for management of mercury-related waste in the face of the upcoming obsolescence of certain industrial processes.
- **Glass.** New treatment processes to fraction glass fibres for the production of high value-added construction materials.
- **Leachates.** Development of a new procedure for the regulation and separation of liquids for the integral management of water in landfills, aimed at minimising leachate production.
- **Pet Food.** In order to identify plant-based by-products that may be used as a raw material in the manufacture of pet food (cats and dogs). The study is carried out in Valle del Ebro with the participation of BYNSA, a Mercadona intersupplier of dog and cat food.
- **PIREPACK:** Study and development of refurbishment models for structures supporting pipe racks.
- **DREGREEN:** Development of ecological dredging for the extraction of highly contaminated sludge in reservoirs.

INTEGRAL WATER MANAGEMENT

In 2013 R&D+i strengthened its role as a strategic component at Aqualia to ensure ongoing improvement of its services and products. The portfolio of over 20 projects, with a total value of over 70 million euro, contributes greater quality, a lower environmental impact and lower activity costs.

The objectives of R&D+i and its projects are defined through ongoing dialogue with interest groups and are focused on the areas of Quality, Sustainability and Smart Management.

The ELAN Vigo project was completed in 2013 (Sustainable Elimination of Nutrients for the Reuse of Effluents and Waste). This line of research will continue in 2014 with the construction and operation of two actual facilities, currently at the project stage, at the canning company Friscos and at the Guillarei treatment plant (Pontevedra). As a result of the research carried out, last year Aqualia requested the European patent for carbonation and the ELAN Anammox process.

Some of the projects that commenced in 2012 were as follows:

- **SMARTIC Project.** The objective of the Smartic project (System for Monitoring Water in Real Time using Smart Technology), which could be implemented at various Aqualia plants, is the implementation of an automatic management system of the quality of the treatment of drinking water, based on the quality of entry. It is being developed in Badajoz, as part of the CDTI's (Centre for Industrial Technological Development) 2013 ERDF-Innterconecta call for applications for Extremadura. SMARTIC was one of the proposals selected by the Government from proposals from over 100 companies.
- **ALEGRIA Project.** The purpose of this project is the recovery of industrial waste. By combining the various developments underway at FCC Aqualia, -the anaerobic digestion process, growth in microalgae and membrane bioreactors-, the project aims to obtain bioenergy and value products. This new combination could replace the traditional technologies used in the industrial water treatment plants in Galicia, by saving in operating costs, which currently amount to 4 euros /m3, with a view to enhancing the sector's competitiveness and sustainability.
- **INNOVA CANTABRIA.** This project proposes revamping the treatment plants, which includes the biological elimination of phosphorus in a single tank. The result would be a reduction in the surface area required, a decrease in energy consumption and concomitant operational cost savings. The project is supported by the Cantabrian Government's Impulsa plan and the ERDF.

In 2013 the intense activity of the Department of Innovation and Technology led to the request of 33 grants from the main public financing programmes. Of these, so far, the Company has been awarded 2 and is awaiting the resolution of another 14.3 of which have already passed the initial stage of approval.

Progress has also been made on major projects relating to the production of bioenergy from wastewater.

- **ALL-GAS Project.** Sustainable production of biofuel using the cultivation of low cost microalgae: Based on the "Algae to Biofuel" initiative of the EU's Seventh Framework Programme, the project overcame its first milestone in September 2012 with the approval of the initial results. The project is based on the recycling of organic material from agricultural waste and effluents from water treatment to produce biogas in order to minimise costs and the impact on the environment.
- **CENIT VIDA Project.** Research of advanced technologies for the integral valuation of algae. This project envisages the development of a sustainable and self-sufficient city based on the cultivation of microalgae, used as both a source of clean and renewable energy, and to supply the basic needs and requirements of its residents. Aqualia's work focuses on the efficient conversion of nutrients from wastewater into biomass and on the transformation of algae into biogas with a high purity.

The "R&D+i Project Management System" certification approved in December 2010 was audited and renewed by AENOR in October 2013 for a one-year period. This renewal was outstanding and not one "disagree" was received.

The R&D+i management system implemented at Aqualia pays special attention to technology surveillance and, specifically, it has internal systems such as half-yearly surveillance reports prepared by experts at Aqualia on priority areas.

Work with the media was ongoing during this period. Over 80 reports have reflected the work developed with the reporters to disseminate the progress made in the projects in which the Company is involved. Due to the considerable degree of international dissemination, noteworthy is the All-gas Project, which has appeared in media news in Spain, UK, US, China, Japan, France, Italy, India, Ireland, Philippines, Brazil, Oman, etc. Some of the media in which the project sparked an interest are global references, such as The Wall Street Journal, Le Monde, Reuters, CNBC and Scientific American.

CONSTRUCTION

Following is a detail of some of the most significant projects carried out in 2013.

- **SMARTBLIND System.** The objective of this project is to develop an energy-efficient smart window that includes a hybrid film made up of an electrochromic LC film and a PV film both printed on the same long-lasting flexible substrate.
- **SEA MIRENP Project.** The ultimate objective of this project is to make practical reuse possible in market conditions of construction and demolition waste material, such as recycled aggregates in applications in a port setting.
- **APANTALLA Project.** It consists of the development of new materials that act as a screen to shield electromagnetic waves, with particular emphasis on its integration in construction materials or paints.

- **SETH Project.** Development of an ongoing monitoring system to detect and assess the evolution of damage, using modes of vibration, based on statistical and technical methods of signal processing which, due to their efficiency, low cost and easy adaptability, can be installed easily in various types of building structures that could be the subject of vibration-type disturbances.
- **SR (Sustainable Remodelling) Project.** Development of an integrated system for the sustainable remodelling of buildings, including improvement of their energy efficiency.
- **NEWCRETE Project.** It consists of the development from the earliest stages to the verification of applicability at industrial level of concrete with new performance and sustainability profiles.
- **SPIA Project.** It consists of the development and implementation of new industrial security systems based on smart materials (photoluminescence, electroluminescence) and energy harvesting devices for individual use.
- **BUILD SMART Project.** It aims to change buildings to achieve increased energy efficiency, based on the new legislation for 2020.
- **CETIEB Project.** The main objective of the project is to develop innovative solutions to improve the monitoring of environmental quality inside buildings.
- **PRECOIL Project.** The purpose of this project is to reduce the number of occupational accidents in the construction of anti-accident linear infrastructure. The objective is the evaluation, design and implementation of a fully functional localisation system in real time of employees and hazardous areas in non-controlled environments, providing warnings to employees of possible risky situations.
- **IMPACTO CERO Project.** Its objective is to develop an anti-bird strike tubular screen.
- **CEMESMER Project.** For the development of a new cement range for the fixation of mercury and achieve technological breakthroughs in the processes for treating waste contaminated with mercury, enabling it to be reused as construction material.

Among the projects initiated in 2013, the following should be highlighted:

- **SEIRCO Project.** It consists of a smart expert system to assess risks in various construction sector environments.
- **BOVETRANS Project.** It develops a system of light transition vaults in road tunnels that will take advantage of sunlight.
- **"Auscultación Continua" Project.** Its objective is to design, develop and validate a distributed continuous auscultation system for building structures in urban environments.

In addition, in 2013 noteworthy was the participation in national and European R&D+i organisations and special working groups: the purpose of these organisations is to unite the efforts of research centres, industries and universities with respect to Research, Development and Technology Innovation.

2013 saw participation in:

- The European Construction Technology Platform (ECTP).
- The Spanish Construction Technology Platform (PTEC).
- The E2BA Association.
- The ENCORD Group (European Network of Construction Companies for Research and Development initiatives).
- reFINE (Research for future infrastructure networks in Europe).
- Chairmanship of the SEOPAN R&D+i Committee.
- The "Smart-Cities" working group.
- The R&D+i working group of the Advisory Board for the Certification of Construction Companies.

FCC Construcción occupies the Chairmanship of the SEOPAN R&D+i Committee. It sits on the CEOE's (Spanish Confederation of Employers' Organisations) R&D+i Commission's Internationalisation Committee. FCC Construcción is a member of the Advisory Board of AENOR for the Certification of Construction Companies. The purpose of this Working Group is the preparation of the "Guide for Interpreting UNE 166002 requirements in the construction sector".

R&D+i initiatives are expressly included in the Sustainability and Management System in procedure PR/FCC-730. The Company obtained the Certificate from the R&D+i Management System: R&D+i Management System Requirements, in accordance with the UNE 166002:2006 standard issued by AENOR (Spanish Association for Standardisation and Certification) on 31 August 2007 and the Certificate was renewed until August 2016.

CEMENTOS PORTLAND VALDERRIVAS

Although innovation activities in 2012 were focused on increasing the portfolio of research projects, which led to satisfactory results, 2013 was a year of intensive work for the development and consolidation of the projects already underway.

R&D+I activities are conceived as a thread that commences with research activities, within the framework of research projects, and concludes with product marketing and/or technology sales, once a series of laboratory tests has been overcome, industrial scaling for the production of new products, their development and application in actual construction work. Also, there are two fixed laboratories equipped with cutting-edge technologies, in addition to a mobile laboratory allowing technical assistance to be guaranteed in construction work to the highest level.

The pilot project for open innovation has played a key role in this regard. Consequently, a working group has been created to identify the large construction work planned globally and the various groups of consultants, from subject experts to engineering companies, construction companies or architectural studies, who were necessary to contact for the purpose of introducing the Cementos Portland Valderrivas Group and its new products to them.

2013 saw the further development of the ten projects, seven of which were led by the Cementos Portland Valderrivas Group and the others by external companies. At the end of this year, four projects that commenced in 2010 and 2011 were successfully completed: CEMESFERAS, TP-1, Hormigones Porosos de Alta Resistencia and Escombreras, in accordance with the basis for the grant aid approved by the Ministry and the Centre for Industrial Technological Development (CDTI). The results were very satisfactory, providing a preview of new products that contribute to the reduction of greenhouse gas emissions, improved energy efficiency, natural resources savings or a better quality of life, all of which constitute, in general, objectives shared by most of the Group's projects, in conformity with the commitment to sustainable development, which is maintained in its triple line of environmental, social and economic results.

Following the success achieved in 2012 with the development of three new products (TP-3, Hormigón Exprés and CEM II/B-V 52,5 R), the Group continues working on optimising these products to enable them to move on to the marketing phase, by performing tests in various applications. Also, in 2013, following the laboratory test phase, a new innovative product was obtained in the global market, called Hormigón Ultrarrápido, ready for marketing. This product was implemented at the Hympsa plant in Móstoles (Madrid), following a number of tests and it may be supplied from anywhere in Spain.

Intellectual property is a key issue right from the start of the chain and, therefore, special attention is being paid to the protection of the developed technologies, and a request for two new patents was submitted in 2012.

With regard to Technology Sales, in 2013 a new marketing strategy for the new products and their technology was designed, by making contact with potential customers in order to open up new business channels. In this process, intellectual property remains a key component in safeguarding the developed technologies, having processed five new patents to date.

All of these achievements clearly show the huge effort invested by the Cementos Portland Valderrivas Group in R&D+i activity over the last three years. However, considering that there is still a long way to go, work will continue along the same lines by focusing on the marketing area of new products and international technology sales -the areas that will ultimately contribute to the obtainment of results.

8. ACQUISITION AND DISPOSAL OF TREASURY SHARES

The FCC Group does not perform any transactions involving treasury shares aside from those included in the framework agreement of the Spanish National Securities Market Commission (CNMV) on Liquidity Contracts, which aims to provide the share price with liquidity and depth, in accordance with prevailing legislation. Accordingly, at 31 December 2013, 138,639 shares had been transferred.

It is estimated that there will be no impact on the return obtained by shareholders from the Liquidity Contract of the treasury shares, given that their nature and objective contravene the existence thereof. In view of the scant amount of treasury shares, it is estimated that there will be no impact on Earnings Per Share.

FCC completed several placements of treasury shares, amounting to more than 9% of share capital, among institutional investors in the second half of the year. Of special note is the purchase of 5.7% in October by entities connected with Bill Gates III.

At 31 December 2013, the FCC Group held a total of 280,670 own shares directly and indirectly (0.2% of the company's capital).

9. OTHER RELEVANT INFORMATION. STOCK MARKET PERFORMANCE AND OTHER INFORMATION

9.1. Share performance

The following table shows the detail of FCC share evolution during 2013 compared with 2012:

	Jan. – Dec. 2013	Jan. – Dec. 2012
Closing price (euro)	16.18	9.37
Appreciation	72.6%	(53.2%)
High (euro)	17.07	20.30
Low (euro)	6.69	7.15
Average daily trading (shares)	798,280	446,149
Average daily trading (million euro)	9.3	5.4
Market capitalisation at end of period (million euro)	2,059	1,192
No. of shares outstanding	127,303,296	127,303,296

9.2. Dividends

In the current economic and financial climate, various factors are leading to a decrease in the funds generated by the FCC Group and the need to incur losses in 2012 and 2013, as a result of having written down certain Company assets.

In this respect, in accordance with the principle of prudent management and in the best interest of all the Company's shareholders, FCC's Board of Directors decided not to pay any dividends in 2012, like in previous years. This agreement remained unchanged in 2013.

This decision, which aims to strengthen the Group's consolidated balance sheet seeks to create future value for shareholders and maintain profitable growth from operations. It will have to be ratified by the shareholders at the General Meeting, which will be held during the first half of 2014.

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Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see notes 2 and 35). In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.:

1. We have audited the consolidated financial statements of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. (the Parent) AND SUBSIDIARIES (the Group), which comprise the consolidated balance sheet at 31 December 2013 and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended. As indicated in Note 2-a to the accompanying consolidated financial statements, the Parent's directors are responsible for the preparation of the Group's consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group. Our responsibility is to express an opinion on the consolidated financial statements taken as a whole based on our audit work performed in accordance with the audit regulations in force in Spain, which require examination, by means of selective tests, of the evidence supporting the consolidated financial statements and evaluation of whether their presentation, the accounting principles and policies applied and the estimates made comply with the applicable regulatory financial reporting framework.

2. In our opinion, the accompanying consolidated financial statements for 2013 present fairly, in all material respects, the consolidated equity and consolidated financial position of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND SUBSIDIARIES at 31 December 2013, and the consolidated results of their operations and their consolidated cash flows for the year then ended, in conformity with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group.

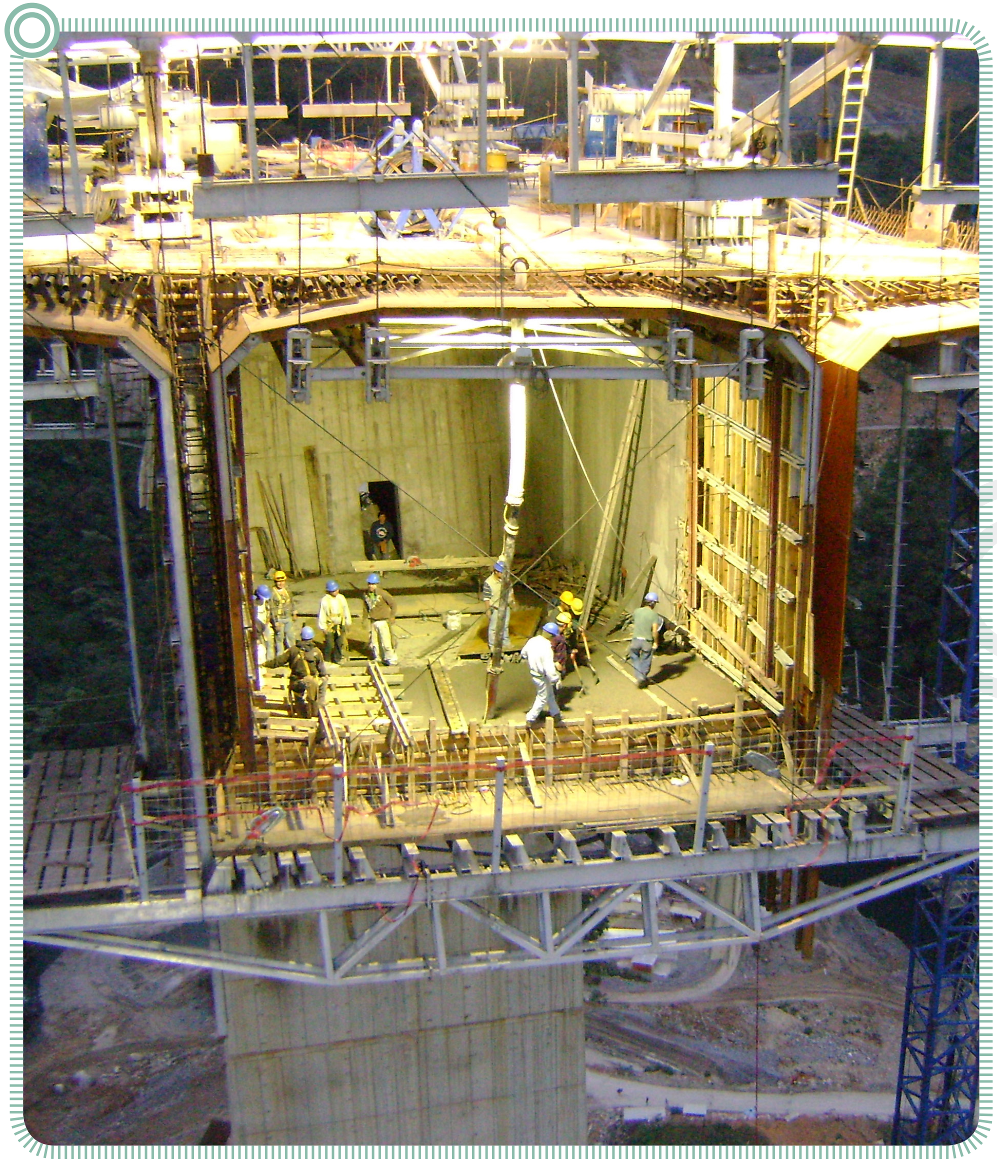
3. Without qualifying our audit opinion, we draw attention to Notes 21 and 34 to the accompanying consolidated financial statements, which indicate that in the last two years the Group incurred losses that have significantly weakened its financial and equity position. In this respect, the Parent's directors have approved a strategic plan that envisages divestments and a global restructuring of the Group's financial debt, the contract for which has not yet become definitively legally binding. This circumstance is indicative of a significant uncertainty concerning the applicability of the going concern principle of accounting with respect to the accompanying consolidated financial statements, and it may affect the Group's ability to realise its assets and settle its liabilities for the amounts and with the classification reflected in the accompanying consolidated financial statements. In particular, it is not possible to assess the impact that the outcome of this situation could have in relation to the recovery of the Group's deferred tax assets and goodwill, as well as of its investment in Cementos Portland Valderrivas, S.A. The auditors' report on the consolidated financial statements of Cementos Portland Valderrivas, S.A. for 2013 includes an uncertainty similar to that expressed in this paragraph. The Parent's directors expect that the implementation of the strategic plan and the successful completion of the aforementioned restructuring of the Group's debt will make it possible to bring the debt servicing into line with the funds expected to be generated by the businesses and to finance the Group's operations adequately. Accordingly, the Parent's directors prepared the accompanying consolidated financial statements in accordance with the going concern principle of accounting.

4. The accompanying consolidated directors' report for 2013 contains the explanations which the Parent's directors consider appropriate about the Group's situation, the evolution of its business and other matters, but is not an integral part of the consolidated financial statements. We have checked that the accounting information in the consolidated directors' report is consistent with that contained in the consolidated financial statements for 2013. Our work as auditors was confined to checking the consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND SUBSIDIARIES.

DELOITTE, S.L.
Registered in ROAC under no. S0692

Javier Parada Pardo
31 March 2014

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.



FOMENTO DE CONSTRUCCIONES Y CONTRATAS S.A.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

BALANCE SHEET AT 31 DECEMBER 2012 (IN THOUSANDS OF EUROS)

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.

ASSETS	31/12/13		31/12/12	
NON-CURRENT ASSETS		3,712,741		4,883,244
Intangible assets (Notes 5 & 8)		150,929		169,484
Concessions	27,934		24,937	
Computer software	24,505		16,831	
Concession arrangements, regulated assets	86,811		91,607	
Concession arrangements, capitalised borrowing costs	1,525		2,117	
Advances on concession arrangements, regulated assets	1,429		26,805	
Other intangible assets	8,725		7,187	
Property plant and equipment (Note 6)		354,714		397,591
Land and buildings	72,516		70,467	
Plant and other items of property, plant and equipment	275,188		312,239	
Property, plant and equipment in the course of construction and advances	7,010		14,885	
Non-current investments in Group companies and associates (Notes 10-a & 23-b)		2,902,094		4,110,116
Equity instruments	2,096,844		2,783,215	
Loans to companies	805,250		1,326,684	
Derivatives (Note 13)	—		217	
Non-current financial assets (Note 9-a)		55,243		61,295
Equity instruments	20,611		20,559	
Loans to third parties	29,337		30,692	
Derivatives (Note 13)	—		1,388	
Other financial assets	5,295		8,656	
Deferred tax assets (Note 20)		220,126		144,758
Non-current trade receivables (Note 8)		29,635		—
Concession arrangements, collection rights	29,635		—	

The accompanying Notes 1 to 27 and Appendixes I to III are an integral part of the financial statements and, together with the latter, make up the statutory financial statements for 2013.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

BALANCE SHEET AT 31 DECEMBER 2012 (IN THOUSANDS OF EUROS)

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.

ASSETS		31/12/13		31/12/12
CURRENT ASSETS		2,042,324		1,853,146
Non-current assets classified as held for sale (Note 11)		378,239		277,247
Inventories		28,556		38,626
Goods held for resale	21,813		21,736	
Raw materials and other supplies	6,081		6,133	
Advances to suppliers	662		10,757	
Trade and other receivables		524,611		673,475
Trade receivables for sales and services (Note 12)	430,578		607,385	
Receivable from Group companies and associates (Note 23-b)	50,627		46,009	
Sundry accounts receivable	10,091		9,212	
Employee receivables	898		1,014	
Current tax assets (Note 20)	21,894		—	
Other accounts receivable from Public Authorities (Note 20)	7,637		9,855	
Concession arrangements, collection rights	2,886		—	
Current investments in Group companies and associates		924,573		648,638
Loans to companies (Notes 10-b & 23-b)	919,607		643,748	
Derivatives (Note 13)	274		1,247	
Other financial assets	4,692		3,643	
Current financial assets (Note 9-b)		15,297		43,099
Loans to companies	3,065		13,398	
Derivatives (Note 13)	—		4,227	
Other financial assets	12,232		25,474	
Current prepayments and accrued income		4,224		5,499
Cash and cash equivalents		166,824		166,562
Cash	166,824		106,061	
Cash equivalents	—		60,501	
TOTAL ASSETS		5,755,065		6,736,390

The accompanying Notes 1 to 27 and Appendixes I to III are an integral part of the financial statements and, together with the latter, make up the statutory financial statements for 2013.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

BALANCE SHEET AT 31 DECEMBER 2012 (IN THOUSANDS OF EUROS)

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.

EQUITY AND LIABILITIES	31/12/13		31/12/12	
EQUITY (Note 14)		174,542		542,618
Shareholders' equity		169,188		562,363
Share capital		127,303		127,303
Registered share capital	127,303		127,303	
Share premium		242,133		242,133
Reserves		922,194		963,000
Legal and bylaw reserves	26,114		26,114	
Other reserves	896,080		936,886	
Treasury shares		(6,103)		(90,228)
Prior years' losses		(715,759)		—
Profit (loss) for the year		(436,494)		(715,759)
Other equity instruments		35,914		35,914
Valuation adjustments		3,825		(21,462)
Available-for-sale financial assets	8,059		8,007	
Hedges (Note 13)	(4,234)		(29,469)	
Grants, donations and legacies received		1,529		1,717
NON-CURRENT LIABILITIES		532,851		2,801,361
Long-term provisions (Note 16)		252,567		297,686
Non-current payables (Note 17)		56,651		2,298,803
Debt instruments and other marketable securities	—		435,587	
Bank borrowings	39,353		1,800,182	
Obligations under finance leases	12,094		10,825	
Derivatives (Note 13)	1,743		48,410	
Other financial liabilities	3,461		3,799	
Deferred tax liabilities (Note 20)		87,203		101,740
Trade and other non-current payables (Note 18)		136,430		103,132

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BALANCE SHEET AT 31 DECEMBER 2012 (IN THOUSANDS OF EUROS)

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.

EQUITY AND LIABILITIES	31/12/13		31/12/12	
CURRENT LIABILITIES		5,047,672		3,392,411
Short-term provisions		304		1,367
Current payables (Note 17)		4,113,898		1,928,578
Debt instruments and other marketable securities	448,012		4,875	
Bank borrowings	3,599,928		1,839,547	
Obligations under finance leases	5,966		9,059	
Derivatives (Note 13)	43,709		66,012	
Other financial liabilities	16,283		9,085	
Current payables to Group companies and associates (Notes 10-c & 23-b)		516,082		992,983
Trade and other payables (Note 20)		416,795		469,134
Payable to suppliers	102,043		116,669	
Payable to suppliers - Group companies and associates (Note 23-b)	17,252		15,351	
Sundry accounts payable	78,898		75,230	
Remuneration payable	44,562		41,951	
Current tax liabilities (Note 20)	—		4,067	
Other accounts payable to Public Authorities (Notes 18 & 20)	157,448		125,637	
Customer advances (Note 12)	16,592		90,229	
Current accruals and deferred income		593		349
TOTAL EQUITY AND LIABILITIES		5,755,065		6,736,390

The accompanying Notes 1 to 27 and Appendixes I to III are an integral part of the financial statements and, together with the latter, make up the statutory financial statements for 2013.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013 (IN THOUSANDS OF EUROS)

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.

	31/12/13	31/12/12
CONTINUING OPERATIONS		
Revenue (Note 22)	1,855,416	1,975,923
Sales and services	1,267,713	1,541,297
Income from investments in Group companies and associates (Notes 22 & 23-a)	438,465	300,404
Finance income from marketable securities and other financial instruments of Group companies and associates (Notes 10, 22 & 23-a)	149,238	134,222
In-house work on non-current assets	331	119
Procurements	(192,288)	(383,189)
Cost of goods held for resale sold	(1,284)	(1,473)
Cost of raw materials and other consumables used	(116,810)	(133,411)
Work performed by other companies	(74,194)	(248,305)
Other operating income	61,401	141,998
Non-core and other current operating income	58,897	139,342
Income-related grants transferred to profit or loss	2,504	2,656
Staff costs	(817,997)	(819,641)
Wages, salaries and similar expenses	(611,045)	(616,915)
Employee benefit costs	(206,952)	(202,726)
Other operating expenses	(180,254)	(188,386)
Outside services	(169,996)	(179,368)
Taxes other than income tax	(6,040)	(5,581)
Losses on, impairment of and changes in allowances for trade receivables	7,126	(1,840)
Other current operating expenses	(11,344)	(1,597)
Depreciation and amortisation charge (Notes 5 & 6)	(83,314)	(87,786)
Allocation to profit or loss of grants related to non-financial non-current assets and other grants (Note 14-h)	251	262
Excessive provisions (Note 16)	14,256	27,855
Impairment and gains or losses on disposals of non-current assets	204	1,400
Other gains or losses	(4,255)	(4,174)
PROFIT (LOSS) FROM OPERATIONS	653,751	664,381

The accompanying Notes 1 to 27 and Appendixes I to III are an integral part of the financial statements and, together with the latter, make up the statutory financial statements for 2013.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013 (IN THOUSANDS OF EUROS)

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.

	31/12/13	31/12/12
Finance income	4,507	5,624
From marketable securities and other financial instruments of non-Group third parties	4,507	5,624
Finance costs	(274,655)	(273,220)
On debts to Group companies and associates (Note 23-a)	(26,406)	(48,235)
On debts to third parties	(243,336)	(220,462)
Interest cost relating to provisions	(4,913)	(4,523)
Changes in fair value of financial instruments (Note 13)	18,344	(34,648)
Exchange rate differences	(2,206)	(1,331)
Impairment and gains or losses on disposals of financial instruments (Notes 10 & 11)	(869,809)	(1,107,320)
Impairment and other losses	(932,903)	(1,111,449)
Gains or losses on disposals and other	63,094	4,129
FINANCIAL PROFIT (LOSS)	(1,123,819)	(1,410,895)
PROFIT (LOSS) BEFORE TAX	(470,068)	(746,514)
INCOME TAX (Note 20)	33,574	30,755
PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	(436,494)	(715,759)
PROFIT (LOSS) FOR THE YEAR	(436,494)	(715,759)

The accompanying Notes 1 to 27 and Appendixes I to III are an integral part of the financial statements and, together with the latter, make up the statutory financial statements for 2013.

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.

A) STATEMENT OF RECOGNISED INCOME AND EXPENSE (in thousands of euros)

	31/12/13	31/12/12
Profit (Loss) per income statement	(436,494)	(715,759)
Income and expense recognised directly in equity		
Arising from available-for-sale financial assets	52	—
Arising from cash flow hedges	(795)	(21,859)
Grants, donations and legacies received	—	17
Tax effect	238	6,555
Income and expense recognised directly in equity	(505)	(15,287)
Transfers to income statement		
Arising from cash flow hedges	36,845	42,732
Grants, donations and legacies received	(251)	(262)
Tax effect	(10,990)	(12,753)
Total transfers to income statement	25,604	29,717
TOTAL RECOGNISED INCOME AND EXPENSE	(411,395)	(701,329)

B) STATEMENT OF CHANGES IN TOTAL EQUITY (in thousands of euros)

	Share capital (Note 14-a)	Share premium (Note 14-b)	Reserves (Notes 14-c, -d & -e)	Treasury shares (Note 14-e)	Prior years' losses	Profit (Loss) for the year	Interim dividend	Other equity instruments (Note 14-f)	Valuation adjustments (Notes 13 & 14-g)	Grants (Note 14-h)	Equity
Equity at 31 December 2011	127,303	242,133	889,889	(90,975)		235,824	(80,616)	35,914	(36,073)	1,898	1,325,297
Total recognised income and expense						(715,759)			14,611	(181)	(701,329)
Transactions with shareholders and owners			(82,097)	747							(81,350)
Dividends paid			(80,581)								(80,581)
Treasury share transactions (net)			(1,516)	747							(769)
Other changes in equity			155,208			(235,824)	80,616				
Equity at 31 December 2012	127,303	242,133	963,000	(90,228)		(715,759)		35,914	(21,462)	1,717	542,618
Total recognised income and expense						(436,494)			25,287	(188)	(411,395)
Transactions with shareholders and owners			(40,806)	84,125							43,319
Treasury share transactions (net)			(40,806)	84,125							43,319
Other changes in equity					(715,759)	715,759					
Equity at 31 December 2013	127,303	242,133	922,194	(6,103)	(715,759)	(436,494)		35,914	3,825	1,529	174,542

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013 (IN THOUSANDS OF EUROS)

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.

	31/12/13		31/12/12	
Profit (Loss) for the year before tax		(470,068)		(746,514)
Adjustments to profit (loss)		622,415		958,025
Depreciation and amortisation charge (Notes 5 & 6)	83,314		87,786	
Impairment losses (Note 10)	925,104		1,111,449	
Changes in provisions (Note 16)	11,455		(104,355)	
Gains/Losses on derecognition and disposal of financial instruments (Note 10-a)	(63,094)		(4,128)	
Finance income (Note 22)	(592,210)		(440,251)	
Finance costs	274,654		273,220	
Changes in fair value of financial instruments (Note 13)	(18,344)		34,648	
Other adjustments	1,536		(344)	
Changes in working capital		210,905		123,630
Inventories	(886)		16,583	
Trade and other receivables	123,542		86,310	
Other current assets	(1,655)		1,014	
Trade and other payables	89,055		20,432	
Other current liabilities	849		(709)	
Other cash flows from operating activities		230,239		47,858
Interest paid	(267,553)		(255,972)	
Dividends received	437,415		305,576	
Interest received	100,921		96,387	
Income tax recovered (paid)	(38,203)		(97,095)	
Other amounts received (paid)	(2,341)		(1,038)	
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		593,491		382,999

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Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013 (IN THOUSANDS OF EUROS)

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.

	31/12/13		31/12/12	
Payments due to investments		(1,005,184)		(355,639)
Group companies and associates (Note 10)	(945,609)		(252,285)	
Intangible assets and property, plant and equipment (Notes 5 & 6)	(53,214)		(78,462)	
Other financial assets	(6,361)		(24,892)	
Proceeds from disposals		611,018		125,122
Group companies and associates (Note 10)	590,281		61,977	
Intangible assets and property, plant and equipment (Notes 5 & 6)	3,698		16,229	
Other financial assets	17,039		46,916	
TOTAL CASH FLOWS FROM INVESTING ACTIVITIES		(394,166)		(230,517)
Proceeds and payments relating to equity instruments		43,743		(964)
Disposal of treasury shares	161,924		68,448	
Purchase of treasury shares	(118,606)		(69,217)	
Grants, donations and legacies received	425		(195)	
Proceeds and payments relating to financial liability instruments (Note 17)		(242,806)		(585,613)
Proceeds from issue of:				
Bank borrowings	20,501		841,863	
Borrowings from Group companies and associates	1,992		4,153	
Other borrowings	6,886		706	
Repayment of:				
Bank borrowings	(26,263)		(1,374,562)	
Borrowings from Group companies and associates	(236,014)		(50,166)	
Other borrowings	(9,908)		(7,607)	
Dividends paid and returns on other equity instruments (Note 3)		—		(161,469)
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES		(199,063)		(748,046)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		262		(595,564)
Cash and cash equivalents at beginning of year		166,562		762,126
Cash and cash equivalents at end of year		166,824		166,562

The accompanying Notes 1 to 27 and Appendixes I to III are an integral part of the financial statements and, together with the latter, make up the statutory financial statements for 2013.

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2013

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

1. COMPANY ACTIVITIES

Fomento de Construcciones y Contratas, S.A. is a company incorporated in Spain in accordance with the Spanish Limited Liability Companies Law, the core business of which is to provide Environmental Services, which include the collection and treatment of solid waste and the cleaning of public streets and sewer systems, and Integral Water Management, which includes water treatment and distribution and other complementary services. The Company's registered office is at c/ Balmes, 36 (Barcelona) and it carries on its activities basically in Spain.

Fomento de Construcciones y Contratas, S.A. is in turn Parent of the FCC Group, which comprises a broad spectrum of Spanish and foreign subsidiaries and associates that carry on various business activities grouped together in the following areas:

- Environmental Services. Services related to urban water treatment, treatment of industrial waste and waste-to-energy (waste recovery).
- Integral Water Management. Services related to the integral water cycle: collection, treatment and distribution of water for human consumption; wastewater collection, filtering and treatment; design, construction, operation and maintenance of water infrastructure for municipal, industrial, agricultural and other services.
- Construction. This area specialises in infrastructure construction projects, building construction and related activities, such as motorways, freeways and other roads, tunnels, bridges, hydraulic construction works, ports, airports, residential property developments, housing units, non-residential building construction, lighting, industrial air conditioning and heating systems, environmental restoration, etc.
- Cement. This area engages in the operation of quarries and mineral deposits, the manufacture of cement, lime, plaster and related pre-manufactured products and the production of concrete.

In accordance with its 2013-2015 Strategic Plan, the FCC Group is currently implementing a process of divestment of non-core assets in areas such as Energy and Infrastructure and Property Management, among others. Fomento de Construcciones y Contratas, S.A. engages in these activities through subsidiaries and, accordingly, its investment in them is presented under "Non-Current Assets Classified as Held for Sale" in the accompanying financial statements (see Note 11).

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

The financial statements, which were prepared from the accounting records of Fomento de Construcciones y Contratas, S.A. and the joint ventures in which it has interests, were prepared in accordance with the Spanish Commercial Code, Legislative Royal Decree 1/2010, of 2 July, approving the Consolidated Text of the Spanish Limited Liability Companies Law, and Royal Decree 1514/2007 which introduced the Spanish National Chart of Accounts. Also included were all the accounting principles and rules contained in the legislative amendments established by Royal Decree 1159/2010, of 17 September, on industry plans, including Order EHA/3362/2010 implementing the Spanish National Chart of Accounts adapted for public infrastructure concession operators, and the applicable mandatory rules, resolutions and recommendations of the Spanish Accounting and Audit Institute (ICAC) and, accordingly, present fairly the Company's equity, financial position, results of operations and cash flows for 2013. It should be noted that, as a result of the publication in 2009 by the ICAC of a request for a ruling regarding the presentation for accounting purposes of the income of holding companies, "Income from Investments in Group Companies and Associates" and "Finance Income from Marketable Securities and Other Financial Instruments of Group Companies and Associates" were classified under "Revenue" in the accompanying income statement.

These financial statements, which were formally prepared by the Company's Directors, will be submitted for approval by the shareholders at the Annual General Meeting, and it is considered that they will be approved without any changes. The financial statements for 2012 were approved by the shareholders at the Annual General Meeting held on 23 May 2013.

The financial statements are expressed in thousands of euros.

Unincorporated temporary joint ventures and similar entities

The balance sheets, income statements, statements of changes in equity and statements of cash flows of the unincorporated temporary joint ventures (JVs) in which the Company has interests were proportionately consolidated on the basis of the Company's percentage of ownership of each joint venture.

The UTEs were included by making the required timing and measurement uniformity adjustments, reconciliations and reclassifications and by eliminating reciprocal asset and liability balances and income and expenses. Any material amounts relating to the UTEs are detailed in these notes to the financial statements.

The accompanying balance sheet and income statement include the assets and liabilities at the percentage of ownership in the joint ventures shown below:

	2013	2012
Revenue	188,732	194,599
Profit from operations	19,512	19,724
Non-current assets	152,358	151,019
Current assets	230,737	245,127
Non-current liabilities	61,451	68,066
Current liabilities	294,432	301,426

Appendix II lists the joint ventures and indicates the percentage share of their results.

Furthermore, in 2013 the Company transferred to the subsidiary FCC Construcción, S.A. its 45% interest in the Consortium awarded the contract to construct Line 1 of the Panama City metro. As a result, at 31 December 2013, no amount was included in relation to this Consortium. At 31 December 2012, the accompanying financial statements included the assets, liabilities, income and expenses, on the basis of the percentage of ownership, as shown below:

	2012
Revenue	262,276
Profit from operations	24,724
Non-current assets	3,720
Current assets	139,626
Current liabilities	126,192

Reclassifications

At 2013 year-end, the Company presented its ownership interests in FM Green Power, S.L., Sole-Shareholder Company (Energy business), Globalvía Infraestructuras, S.A. (Infrastructure Management business) and Realia Business, S.A. (Property business) as "Non-Current Assets Classified as Held for Sale" (see Notes 1 and 11).

Consolidated financial statements

Since Fomento de Construcciones y Contratas, S.A. is the head of the FCC Group, it is obliged under current legislation to prepare separate consolidated financial statements. The aforementioned consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRSs), in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, of 19 July 2002, as well as all the provisions and interpretations implementing it. The consolidated financial statements of the FCC Group for 2013, prepared by the Directors, will also be submitted for approval by the shareholders at the Annual General Meeting.

The consolidated financial statements of Fomento de Construcciones y Contratas, S.A. prepared in conformity with International Financial Reporting Standards (IFRSs) present total assets of EUR 15,602 million (31 December 2012: EUR 19,723 million) and equity attributable to the Company's shareholders of EUR 3 million (31 December 2012: EUR 1,247 million). In addition, consolidated sales amounted to EUR 6,726 million (31 December 2012: EUR 7,429 million). Lastly, consolidated loss attributable to the Parent amounted to EUR 1,506 million (31 December 2012: a loss of EUR 1,028 million).

3. ALLOCATION OF PROFIT (LOSS)

The Directors of Fomento de Construcciones y Contratas, S.A. will submit for approval by the shareholders at the Annual General Meeting the allocation of the loss for 2013, amounting to EUR 436,494 thousand, to "Prior Years' Losses".

In addition, in 2012 the Company recorded a loss of EUR 715,759 thousand that was also allocated to "Prior Years' Losses". The dividend payment of EUR 161,469 thousand in 2012, as shown in the accompanying statement of cash flows, relates to the distribution of the interim and final dividends for 2011.

4. ACCOUNTING POLICES

The principal accounting policies and measurement bases used by the Company in preparing its financial statements for 2013, in accordance with the Spanish National Chart of Accounts, were as follows:

a) Intangible assets

a.1) Service concession arrangements

The service arrangements are recognised in accordance with the provisions of Ministry of Economy and Finance Order EHA/3362/2010 approving the rules for adapting the Spanish National Chart of Accounts for public infrastructure concession operators. In general, there are two clearly different phases:

- the first in which the concession operator provides construction or upgrade services which are recognised under intangible or financial assets in accordance with recognition and measurement standard 14, Income from Sales and Services of the Spanish National Chart of Accounts and the rules on the percentage of completion method contained in measurement standard 18, Sales, Income from Completed Work and Other Income of the rules for adapting the Spanish National Chart of Accounts for construction companies;
- and a second phase in which the concession operator provides a series of maintenance or operation services of the related infrastructure which are recognised in accordance with recognition and measurement standard 14, Income from Sales and Services of the Spanish National Chart of Accounts.

An intangible asset is recognised when the demand risk is borne by the concession operator and a financial asset is recognised when the demand risk is borne by the concession grantor since the operator has an unconditional contractual right to receive cash for the construction or upgrade services. In certain mixed arrangements, the operator and the grantor may share the demand risk, although this practice is practically non-existent at the Company.

For concessions classified as intangible assets, provisions for dismantling, removal and rehabilitation and any steps to improve and increase capacity, the revenue from which is envisaged in the initial contract, are capitalised at the start of the concession and the amortisation of these assets and the adjustment for provision discounting are recognised in profit or loss. Also, provisions to replace and repair the infrastructure are systematically recognised in profit or loss as the obligation is incurred.

In addition, the borrowing costs arising from the financing of the infrastructure accruing from the construction until the entry into service of the infrastructure are included in the initial measurement of the intangible asset. When the infrastructure becomes operable, the aforementioned costs are capitalised if they meet the requirements under the rules, provided that there is reasonable evidence that future income will enable the capitalised amount to be recovered.

These intangible assets are amortised on the basis of the demand for, or the use of, the infrastructure, taken to be the changes in and best estimates of the production units of each activity.

Concessions classified as a financial asset are recognised at the fair value of the construction or upgrade services provided. In accordance with the amortised cost method, the related finance income is recognised as revenue in profit or loss based on the effective interest rate resulting from the expected cash inflows and outflows of the concession. The borrowing costs arising from the financing of these assets are classified under "Finance Costs" in the income statement. As explained above, the income and expenses from the provision of maintenance or operation services are recognised in profit or loss in accordance with recognition and measurement standard 14, Income from Sales and Services of the Spanish National Chart of Accounts.

a.2) Other intangible assets

Other intangible assets, concessions and software, inter alia, are recognised at acquisition or production cost. They are subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses. At 2013 year-end there were no indications that any of the Company's intangible assets had suffered an impairment loss. The Company does not own any assets with indefinite useful lives.

In accordance with Order EHA/3362/2010 mentioned in the previous point, "Intangible Assets - Concessions" in the balance sheet includes the royalties paid for the award of the concession arrangements.

Computer software maintenance costs are recognised in the income statement for the year in which they are incurred.

As a general rule, intangible assets are amortised on a straight-line basis over their years of useful life.

b) Property, plant and equipment

Property, plant and equipment are carried at acquisition or production cost if the Company has performed in-house work thereon and are subsequently reduced by the related accumulated depreciation and by any impairment losses. At 31 December 2013, there was no indication that any of the Company's property, plant and equipment had suffered an impairment loss and, therefore, since the recoverable amount of the assets is higher than or the same as their carrying amount , no impairment losses were recognised in this connection.

Property, plant and equipment upkeep and maintenance expenses are recognised in the income statement for the year in which they are incurred. However, the costs of improvements leading to increased capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised.

Non-current assets that necessarily take a period of more than twelve months to get ready for their intended use include such borrowing costs as might have been incurred before the assets are ready for their intended use and which have been charged by the supplier or relate to loans or other specific-purpose or general-purpose borrowings directly attributable to the acquisition or production of the assets.

In-house work on non-current assets is measured at accumulated cost (external costs plus in-house costs, determined on the basis of in-house materials consumption, direct labour and general manufacturing costs).

The Company depreciates its property, plant and equipment by the straight-line method at annual rates based on the years of estimated useful life of the assets, the detail being as follows:

	Years of estimated useful life
Buildings and other structures	25 - 50
Plant and machinery	5 – 15
Other fixtures, tools and furniture	8 – 12
Other items of property, plant and equipment	4 - 10

However, certain contracts have terms shorter than the useful life of the related non-current assets, in which case they are depreciated over the contract term.

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

Whenever there are indications of impairment of assets with a finite useful life (i.e. all the Company's intangible assets and property, plant and equipment), the Company tests the tangible and intangible assets for impairment to determine whether the recoverable amount of the assets has been reduced to below their carrying amount.

Recoverable amount is the higher of fair value less costs to sell and value in use. To determine the recoverable amount of the assets tested for impairment, an estimate is made of the present value of the net cash flows arising from the cash-generating units (CGUs) to which the assets belong, and to discount the cash flows, a pre-tax discount rate is applied that reflects current market assessments of the time value of money and the risks specific to each cash-generating unit.

Where an impairment loss on assets subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the value that would have been determined had no impairment loss been recognised for in prior years. The reversal of the impairment loss is recognised as income in the income statement.

d) Leases

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

d.1) Finance leases

In finance leases in which the Company acts as the lessee, the cost of the leased assets is presented in the balance sheet, based on the nature of the leased asset, and, simultaneously, a liability is recognised for the same amount. This amount is the lower of the fair value of the leased asset and the present value, at the inception of the lease, of the agreed minimum lease payments, including the price of the purchase option, when it is reasonably certain that it will be exercised. The minimum lease payments do not include contingent rent, costs for services and taxes to be paid by and reimbursed to the lessor. The total finance charges arising under the lease are allocated to the income statement for the year in which they are incurred using the effective interest method. Contingent rent is recognised as an expense for the period in which it is incurred.

On expiry of the leases, the Company exercises the purchase option and the lease arrangements do not impose any restrictions concerning exercise of this option. Also, the lease agreements do not contain any renewal, review or escalation clauses.

The assets recognised for transactions of this nature are depreciated on the basis of their nature and useful lives using criteria similar to those applied to items of property, plant and equipment taken as a whole.

There are no finance leases in which the Company acts as lessor.

d.2) Operating leases

When the Company acts as the lessee, it charges the expenses from operating leases to income on an accrual basis.

When the Company acts as the lessor, lease income and expenses from operating leases are recognised in income on an accrual basis. Also, the acquisition cost of the leased asset is presented in the balance sheet according to the nature of the asset, increased by the investments arising from the lease agreements directly attributable to the lease, which are recognised as an expense over the term of such agreements, applying the same method as that used to recognise lease income.

A payment made on entering into or acquiring a leasehold that is accounted for as an operating lease represents prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided.

e) Financial instruments

e.1) Financial assets

Classification

The financial assets held by the Company are classified in the following categories:

- Loans and receivables: financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market.
- Held-to-maturity investments: debt securities with fixed maturity and determinable payments that are traded in an active market and which the Company has the positive intention and ability to hold to the date of maturity.
- Held-for-trading financial assets: assets acquired with the intention of selling them in the near term and assets that form part of a portfolio for which there is evidence of a recent actual pattern of short-term profit-taking. This category also includes financial derivatives that are not financial guarantees and that have not been designated as hedging instruments.
- Equity investments in Group companies, associates and jointly controlled entities: Group companies are deemed to be those related to the Company as a result of a relationship of control and associates are companies over which the Company exercises significant influence. Jointly controlled entities include companies over which, by virtue of an agreement, the Company exercises joint control with one or more other investors.
- Available-for-sale financial assets: these include debt securities and equity instruments of other companies that are not classified in any of the aforementioned categories.

Initial recognition

These financial assets are initially recognised at the fair value of the consideration given, plus any directly attributable transaction costs, except for held-for-trading assets and investments in Group companies affording control, the costs of which are recognised directly in the income statement.

Subsequent measurement

- Loans and receivables and held-to-maturity investments are measured at amortised cost.
- Held-for-trading financial assets are measured at fair value and the changes in the fair value are recognised in profit or loss.
- Investments in Group companies and associates and interests in jointly controlled entities are measured at cost net, where appropriate, of any accumulated impairment losses. These losses are calculated as the difference between the carrying amount of the investments and their recoverable amount. Recoverable amount is the higher of fair value less costs to sell and the present value of the future cash flows from the investment. Unless there is better evidence of the recoverable amount, it is based on the value of the equity (consolidated, as the case may be) of the investee, adjusted by the amount of the unrealised gains existing at the date of measurement (including any goodwill).
- Available-for-sale financial assets are measured at fair value and the gains and losses arising from changes in fair value are recognised in equity until the asset is disposed of or it is determined that it has become impaired, at which time the cumulative gains or losses previously recognised in equity are recognised in the net profit or loss for the year, or if it is determined that it has become impaired, once the pre-existing gains in equity have been derecognised, they are taken to the income statement.

At least at each reporting date the Company makes valuation adjustments to financial assets not measured at fair value through profit or loss where there is objective evidence of impairment if the value is less than the carrying amount, in which case the impairment loss is recognised in the income statement. In particular, the Company calculates valuation adjustments relating to trade and other receivables by taking into account the specific insolvency risk of each account receivable.

The Company derecognises a financial asset when it expires or when the rights to the cash flows from the financial asset have been transferred and substantially all the risks and rewards of ownership of the financial asset have also been transferred, such as in the case of firm asset sales, factoring of trade receivables in which the Company does not retain any credit or interest rate risk, provide any kind of guarantee or assume any other kind of risk. These transactions bear interest at market rates and the factor assumes the risk of insolvency and late payment of the debtor. Fomento de Construcciones y Contratas, S.A. continues to manage collection.

e.2) Financial liabilities

Financial liabilities include accounts payable by the Company that have arisen from the purchase of goods or services in the normal course of the Company's business and those which, not having commercial substance, cannot be classed as derivative financial instruments.

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

Borrowing costs are recognised on an accrual basis in the income statement using the effective interest method and are added to the amount of the financial instrument to the extent that they are not settled in the year in which they arise.

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

The Company derecognises financial liabilities when the obligations giving rise to them cease to exist.

e.3) Equity instruments

An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities and the securities issued are recognised in equity at the proceeds received, net of issue costs.

Treasury shares acquired by the Company during the year are recognised at the value of the consideration paid and are deducted directly from equity. Gains and losses on the acquisition, sale, issue or retirement of treasury shares are recognised directly in equity and in no case are they recognised in the income statement.

The Company currently has in force a remuneration scheme for its Executive Directors and executive personnel that is linked to the value of the Company's shares. This scheme is described in Note 15 "Equity Instrument-Based Transactions".

e.4) Derivative financial instruments

The Company uses derivative financial instruments to hedge the risks to which its business activities, operations and future cash flows are exposed. Basically, these risks relate to changes in interest rates and the market prices of certain financial instruments. The Company arranges hedging financial instruments in this connection (see Note 13).

In order for these financial instruments to qualify for hedge accounting, they are initially designated as such and the hedging relationship is documented. Also, the Company verifies, both at inception and periodically over the term of the hedge (at least at the end of each reporting period), that the hedging relationship is effective, i.e. that it is prospectively foreseeable that the changes in the fair value or cash flows of the hedged item (attributable to the hedged risk) will be almost fully offset by those of the hedging instrument and that, retrospectively, the gain or loss on the hedge was within a range of 80-125% of the gain or loss on the hedged item.

The Company uses hedges of the following types, which are accounted for as described below:

- Fair value hedges: in this case, changes in the fair value of the hedging instrument and the hedged item attributable to the hedged risk are recognised in profit or loss.
- Cash flow hedges: in hedges of this nature, the portion of the gain or loss on the hedging instrument that has been determined to be an effective hedge is recognised temporarily in equity and is recognised in the income statement in the same period during which the hedged item affects profit or loss, unless the hedge relates to a forecast transaction that results in the recognition of a non-financial asset or a non-financial liability, in which case the amounts recognised in equity are included in the initial cost of the asset or liability when it is acquired or assumed.
- Hedges of net investments in foreign operations: the purpose of hedges of this nature is to hedge foreign currency risk relating to investments in subsidiaries and associates, and the foreign currency component is taken to the income statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the year.

Although certain derivatives are not recognised as hedges, this is only for accounting purposes since for financial and management purposes all the hedges arranged by the Company have, at inception, an underlying financial transaction and the sole purpose of hedging such transaction.

Derivatives do not qualify for hedge accounting if the hedge fails the effectiveness test, which requires the changes in the fair value or in the cash flows of the hedged item directly attributable to the risk of the instrument to be offset by changes in the fair value or in the cash flows of the hedging instrument. When this does not occur, the changes in value of the instruments not classified as hedges are recognised in profit or loss.

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

f) Inventories

Inventories are measured at the lower of acquisition or production cost and net realisable value. Trade discounts, rebates, other similar items and interest included in the face value of the related payables are deducted in determining the costs of purchase.

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

Production cost includes the costs of direct materials and, where applicable, direct labour and production overheads.

Net realisable value is the estimated selling price less the estimated costs of completion and costs to be incurred in marketing, selling and distribution.

The Company recognises the appropriate write-downs as an expense in the income statement when the net realisable value of the inventories is lower than acquisition or production cost.

g) Foreign currency transactions

The Company's functional currency is the euro. Therefore, transactions in currencies other than the euro are deemed to be “foreign currency transactions” and are recognised by applying the exchange rates prevailing at the date of the transaction.

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to euros at the rates then prevailing. Any resulting gains or losses are recognised directly in the income statement in the year in which they arise.

h) Income tax

The income tax expense is calculated on the basis of profit before tax, increased or decreased, as appropriate, by the permanent differences between taxable profit and accounting profit. Based on the legislation applicable to the Company, the corresponding tax rate is applied to this adjusted accounting profit. Any tax relief and tax credits earned in the year are then deducted and any positive or negative differences between the tax charge estimated for the previous year's accounting close and the amount of tax subsequently paid are added to or deducted from, respectively, the resulting tax charge.

The temporary differences between the accounting profit and the taxable profit for income tax purposes, together with the differences between the carrying amounts of assets and liabilities recognised in the balance sheet and their tax bases give rise to deferred taxes which are recognised as non-current assets and liabilities. These amounts are measured at the tax rates that are expected to apply in the years in which they will foreseeably reverse, and in no circumstances are they discounted to present value.

The Company recognises the deferred tax assets arising from temporary differences and tax loss carryforwards, except for those with respect to which there are reasonable doubts as to their future recovery.

i) Revenue and expense recognition

Revenue and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

The Company recognises each year as the period result on its contracts the difference between period production (measured at the selling price of the service provided during the period, as specified in the principal contract or in approved amendments thereto, and the selling price of other as yet unapproved services for which there is reasonable assurance of collection) and the costs incurred. Additionally, late-payment interest is recognised as income when it is approved or finally collected.

The difference between the amount of production and the amount billed until the date of the financial statements is recorded as "Unbilled Production" under "Trade Receivables for Sales and Services". Pre-billings for various items are recognised under “Current Liabilities – Trade and Other Payables – Customer Advances”.

Interest income from financial assets is recognised using the effective interest method and dividend income is recognised when the shareholder's right to receive payment has been established. Interest and dividends from financial assets accrued after the date of acquisition are recognised as income.

In accordance with the accounting principle of prudence, the Company only records realised income at year-end, whereas foreseeable contingencies and losses, including possible losses, are recognised as soon as they become known, by recording the appropriate provisions.

j) Provisions and contingencies

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

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

Provisions for dismantling, removal or rehabilitation and environmental provisions are recognised by increasing the value of the related asset by the present value of the expenses that will be incurred when operation of the asset ceases. The impact on profit or loss arises when the asset concerned is depreciated (as described in previous sections of this Note) and when the provisions are discounted to present value (as described in the preceding paragraph).

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

It should be noted that contingent liabilities due to possible obligations that arise from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the Company's control, are not recognised in the financial statements as the probability that such obligation will have to be settled is remote.

k) Environmental assets and liabilities

As indicated in Note 1, the Company engages mainly in Environmental Services and Integral Water Management activities which, due to their nature, involve special care in controlling environmental impact. For example, with regard to the operation under concession of landfills, the Company is generally responsible for the sealing, control and reforestation thereof upon completion of its operations. Also, the Company has non-current assets for the protection of the environment and bears any costs required for this purpose in the performance of its business activities.

The acquisition costs of these non-current assets used in environmental conservation are recognised under “Property, Plant and Equipment” or “Intangible Assets” based on the nature of the investment, and are depreciated or amortised over the useful lives of the assets or on the basis of the demand for or the use of the infrastructure in the service concession arrangements. Also, in accordance with current accounting legislation, the Company recognises the expenses and provisions arising from its environmental obligations.

The Company’s environmental policy goes beyond strict compliance with current legislation in the area of environmental improvement and protection to include the establishment of preventative planning and the analysis and minimisation of the environmental impact of the activities carried on by it.

Company management considers that the possible contingencies relating to environmental protection and improvement at 31 December 2013 would not have a significant impact on the accompanying financial statements, which include provisions to cover any probable environmental risks that might arise.

l) Pension obligations

The Company has not established any pension plans to supplement the social security pension benefits. In accordance with the Consolidated Pension Plan and Fund Law, in specific cases where similar obligations exist, the Company externalises its obligations to its employees in this connection.

In addition, following authorisation by the Executive Committee, in the past an insurance policy was arranged and the premium paid to cover the payment of benefits relating to death, permanent occupational disability, retirement bonuses and pensions and other situations for, among other employees, certain Executive Directors and Executives. In particular, the contingencies giving rise to benefits are those which entail the extinguishment of the employment relationship for any of the following reasons:

- Unilateral decision of the Company.
- Dissolution or disappearance of the Parent for whatever cause, including merger or spin-off.
- Death or permanent disability.
- Other causes of physical or legal incapacity.
- Substantial change in professional terms and conditions.
- Resignation of the executive on reaching 60 years of age, at the request of the executive and with the consent of the Company.
- Resignation of the executive on reaching 65 years of age, by unilateral decision of the executive.

The contributions made by the Company in this connection are recognised under “Staff Costs” in the income statement.

m) Grants

The Company accounts for grants received as follows:

m.1) Non-refundable grants

These are measured at the amount received or the fair value of the asset received, based on whether or not they are monetary grants, and they are taken to income in proportion to the period depreciation taken on the assets for which the grants were received or, where appropriate, on disposal of the asset or on the recognition of an impairment loss, except for grants received from shareholders, which are recognised directly in equity.

m.2) Grants related to income

Grants related to income are credited to income when granted, unless their purpose is to finance losses from operations in future years, in which case they are allocated to income in those years. If grants are received to finance specific expenses, they are allocated to income as the related expenses are incurred.

n) Use of estimates

In preparing the accompanying financial statements estimates were made by the Company's Directors in order to measure certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- The recoverability of deferred tax assets (see Note 20).
- The recoverability of the investments in Group companies and associates, and of any loans to or receivables from them (see Note 10).
- The evaluation of possible impairment losses on certain assets (see Note 4-c).
- The assumptions used in the calculation of the fair value of share-based payments (see Note 15).
- The useful life of intangible assets and property, plant and equipment (see Notes 4-a and 4-b).
- The market value of certain financial instruments (see Note 13).
- The calculation of certain provisions (see Notes 4-j and 16).
- The market value of non-current assets classified as held for sale (see Note 11).

Although these estimates were made on the basis of the best information available at 31 December 2013, events that take place in the future might make it necessary to change these estimates. Changes in accounting estimates would be applied prospectively.

ñ) Related party transactions

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

Note 23 "Related Party Transactions and Balances" details the main transactions with the significant shareholders of the Company, its Directors and Senior Executives and between Group companies.

o) Non-current assets and associated liabilities classified as held for sale

The Company classifies assets under "Non-Current Assets Classified as Held for Sale" if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition and the sale is expected to be completed within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

The associated liabilities are classified under "Liabilities Associated with Non-Current Assets Classified as Held for Sale".

5. INTANGIBLE ASSETS

The changes in "Intangible Assets" in the accompanying balance sheet in 2013 and 2012 were as follows:

	Concessions	Computer software	Concession arrangements	Other intangible assets	Accumulated amortisation	Total
Balance at 31/12/11	24,630	24,973	168,530	16,811	(100,943)	134,001
Additions or charge for the year	20,440	5,182	25,155	450	(13,135)	38,092
Disposals or reductions	(2,387)	—	(7,058)	(41)	6,877	(2,609)
Transfers	—	—	1,819	(1,819)	—	—
Balance at 31/12/12	42,683	30,155	188,446	15,401	(107,201)	169,484
Additions or charge for the year	4,376	11,267	2,324	2,731	(13,229)	7,469
Disposals or reductions	—	(6)	(627)	—	18	(615)
Transfers	—	261	(25,383)	195	(482)	(25,409)
Balance at 31/12/13	47,059	41,677	164,760	18,327	(120,894)	150,929

"Concessions", which relates mainly to businesses carried on through JVs, includes primarily the amounts paid for obtaining the water supply and urban cleaning concessions. Noteworthy in 2013 were the EUR 4,376 thousand relating to the award of the integral urban cleaning service in the municipality of Alicante. 2012 included most notably the EUR 20,269 thousand in relation to the renewal of the integral water supply and cleaning management concession in Lleida.

The balance of "Computer Software" relates mainly to the implementation, development and improvement costs of the corporate information system.

With regard to the service concession arrangements, the most significant change in 2013 was the transfer to "Concession Arrangements, Collection Rights" of the urban solid waste treatment plant in Manises (Valencia). In 2012 there was a significant addition of EUR 13,941 thousand in relation to an advance on this concession. Note 8 to these financial statements contains a specific detail of the Company's service concession arrangements.

The detail of the intangible assets and of the related accumulated amortisation at 31 December 2013 and 2012 is as follows:

	Cost	Accumulated amortisation	Net
2013			
Concessions	47,059	(19,125)	27,934
Computer software	41,677	(17,172)	24,505
Concession arrangements	164,760	(74,995)	89,765
Other intangible assets	18,327	(9,602)	8,725
	271,823	(120,894)	150,929
2012			
Concessions	42,683	(17,746)	24,937
Computer software	30,155	(13,324)	16,831
Concession arrangements	188,446	(67,917)	120,529
Other intangible assets	15,401	(8,214)	7,187
	276,685	(107,201)	169,484

Of the net amount of intangible assets, EUR 73,382 thousand relate to assets used in joint ventures (31 December 2012: EUR 99,824 thousand).

At the reporting date, all the intangible assets were used in the various production processes. However, a portion of these intangible assets, basically computer software amounting to EUR 20,630 thousand, was fully amortised (31 December 2012: EUR 6,328 thousand), while the amounts relating to JVs were not significant.

At 31 December 2013, the Company did not have any intangible assets located outside Spain. There were also no assets used as security.

6. PROPERTY, PLANT AND EQUIPMENT

The changes in “Property, Plant and Equipment” in the accompanying balance sheet in 2013 and 2012 were as follows:

	Land and buildings	Plant and other items of property, plant and equipment	Property, plant and equipment in the course of construction and advances	Accumulated depreciation	Total
Balance at 31/12/11	98,782	891,729	16,816	(555,481)	451,846
Additions or charge for the year	851	23,114	8,929	(74,652)	(41,758)
Disposals or reductions	(7,428)	(20,914)	(47)	16,245	(12,144)
Transfers	8,421	2,324	(10,813)	(285)	(353)
Balance at 31/12/2012	100,626	896,253	14,885	(614,173)	397,591
Additions or charge for the year	3,268	23,303	4,647	(70,084)	(38,866)
Disposals or reductions	—	(27,741)	(7)	23,674	(4,074)
Transfers	2,412	10,166	(12,515)	—	63
Balance at 31/12/2013	106,306	901,981	7,010	(660,583)	354,714

The main changes in “Property, Plant and Equipment” relate to assets associated with the services and water concession arrangements operated by the Company.

The detail of the property, plant and equipment and of the related accumulated depreciation at 31 December 2013 and 2012 is as follows:

	Cost	Accumulated depreciation	Net
2013			
Land and buildings	106,306	(33,790)	72,516
Plant and other items of property, plant and equipment	901,981	(626,793)	275,188
Property, plant and equipment in the course of construction and advances	7,010	—	7,010
	1,015,297	(660,583)	354,174

	Cost	Accumulated depreciation	Net
2012			
Land and buildings	100,626	(30,159)	70,467
Plant and other items of property, plant and equipment	896,253	(584,014)	312,239
Property, plant and equipment in the course of construction and advances	14,885	—	14,885
	1,011,764	(614,173)	397,591

The Company owns buildings, the value of which, net of depreciation, and that of the land, were as follows at 2013 year-end:

	2013	2012
Land	26,097	24,455
Buildings	46,419	46,012
	72,516	70,467

Of the net amount of property, plant and equipment, EUR 45,618 thousand relate to assets used in joint ventures (31 December 2012: EUR 43,901 thousand).

In 2013 and 2012 the Company did not capitalise borrowing costs to "Property, Plant and Equipment”.

At 2013 year-end the Company held various items of property, plant and equipment under finance leases (see Note 7).

At the reporting date, all the items of property plant and equipment were used in the various production processes. However, a portion of these assets amounting to EUR 347,168 thousand, was fully depreciated (31 December 2012: EUR 298,385 thousand), of which EUR 13,081 thousand were recognised under "Buildings" (31 December 2012: EUR 12,788 thousand) while the amounts relating to JVs were not significant.

At 31 December 2013, the Company did not have any significant investments in property, plant and equipment abroad. It also did not have any significant firm property, plant and equipment purchase commitments.

The Company's property, plant and equipment subject to restrictions on title relates mainly to assets held under finance leases.

The Company takes out insurance policies to cover the possible risks to which its property, plant and equipment are subject. At 2013 year-end the property, plant and equipment were fully insured against these risks.

7. LEASES

a) Finance leases

The Company has recognised assets leased under leases with basically a maximum term of two to five years and, in general, lease payments payable in arrears. Consequently, the present value of the payments does not differ significantly from their nominal value. The leased assets include notably the lorries and machinery used in the waste collection and cleaning services provided by the Company.

The detail of the finance leases in force at the end of 2013 and 2012 are as follows:

	2013	2012
Carrying amount	24,761	38,980
Accumulated depreciation	6,656	15,067
Cost of the assets	31,417	54,047
Finance costs	2,962	3,199
Capitalised cost of the assets	34,379	57,246
Lease payments paid in the year	(7,061)	(16,009)
Lease payments paid in prior years	(8,237)	(20,186)
Lease payments outstanding, including purchase option	19,081	21,051
Unaccrued borrowing costs	(1,021)	(1,167)
Present value of lease payments outstanding, including purchase option	18,060	19,884
Contract term (years)	2 to 5	2 to 5
Value of purchase options	223	463

The payment dates of the outstanding lease payments of the committed payments are shown in Note 17.

The finance leases arranged by the Company do not include lease payments the amount of which must be determined on the basis of future economic events or indices and, accordingly, in 2013 no expense was incurred in connection with contingent rent.

b) Operating leases

The Company makes operating lease payments basically for the use of buildings and structures relating to the Central Services offices in Madrid and Barcelona, and for the leases of premises and industrial buildings used by the Company as offices, warehouses, changing rooms and garages in the course of its activities.

The amount relating to the aforementioned leases in 2013 totalled EUR 42,395 thousand (31 December 2012: EUR 37,884 thousand).

Also worthy of note among the operating lease agreements entered into by Fomento de Construcciones y Contratas, S.A. due to the magnitude of the sums involved are those relating to the corporate headquarters of the FCC Group:

- Office buildings located at Federico Salmón, 13, Madrid and Balmes, 36, Barcelona.
  On 29 December 2011, the owners of these buildings and Fomento de Construcciones y Contratas, S.A. entered into two lease agreements relating thereto for a minimum period of 30 years, extendable for two five-year periods at the discretion of the Company, with an initial annual rent adjustable based on the CPI. These buildings were transferred by the Company to their current owners under a sale and leaseback agreement. The owners, in turn, granted a purchase option to Fomento de Construcciones y Contratas, S.A., which can be exercised only at the end of the lease term at the higher of fair value and the CPI-adjusted selling price.
- Office building located in Las Tablas (Madrid).
  On 19 December 2010, the owner and the Company entered into an agreement to lease the aforementioned building, the lease period commencing once construction of the building had been completed on 23 November 2012. The term of this lease is 18 years, extendable at the Company's discretion by two five-year periods, each with an annual rent adjustable each year based on the CPI.

At 2013 year-end there were non-cancellable future committed payments in relation to the aforementioned items amounting to EUR 325,008 thousand (2012: EUR 335,934 thousand). The detail, by maturity, of the non-cancellable future minimum payments at 31 December 2013 and 2012 is as follows:

	2013	2012
Within one year	27,999	31,601
Between one and five years	89,035	95,178
After five years	207,974	209,155
	325,008	335,934

As lessor, the Company, as the holder of the aforementioned leases, billed the FCC Group investees for the space that they occupy in the aforementioned buildings and recognised these amounts as operating income.

8. SERVICE CONCESSION ARRANGEMENTS

This Note presents an overview of the Company's investments in concession businesses, mainly Environmental Services and Integral Water Management, which are recognised under the following balance sheet line items: intangible assets for the concessions classified as intangible assets and non-current and current trade receivables for the concessions classified as financial assets (see Note 4-a.1).

The following table details, by asset class and concession activity, the total amount of the assets held by the Company under service concession arrangements.

	Environmental services	Integral water management	Total
2013			
Intangible assets	57,621	32,144	89,765
Financial assets	32,521	—	32,521
	90,142	32,144	122,286
2012			
Intangible assets	84,718	35,811	120,529
Financial assets	—	—	—
	84,718	35,811	120,529

The detail of the Company's most significant contracts due to service concession arrangements is as follows:

a) Intangible assets

- El Campello urban solid waste treatment plant.
  Construction and operation of the Integrated Urban Solid Waste Centre of El Campello (Alicante). It was awarded to the Company in 2003 and the construction phase was completed in November 2008, when the initial operation phase of 20 years began, which was subsequently extended to 21 years and 9 months. The net assets relating to the aforementioned contract total EUR 43,196 thousand (31 December 2012: EUR 44,414 thousand).
- Integrated management of the municipal water supply and sewerage service of Vigo.
  Award to the Aqualia-FCC-Vigo joint venture (50% Fomento de Construcciones y Contratas, S.A. and 50% Aqualia Gestión Integral del Agua, S.A., wholly owned by the Company) of the operation of the concession, including investments for the extension, renovation and/or improvement of the existing infrastructures that the grantor placed at the disposal of the joint venture. It was awarded in 1991 for an initial term of 25 years, extendible for five-year periods up to a maximum legal term of 50 years. The grantor extended the concession in 2011 for an additional five years until 2020. The net assets relating to the aforementioned contract amount to EUR 20,916 thousand (31 December 2012: EUR 24,341 thousand).

b) Financial assets

- Urban solid waste treatment plant in Manises (Valencia).
  Award to the Gestión Instalación III joint venture (in which Fomento de Construcciones y Contratas, S.A. holds a 34.99% interest) for the construction and operation of the urban solid waste management system of certain areas of the province of Valencia. It was awarded in 2005 for an initial period of 20 years from the operational start-up of the plant which occurred in December 2012. As a result of an amendment to the contract, this concession was reclassified as a financial asset. The net assets relating to the aforementioned contract amount to EUR 28,884 thousand (31 December 2012: EUR 25,201 thousand).

9. NON-CURRENT AND CURRENT FINANCIAL ASSETS

a) Non-current financial assets

The detail of "Non-Current Financial Assets" at the end of 2013 and 2012 is as follows:

	Equity instruments	Loans to third parties	Derivatives	Other financial assets	Total
2013					
Loans and receivables	—	29,337	—	5,295	34,632
Available-for-sale financial assets	20,611	—	—	—	20,611
	20,611	29,337	—	5,295	55,243
2012					
Loans and receivables	—	30,692	—	8,656	39,348
Available-for-sale financial assets	20,559	—	—	—	20,559
Held-for-trading financial assets (Note 13)	—	—	1,252	—	1,252
Hedging derivatives (Note 13)	—	—	136	—	136
	20,559	30,692	1,388	8,656	61,295

The detail, by maturity, of the loans and receivables is as follows:

	2015	2016	2017	2018	2019 and subsequent years	Total
Loans and receivables	4,454	254	119	—	29,805	34,632

Loans and receivables

"Loans and Receivables" includes mainly the participating loans granted to Xfera Móviles, S.A. This heading also includes the guarantees and deposits relating to legal and contractual obligations in the pursuit of the Company's business activities, and long-term deposits, together with the amounts granted to public entities to carry out works and build facilities in the water supply network. With regard to Xfera Móviles, S.A., it is important to note that at 31 December 2013, Fomento de Construcciones y Contratas, S.A. had granted loans to this company totalling EUR 24,114 thousand (2012: same amount) and had provided guarantees for it amounting to EUR 12,384 thousand (2012: same amount).

Available-for-sale financial assets

The detail at 31 December 2013 and 2012 is as follows:

	Effective percentage of ownership	Fair value
2013		
Vertederos de Residuos, S.A.	16.03%	9,128
Xfera Móviles, S.A.	3.44%	11,215
Other		268
		20,611
2012		
Vertederos de Residuos, S.A.	16.03%	9,076
Xfera Móviles, S.A.	3.44%	11,215
Other		268
		20,559

b) Current financial assets

At 2013 year-end, substantially all the "Current Financial Assets" were loans and receivables.

10. INVESTMENTS IN AND PAYABLES TO GROUP COMPANIES AND ASSOCIATES

a) Non-current investments in Group companies and associates

At 31 December 2013 and 2012, the detail of "Non-Current Investments in Group Companies and Associates" is as follows:

	Cost	Accumulated losses impairment	Total
2013			
Equity instruments of Group companies	2,378,801	(299,186)	2,079,615
Equity instruments of associates	21,540	(4,311)	17,229
Loans to Group companies	1,687,717	(882,467)	805,250
	4,088,058	(1,185,964)	2,902,094
2012			
Equity instruments of Group companies	2,303,958	(10,902)	2,293,056
Equity instruments of associates	736,431	(246,272)	490,159
Loans to Group companies	1,968,406	(647,966)	1,320,440
Loans to associates	6,244	—	6,244
Derivatives	217	—	217
	5,015,256	(905,140)	4,110,116

The changes in the line items in the foregoing table are as follows:

	Equity instruments of Group companies	Equity instruments of associates	Loans to Group companies	Loans to associates	Derivatives	Net impairment losses	Total
Balance at 31/12/11	1,634,920	736,064	1,907,486	5,720	2,376	(79,076)	4,207,490
Additions or charge for the year	725,451	367	49,058	1,006	2,166	(836,696)	(58,648)
Disposals or reversals	(49,910)	—	(1,086)	(167)	—	10,632	(40,531)
Transfers	(6,503)	—	12,948	(315)	(4,325)	—	1,805
Balance at 31/12/2012	2,303,958	736,431	1,968,406	6,244	217	(905,140)	4,110,116
Additions or charge for the year	401,051	59,732	122,080	133	—	(524,555)	58,441
Disposals or reversals	(326,208)	(119,827)	(402,769)	(6,377)	(119)	66,193	(789,107)
Transfers	—	(654,796)	—	—	(98)	177,538	(477,356)
Balance at 31/12/2013	2,378,801	21,540	1,687,717	—	—	(1,185,964)	2,902,094

Equity instruments of Group companies

The most significant changes in 2013 detailed in the foregoing table were as follows:

- Contribution to the equity of the wholly-owned subsidiary FCC Construcción, S.A. of the participating loan granted to this company in 2012 amounting to EUR 400,000 thousand. In addition, the Company recognised an impairment loss of EUR 273,116 thousand on the investment in FCC Construcción, S.A. as a result of the reduction in the present value of the expected cash flows. The assumptions used in this estimate envisage the maintenance of the current moderate level of activity in the domestic market, in both infrastructure and construction, partially offset by international activity. The time horizon of the expected cash flows is five years, using a zero growth rate to calculate perpetual return. The discount rate used was 7.20%.
- The wholly-owned investee (directly and indirectly) Fedemes, S.L. repaid the non-monetary contribution made by the Company in the previous year amounting to EUR 325,374 thousand.
- Merger by absorption of Corporación Financiera Hispánica, S.A., Compañía Auxiliar de Agencia y Mediación, S.A., Puerto Cala Merced, S.A. and Eusko Lanak, S.A., all of which were wholly-owned investees (directly and indirectly) of Fomento de Construcciones y Contratas, S.A., into Per Gestora Inmobiliaria, S.L. (absorbing company), the only result of which was that the investment in the absorbed companies was reclassified to the absorbing company. As a result, the investment in Per Gestora Inmobiliaria, S.L. increased to EUR 71,543 thousand.

The following changes were of note in 2012:

- The Company subscribed in full the capital increase of EUR 400,000 thousand at the wholly-owned investee FCC Construcción, S.A., through the conversion into capital of the loan for the same amount that the Company had granted in prior years to FCC Construcción, S.A.
- Non-monetary contribution to the equity of the wholly-owned investee (directly and indirectly) Fedemes, S.L. of 99% of the equity that Fomento de Construcciones y Contratas, S.A. owned in the joint property entity Parcela A-1 de Azca and its buildings, valued at EUR 325,374 thousand.
- Liquidation of the wholly-owned investee FCC Internacional B.V. valued in the balance sheet at EUR 49,910 thousand, giving rise to a gain of EUR 8,033 thousand, recognised under "Impairment and Gains or Losses on Disposals of Financial Instruments" in the income statement.

The detail, by company, of the investments in Group companies and associates is presented in Appendixes I and III, respectively, indicating for each company in which a direct ownership interest is held the company name, registered office, line of business, the percentage of capital held directly or indirectly, the amount of equity (capital, reserves and other), profit or loss, dividends received, whether or not it is listed and the carrying amount of the ownership interest.

Equity instruments of associates

The most significant changes in 2013 were as follows:

- The sale of Proactiva Medio Ambiente, S.A. and Proactiva Doña Juana E.S.P.S.A., which had an investment value of EUR 119,827 thousand and accumulated impairment losses of EUR 64,951 thousand, thereby generating a gain of EUR 63,094 thousand, which was recognised under "Impairment and Gains or Losses on Disposals of Financial Instruments" in the income statement.
- A capital increase at Realia Business, S.A. amounting to EUR 7,199 thousand, with a share premium of EUR 50,391 thousand, with the increase being subscribed in full through the offset of the participating loan granted by the Company in prior years.
- Reclassification to "Non-Current Assets Classified as Held for Sale" of the investments in and impairment losses on Realia Business, S.A. and Global Via Infraestructuras, S.A.

Long-term loans to Group companies

The most significant amounts are as follows:

	2013	2012
Azincourt Investment, S.L. (Sole-Shareholder Company)	1,100,728	1,100,728
Aqualia Gestión Integral del Agua, S.A.	153,752	153,752
FCC Versia, S.A.	140,000	140,000
Cementos Portland Valderrivas, S.A.	108,207	35,652
FCC PFI Holdings Group	93,507	46,962
Enviropower Investments, Ltd.	37,873	35,864
Dédalo Patrimonial, S.L. (Sole-Shareholder Company)	29,004	30,316
ASA Abfall Services AG	14,000	14,000
FCC Construcción, S.A.	—	400,000
Other	10,646	11,132
	1,687,717	1,968,406
Impairment:		
Azincourt Investment, S.L. (Sole-Shareholder Company)	(853,463)	(647,966)
Dédalo Patrimonial, S.L. (Sole-Shareholder Company)	(29,004)	—
	805,250	1,320,440

In the foregoing table the following is noteworthy:

- This heading included most notably the participating loan of EUR 1,100,728 thousand granted to Azincourt Investment, S.L. (Sole-Shareholder Company), a wholly-owned investee of Fomento de Construcciones y Contratas, S.A., the former being the holder of all the shares of FCC Environment (UK), formerly WRG, acquired in 2006. This loan earns fixed interest at 2.95% on a portion thereof and floating interest on another portion based on certain performance indicators of the borrower. At 2013 year-end, interest of EUR 34,733 thousand had been earned on the participating loan (31 December 2012: EUR 35,040 thousand), which was recognised under “Finance Income from Marketable Securities and Other Financial Instruments of Group Companies and Associates” in the accompanying income statement. In 2013 additional impairment losses amounting to EUR 205,947 thousand were recognised as a result of the adjustment of the goodwill and exchange rate differences relating to the investment in the FCC Environment (UK) Group (31 December 2012: EUR 647,966 thousand). The assumptions used envisage a ten-year time horizon, in view of the structural characteristics of the business and the long life of its assets. A zero growth rate was used to calculate perpetual return. The expected flows envisages a reduction in the tonnage treated at landfills, partially offset by the incineration and other activities. The discount rate used was 6.32%.

- The participating loan of EUR 400,000 thousand granted to the wholly-owned subsidiary FCC Construcción, S.A. was contributed to the investee's equity, as detailed in the "Equity Instruments of Group Companies" section.
- The participating loan of EUR 149,250 thousand granted on 1 May 2010 to the subsidiary Aqualia Gestión Integral del Agua, S.A. matures annually and is automatically renewable for successive one-year periods. The interest is calculated on the basis of various accounting indicators of the borrower. This loan earned interest of EUR 5,736 thousand in 2013 (2012: EUR 4,595 thousand).
- The long-term loan of EUR 140,000 thousand granted on 9 February 2007 to the investee FCC Versia, S.A., which initially matured in two years, automatically extendable by successive two-year periods. The interest rate is established on the basis of the average 3-month Euribor of the month prior to the month on which it is to be reviewed, plus a spread of 0.75%. At 2013 year-end this loan had earned interest of EUR 1,445 thousand (31 December 2012: EUR 2,216 thousand).
- The subordinated loan of EUR 100,000 thousand (31 December 2012: EUR 35,000 thousand) granted to Cementos Portland Valderrivas, S.A. in relation to the obligation of Fomento de Construcciones y Contratas, S.A. to contribute equity of up to an additional EUR 200,000 thousand to Cementos Portland Valderrivas, S.A. in a future capital increase thereat. This obligation was assumed in the framework of the bank refinancing of the aforementioned investee. At 2013 year-end this loan had earned interest of EUR 7,555 thousand (31 December 2012: EUR 652 thousand).

The other loans relate to amounts granted to Group companies that mature in more than one year and earn interest at market rates.

b) Current investments in Group companies and associates

“Current Investments in Group Companies and Associates” includes basically the loans and other non-trade credit facilities granted to Group companies and associates, among other things, to cater for certain specific cash situations, and other short-term investments. These investments are measured at the lower of cost and market value, plus the related interest at market rates.

The most significant amounts are as follows:

	2013	2012
Azincourt Investment, S.L. (Sole-Shareholder Company)	315,727	278,522
FCC Construcción, S.A.	307,783	53,155
FCC Medio Ambiente, S.A.	116,266	—
Dédalo Patrimonial, S.L. (Sole-Shareholder Company)	63,446	58,919
Per Gestora Inmobiliaria, S.L.	41,612	—
Aqualia Gestión Integral del Agua, S.A.	29,936	100,785
FCC Environment (UK) Ltd.	27,121	—
Realia Business, S.A.	—	56,441
Corporación Financiera Hispánica, S.A.	—	40,114
Other	71,312	60,702
	973,203	648,638
Impairment:		
Dédalo Patrimonial, S.L. (Sole-Shareholder Company)	(44,246)	—
Other	(4,384)	—
	924,573	648,638

These loans mature annually and earn interest at market rates.

c) Current payables to Group companies and associates

The most noteworthy balances of "Current Payables to Group Companies and Associates", which includes the loans received by the Company bearing interest at market rates and trade accounts payable to these companies, recognised under liabilities in the accompanying balance sheet, are as follows:

	2013	2012
FCC Versia, S.A.	178,703	202,194
FCC Construcción, S.A.	132,089	68,064
Aqualia Gestión Integral del Agua, S.A.	60,799	21,351
Asesoría Financiera y de Gestión, S.A.	44,932	38,483
Fedemes, S.L.	35,559	403,424
Ecoparque Mancomunidad del Este, S.A.	22,120	18,829
Azincourt Investment, S.L. (Sole-Shareholder Company)	11,066	13,758
FCC Medio Ambiente, S.A.	—	177,532
Proactiva Medio Ambiente, S.A.	—	7,234
Other	30,814	42,114
	516,082	992,983

Noteworthy in 2013 was the reduction in the debt owed by Fedemes, S.L. as a result of the repayment of the non-monetary contribution mentioned in 10-a above. It is also important to note the cancellation of the debt of FCC Medio Ambiente, S.A. through the distribution of dividends by this investee (see Appendix 1).

11. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

At 2013 year-end, Fomento de Construcciones y Contratas, S.A., the Parent of the FCC Group, presented its ownership interests in FM Green Power, S.L., Sole-Shareholder Company (Energy business), Globalvía Infraestructuras, S.A. (Infrastructure Management business) and Realia Business, S.A. (Property business) as "Non-Current Assets Classified as Held for Sale" (see Note 1) for a total amount of EUR 378,239 thousand. In the particular case of FM Green Power, S.L., Sole-Shareholder Company, at 2013 year-end an agreement had been entered into to sell 51% of the company for EUR 8,000 thousand. This sale is to be completed in the first half of 2014. The impairment losses recognised on the non-current assets classified as held for sale amounted to EUR 360,126 thousand and were recognised under "Impairment and Gains or Losses on Disposals of Financial Instruments".

12. TRADE RECEIVABLES FOR SALES AND SERVICES

"Trade Receivables for Sales and Services" in the accompanying balance sheet includes the present value of the Company's sales and services.

	2013	2012
Production billed not yet collected	304,594	460,737
Unbilled production	125,984	146,648
Trade receivables for sales and services	430,578	607,385
Customer advances	(16,592)	(90,229)
Total trade receivables, net	413,986	517,156

The foregoing total is the net balance of trade receivables after deducting the balance of "Customer Advances" on the liability side of the accompanying balance sheet which, as required by accounting regulations, includes the collected and uncollected pre-billings for various items and the advances received (normally in cash).

"Production Billed Not Yet Collected" reflects the amount of the billings issued to customers for services provided not yet collected at the balance sheet date.

"Unbilled Production" reflects the difference between the production recognised by the Company on each contract and the amount of the billings issued to the customers. The balance of this account relates basically to the price revisions under the various contracts which, although as yet unapproved, the Company considers will be duly billed since there are no doubts as to their being accepted.

The Company factors trade receivables to banks without recourse against Fomento de Construcciones y Contratas, S.A. in the event of default. The amount deducted from the trade receivables balance at 2013 year-end in this connection amounted to EUR 97,401 thousand (31 December 2012: EUR 106,427 thousand).

Of the net balance of trade receivables, EUR 72,518 thousand (31 December 2012: EUR 82,019 thousand) relate to balances from contracts performed through joint ventures.

13. DERIVATIVE FINANCIAL INSTRUMENTS

The assets and liabilities relating to derivatives included in the accompanying balance sheet and the impact thereof on equity and the income statement are as follows:

	Fair value Assets (Note 9)	Fair value Liabilities (Note 17)	Impact on equity	Impact on the income statement
2013				
Hedging derivatives	—	5,962	(4,234)	—
Other derivatives	274	39,490	—	18,344
	274	45,452	(4,234)	18,344

	Fair value Assets (Note 9)	Fair value Liabilities (Note 17)	Impact on equity	Impact on the income statement
2012				
Hedging derivatives	138	40,039	(29,469)	—
Other derivatives	6,941	74,383	—	(34,648)
	7,079	114,422	(29,469)	(34,648)

Hedging derivatives

Following is a detail of the hedging derivatives arranged by the Company for 2013 and 2012, all of which are cash flow hedges, subdivided according to the hedged transaction, and including the type of derivative, the amounts arranged or notional amounts, the expiry date, the fair value at year-end and the impact on equity net of the tax effect:

2013 Hedged transaction	Type of derivative	Amount arranged	Expiry	Fair value Assets	Fair value Liabilities	Impact on equity
Syndicated loan (Note 17-b)	IRS	612,500	08/05/2014	—	4,219	(2,953)
					4,219	(2,953)
Other payables (Note 17-b)	IRS	9,364	02/04/2024	—	824	(577)
	IRS	4,682	02/04/2024	—	412	(288)
	IRS	3,000	02/04/2024	—	267	(187)
	IRS	2,643	02/04/2024	—	240	(168)
				—	1,743	(1,220)
Share option plan (Note 15)	CALL (2nd plan)	37,065	10/02/2014	—	—	(61)
				—	—	(61)
Total				—	5,962	(4,234)

2012

Hedged transaction	Type of derivative	Amount arranged	Expiry	Fair value Assets	Liabilities	Impact on equity
Syndicated loan (Note 17-b)	IRS	125,549	30/12/2013	—	5,089	(3,562)
	IRS	9,847	30/12/2013	—	374	(262)
	IRS	82,469	30/12/2013	—	3,276	(2,293)
	IRS	108,545	30/12/2013	—	4,965	(3,476)
	IRS	70,160	30/12/2013	—	2,776	(1,943)
	BASIS SWAP	150,000	30/12/2013	—	(362)	253
	BASIS SWAP	111,027	30/12/2013	—	(251)	176
	BASIS SWAP	26,998	28/06/2013	—	(27)	19
				—	15,840	(11,088)
Syndicated loan (Note 17-b)	IRS	1,225,000	08/05/2014	—	21,413	(14,989)
	IRS	15,076	10/10/2013	—	20	(14)
				—	21,433	(15,003)
Other payables (Note 17-b)	IRS	9,761	02/04/2024	—	1,316	(921)
	IRS	4,880	02/04/2024	—	658	(461)
	IRS	3,127	02/04/2024	—	422	(295)
	IRS	2,755	02/04/2024	—	370	(259)
				—	2,766	(1,936)
Share option plan (Note 15)	CALL (1st plan)	61,596	30/09/2013	2	—	(674)
	CALL (2nd plan)	37,065	10/02/2014	136	—	(768)
				138	-	(1,442)
Total				138	40,039	(29,469)

The detail, by maturity, of the notional amount of the hedging transactions arranged at 31 December 2013 is as follows:

	Notional maturity 2014	2015	2016	2017	2018 and subsequent years
IRS (syndicated loan)	612,500	—	—	—	
IRS (other payables)	1,016	1,062	1,135	1,154	15,322
CALL	37,065	—	—	—	

Other derivatives

Following is the detail for 2013 and 2012 of the derivative financial instruments that do not qualify for hedge accounting, subdivided according to the hedged transaction, and including a detail of the type of derivative, the amounts arranged or the notional amount, the expiry date, the fair value at year-end and the impact on the income statement under "Changes in Fair Value of Financial Instruments":

2013

	Type of derivative	Amount arranged	Expiry	Fair value Assets	Liabilities	Impact on the income statement
Share option plan (Note 15)	PUT (1)	53,838	20/01/2014	—	25,559	11,900
	PUT (2nd plan)	37,065	10/02/2014	—	13,410	10,603
	IFE (1)	53,838	20/01/2014	—	234	(1,797)
	IFE (2nd plan)	37,065	10/02/2014	—	13	(2,038)
				—	39,216	18,668
Convertible bonds (Note 14-f)	Trigger call	450,000	31/10/2014	—	—	(324)
				—	—	(324)
Exchange rate hedge	IRS	73,201	21/03/2014	274	—	(1,190)
	IRS	36,600	21/03/2014	—	137	595
	IRS	36,600	21/03/2014	—	137	595
				274	274	—
				274	39,490	18,344

(1) Derivative financial instruments assigned until October 2013 to the first option plan, on which date they expired. The derivatives were renewed partially until January 2014. The impact on results of the portion assigned to the first option plan was a gain of EUR 14,203 thousand for the PUT and a loss of EUR 1,794 thousand for the IFE.

2012						
				Fair value		
	Type of derivative	Amount arranged	Expiry	Assets	Liabilities	Impact on the income statement
Share option plan (Note 15)	PUT (1st plan)	61,596	30/09/2013	—	45,218	(15,657)
	PUT (2nd plan)	37,065	10/02/2014	—	24,014	(10,784)
	IFE (1st plan)	61,596	30/09/2013	538	—	(1,719)
	IFE (2nd plan)	37,065	10/02/2014	928	—	(2,484)
				1,466	69,232	(30,644)
Convertible bonds (Note 14-f)	Trigger call	450,000	31/01/2014	324	—	(4,004)
				324	—	(4,004)
Exchange rate hedge	IRS	73,201	21/03/2014	1,464	—	(912)
	IRS	36,600	21/03/2014	—	732	456
	IRS	36,600	21/03/2014	—	732	456
				1,464	1,464	-
Equity swap	Share Swap	94,990	18/01/2013	—	3,687	(4,576)
	Share Forward	94,990	18/01/2013	3,687	—	4,576
				3,687	3,687	—
				6,941	74,383	(34,648)

14. EQUITY

a) Share capital

The share capital of Fomento de Construcciones y Contratas, S.A. consists of 127,303,296 ordinary bearer shares of EUR 1 par value each.

All the shares carry the same rights and have been fully subscribed and paid.

The shares of Fomento de Construcciones y Contratas, S.A. are included in the selective Ibex 35 index, are publicly listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and are traded through the Spanish stock market interconnection system.

The only investment of 10% or more owned directly or indirectly (through subsidiaries) by other companies, according to the information provided pursuant to current legislation, is that held by B-1998, S.L., which has a direct and indirect ownership interest of 50.029% in the share capital.

The aforementioned company, B-1998, S.L., in which Mrs. Esther Koplowitz Romero de Juseu, Larranza XXI, S.L. and Eurocis, S.A. have direct or indirect ownership interests of 89.653%, 5.339% and 5.008%, respectively, has certain commitments to its shareholders which are recorded and published by the Spanish National Securities Market Commission (CNMV) and in the FCC Group's Corporate Governance Report.

Mrs. Esther Koplowitz Romero de Juseu also directly owns 123,313 FCC shares and indirectly holds 39,172 FCC shares through Dominum Desga, S.A. (4,132 shares) and Ejecución y Organización de Recursos, S.L. (35,040 shares), companies wholly owned by Mrs. Esther Koplowitz Romero de Juseu.

b) Share premium

The Consolidated Spanish Limited Liability Companies Law expressly permits the use of the share premium account balance to increase capital and does not establish any specific restrictions as to its use for other purposes.

c) Legal reserve

Under the Consolidated Text of the Spanish Limited Liability Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve cannot be distributed to shareholders except in the event of liquidation.

The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount.

Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

At 31 December 2013, the legal reserve had reached the stipulated level.

d) Restricted reserves

"Other Reserves" in the accompanying balance sheet notably includes EUR 6,034 thousand of restricted reserves, equal to the par value of the treasury shares retired in 2002 and

2008 which, in accordance with Article 335.c of the Spanish Limited Liability Companies Law, are restricted, unless the same requirements as those stipulated for capital reductions are met.

e) Treasury shares

At 31 December 2013, the Company held 280,670 treasury shares (31 December 2012: 3,292,520 treasury shares), accounting for 0.22% of the share capital and amounting to EUR 6,103 thousand (31 December 2012: EUR 90,228 thousand). The sale of treasury shares in 2013 gave rise to a loss of EUR 40,806 thousand which was recognised under "Other Reserves - Reserves for Treasury Share Transactions" in the accompanying balance sheet (31 December 2012: a loss of EUR 1,516 thousand).

In addition, Asesoría Financiera y de Gestión, S.A., a wholly owned (directly and indirectly) subsidiary of Fomento de Construcciones y Contratas, S.A., does not hold treasury shares of the Company, since it sold all those that it held at 31 December 2012 (9,379,138 shares with a cost on the balance sheet of EUR 253,696 thousand).

The disposals of treasury shares by both the Company and its subsidiary Asesoría Financiera y de Gestión, S.A. were made basically to institutional investors.

f) Other equity instruments

In accordance with recognition and measurement standard 9 of the Spanish National Chart of Accounts, "Other Equity Instruments" includes the measurement of the equity component resulting from accounting for the issue of bonds convertible into shares of the Company, which when added to the amount expressed under "Debt Instruments and Other Marketable Securities" in the accompanying balance sheet, makes up the total amount of the issue of such bonds.

In October 2009 Fomento de Construcciones y Contratas, S.A. launched an issue of bonds exchangeable for shares of the Company, the main characteristics of which were as follows:

- The amount of the issue was EUR 450,000,000 with a maturity date of 30 October 2014.
- The bonds were issued at par and with a face value of EUR 50,000.
- The bonds accrue interest at a fixed annual rate of 6.50% payable every six months.
- The exchange price of the bonds for shares of the Company is EUR 37.85 per share, which means that each bond will be convertible into 1,321 ordinary shares.
- The bonds are convertible or redeemable at the option of the holder or at the option of Fomento de Construcciones y Contratas, S.A., and the terms and conditions for the exercise of the option are included in the "Issue Agreement". Both newly issued shares and old shares held by the Company may be delivered.
- This issue is backed by the Company's equity and there are no other special third-party guarantees.
- The issue is underwritten by financial institutions and is intended for qualified international investors.

The shareholders at the Extraordinary General Meeting of Fomento de Construcciones y Contratas, S.A. held on 30 November 2009 to approve the convertibility of the bonds into shares of the Company passed the following resolutions:

I) Pursuant to Article 414 of the Consolidated Spanish Limited Liability Companies Law, to increase share capital by the amount required to cater for requests by the holders of the bonds to convert them, up to an initially envisaged maximum of EUR 12 million, but subject to possible amendments in accordance with the provisions of the "Issue Agreement".

II) To approve a buy back programme of the Company's treasury shares for the sole purpose of meeting the obligations to deliver treasury shares resulting from the bond issue and capital reduction of the Company mentioned in the following paragraph.

III) To reduce the share capital by means of the retirement of the shares purchased under the buy back programme mentioned above or of the treasury shares already held, including for such purposes the treasury shares made available through a loan to the underwriters of the transaction. This capital reduction may be for a maximum nominal amount equivalent to the number of new shares issued by the Company to meet the requests to exchange the bonds.

In relation to the treasury share buy back programme carried out by the Company in prior years with the intention of avoiding possible dilutive effects arising in the event of the conversion or exchange of the bonds, equal to 9.11% of the share capital, it should be noted that, in view of the current share price and the expiration date of the convertibility option, it is estimated that no shares will be delivered. Accordingly, in 2013 the Company decided to reduce to zero the number of loaned securities, which at 31 December 2012 amounted to 1,144,605 shares.

It should also be noted in relation to this transaction that the Company has a trigger call option that allows it to call the bonds under certain circumstances (Trigger call) (see Note 13).

g) Valuation adjustments

The valuation adjustments relating to hedges are disclosed in Note 13 "Derivative Financial Instruments", and those relating to available-for-sale financial assets are disclosed in Note 9 "Non-Current and Current Financial Assets".

h) Grants

The accompanying balance sheet includes grants received amounting to EUR 6,642 thousand (31 December 2012: same amount), net of the tax effect, with EUR 5,113 thousand having been taken to the income statement (31 December 2012: EUR 4,925 thousand), of which EUR 251 thousand related to 2013 (31 December 2012: EUR 262 thousand) The above amount relates mainly to grants received by the joint ventures through which the Company jointly performs contracts.

15. EQUITY INSTRUMENT-BASED TRANSACTIONS

In accordance with a decision by the Board of Directors of 29 July 2008, Fomento de Construcciones y Contratas, S.A. has a remuneration plan in force for the Executive Directors and Executives which is linked to the value of the Company's shares. The participants in the plan receive a cash amount equivalent to the difference between the value of the shares at the date of exercise and at the reference date set in the plan.

The main features of the plan, which is divided into two tranches, are as follows:

First tranche

- Commencement date: 1 October 2008.
- Exercise period: from 1 October 2011 to 1 October 2013.
- Number of shares: 1,800,000 shares, of which 700,000 correspond to Executive Directors and Senior Executives (12 persons) and the remaining 1,100,000 to other Executives (43 persons).
- The option exercise price is EUR 34.22 per share.

The first plan expired on 1 October 2013 and the value of the share during the exercise period did not at any time exceed the exercise price set. Accordingly, no options were exercised and no cash outflow took place.

Second tranche

- Commencement date: 6 February 2009.
- Exercise period: from 6 February 2012 to 5 February 2014.
- Number of shares: 1,500,000 shares, of which 147,500 correspond to Executive Directors and Senior Executives (12 persons) and the remaining 1,352,500 to other Executives (approximately 225 persons).
- The option exercise price is EUR 24.71 per share.

In accordance with applicable regulations, the Company calculates the present value of the amount to be settled at the end of the plan, and recognises the corresponding provision on a systematic basis with a charge to "Staff Costs" throughout the term of the plan. At each reporting date, the present value of the obligation is re-estimated and any difference with respect to the carrying amount recognised previously is taken to the income statement for the year.

At 31 December 2013, EUR 2,002 thousand of staff costs (31 December 2012: EUR 2,323 thousand), net of the hedges indicated in the following paragraph, had accrued in relation to the obligations to employees.

Initially, the Company arranged with financial institutions a call option and a put option for each of the tranches described above, together with an interest rate/dividend swap with the same exercise price, nominal amount and maturity as the plan. The treasury shares linked to this hedge were delivered to the aforementioned financial institutions. Although the derivatives relating to the first plan matured on the same date as this plan, i.e. 1 October 2013, an agreement was reached with the banks to partially postpone their maturity until 15 January 2014 (see Note 13).

With respect to the hedge effectiveness, only the call option qualifies as a cash-flow hedge and, accordingly, the changes in the fair value thereof are recognised in equity under "Valuation Adjustments" in the accompanying balance sheet, while the put option and the interest rate/dividend swap do not qualify for hedge accounting and, therefore, the changes in their fair value are taken to the income statement.

The impact on equity and on the income statement of the aforementioned derivative financial instruments at 31 December 2013 and 2012 is disclosed in Note 13 to these financial statements.

Lastly, it should be noted that, at the date of authorisation for issue of these financial statements, the second tranche had expired and no options had been exercised.

16. LONG-TERM PROVISIONS

The changes in 2013 were as follows:

	Actions on infrastructure	Litigation	Liabilities and contingencies	Contractual and legal guarantees and obligations	Other	Total
Balance at 31/12/11	12,769	89,259	172,311	86,841	33,588	394,768
Charge for the year	7,158	2,194	6,006	3,384	504	19,246
Amounts used	(174)	(275)	—	(1,014)	(32)	(1,495)
Reversals	—	—	(64,469)	(47,816)	(2,548)	(114,833)
Balance at 31/12/12	19,753	91,178	113,848	41,395	31,512	297,686
Charge for the year	1,867	164	13,601	70,919	6,888	93,439
Amounts used	(942)	(60,689)	—	(1,934)	(574)	(64,139)
Reversals	—	(30,248)	(2,801)	(13,879)	(27,491)	(74,419)
Balance at 31/12/13	20,678	405	124,648	96,501	10,335	252,567

Provisions for actions on infrastructure
Under the service concession arrangements, these provisions cover the actions required to return the infrastructure at the end of the concession term, namely dismantling, retiring or refurbishing these assets, replacement and major repair work and actions taken to improve and enhance capacity. Also, provisions to replace and repair the infrastructure are systematically recognised in profit or loss as the obligation is incurred (see Note 4-a.1).

Provisions for litigation
Provisions for litigation cover the contingencies of the Company acting as defendant in certain proceedings in relation to the liability inherent to the business activities carried on by it, and tax assessments (see Note 20-f). The lawsuits, although numerous, are not expected to have an impact on the Company according to estimates regarding their final outcomes.

Provisions for liabilities and contingencies
Provisions for liabilities and contingencies cover the risks, not included in other categories, to which the Company may be exposed as a result of the activities it carries on. In particular, they include the provisions for covering the risks arising from the expansion of international activity.

Provisions for guarantees and contractual and legal obligations
Provisions for guarantees and contractual and legal obligations include the provisions to cover the expenses arising from contractual and legal obligations of a non-environmental nature.

Other provisions
"Other Provisions" include the items not classified in the foregoing accounts, including provisions to cover environmental contingencies, self-insurance activity and the Company's obligations in relation to equity-based transactions.

17. NON-CURRENT AND CURRENT PAYABLES

"Non-Current Payables" and "Current Payables" include the following:

	Non-current	Current
2013		
Debt instruments and other marketable securities	—	448,012
Bank borrowings	39,353	3,599,928
Obligations under finance leases	12,094	5,966
Derivatives (Note 13)	1,743	43,709
Other financial liabilities	3,461	16,283
	56,651	4,113,898
2012		
Debt instruments and other marketable securities	435,587	4,875
Bank borrowings	1,800,182	1,839,547
Obligations under finance leases	10,825	9,059
Derivatives (Note 13)	48,410	66,012
Other financial liabilities	3,799	9,085
	2,298,803	1,928,578

The detail, by maturity, of "Non-Current Payables" is as follows:

	Maturity					
	2015	2016	2017	2018	2019 and subsequent years	Total
Bank borrowings	7,834	2,397	1,412	4,940	22,770	39,353
Obligations under finance leases	3,651	2,386	3,401	1,173	1,483	12,094
Derivatives	—	—	—	—	1,743	1,743
Other financial liabilities	217	41	41	110	3,052	3,461
	11,702	4,824	4,854	6,223	29,048	56,651

a) Debt instruments and other marketable securities

On 30 October 2009, the Company launched an issue of subordinated convertible bonds amounting to EUR 450,000 thousand. This issue was intended for international institutional investors. The purpose of the issue was to strengthen the balance sheet equity structure due to the bonds' convertible nature and fact that they are subordinate to the corporate loans arranged by the Company, and to diversify the Group's financing base by supplementing the bank financing.

In accordance with applicable accounting regulations, in addition to their financial component, the convertible bonds have another component that is recognised in equity as described in Note 14-f to these financial statements. Note 14-f also describes the terms of the convertible bond issue. The balance recognised in this connection at 31 December 2013 under "Current Payables - Debt Instruments and Other Marketable Securities" in the accompanying balance sheet amounted to EUR 448,012 thousand, which amount was transferred from "Non-Current Payables - Debt Instruments and Other Marketable Securities" since it matures in October 2014. At 31 December 2012, the combined amount recognised under "Non-Current Payables - Debt Instruments and Other Marketable Securities" and "Current Payables - Debt Instruments and Other Marketable Securities" was EUR 440,462 thousand. These bonds traded at 99.99% of par at 31 December 2013 according to Bloomberg.

b) Non-current and current bank borrowings

In 2013 Fomento de Construcciones y Contratas, S.A. decided to commence the overall refinancing of most of its borrowings in order to attain a sustainable financial structure adapted to the forecast cash generation for the various businesses, thereby enabling it to focus on the targets of improving profitability and reducing debt set in the current strategic plan. Therefore, at the beginning of the process, in order to facilitate negotiations of the terms and conditions of the refinancing and to finance, inter alia, the general cash needs of the Company and the FCC Group over the period, a loan agreement was entered into on 15 April 2013 with the financial institutions coordinating the restructuring for EUR 198,214 thousand, which was successively increased up to a maximum of EUR 500,000 thousand on 16 May.

At 2013 year-end, the unpaid amount drawn down against the new liquidity facility amounted to EUR 437,360 thousand. It also forms part of the refinancing together with the other debt to be refinanced.

The refinancing rests, inter alia, on the following main principles:

(a) The bolstering of the Company's and the Group's viability under the Business Plan and the sustainability of the total borrowings considered through the proper adaptation of the repayment schedule to the ability to generate cash.
(b) The rationalisation of the financial and operating structure of the scope of the refinancing, i.e. the companies included in the agreement as borrowers and

guarantors, through the legal and effective isolation of the business areas not included in the scope, with certain exceptions provided for.

(c) The gradual reduction of debt levels by fulfilling, inter alia, the Divestments Plan and Operational and Cost Reduction Plan that form part of the Business Plan.

Main milestones reached:

- In April 2013 an agreement, which currently extends until 31 March 2014, was reached to defer debt maturities during the negotiation period, i.e. Standstill agreements in respect of the syndicated transactions and extension agreements to the bilateral loans included among the borrowings to be refinanced.
- A terms and conditions document was subsequently prepared which lays down the refinancing structure and which in December 2013 received a favourable response to the terms and conditions of the proposed refinancing from the banks holding more than 95% of the total volume of the borrowings.
- Also, in accordance with Article 71.6 and, if necessary, Additional Provision Four of Insolvency Law 22/2003, of 9 July, an independent expert was appointed to report on the refinancing agreement and on the reasonableness and feasibility of the Group's business plan.
- At the date of preparation of these notes to the financial statements, lenders holding 99.4% of the total volume of the borrowings affected by the refinancing had approved it; certain conditions precedent must be complied with in order for the refinancing contract to become definitively legally binding.

Refinancing structure:

1. The total amount is EUR 4,512,414 thousand, which replaces the debt existing in various syndicated and bilateral structures for the same amount.
2. Tranches:
   (a) Tranche A: EUR 3,162,414 thousand to be treated as a commercial loan; and
   (b) Tranche B: EUR 1,350,000 thousand and of the same guaranteed nature as Tranche A, which includes, under certain circumstances, a right to convert into shares at market price without a discount for the outstanding balance at maturity (PIK component).
3. Maturity at four years from the agreement date.
4. Repayment schedule: as regards Tranche A, EUR 150,000 thousand at 24 months and EUR 175,000 thousand at 36 months, and the remainder on maturity.
5. The refinancing agreement establishes that, in the event of a capital increase at FCC, the funds obtained from the increase may be earmarked for the acquisition of Tranche B debt through a Dutch auction process.

As a supplement to the main refinancing agreement, a financial stability framework agreement was entered into that regulates the products necessary for daily activity: guarantees, leases, full-service leases, reverse factoring, factoring and German models. This agreement includes the grant of a new international guarantee facility amounting to EUR 250,000 thousand extendible to EUR 450,000 thousand.

The Company reclassified all the credit facilities and loans affected by this refinancing process and formally maturing in more than 12 months as current and, accordingly, substantially all bank borrowings are recognised as current in the accompanying balance sheet.

As regards the financial ratios of the syndicated corporate agreements in force, the FCC Group and the financial institutions have reached a de facto agreement that the ratios contained in these agreements shall not be calculated, since they will be replaced, as soon as the refinancing enters into force, by new ratios agreed upon in the agreement.

In addition, since the terms of the syndicated corporate agreements require the Company to submit the certificate of achievement of the financial ratios within the 180 days following year-end, the Company would not be required to submit the certificate of achievement of the financial ratios relating to 2013 until 30 June 2014, at which date it is expected that the refinancing will have entered into force (rendering void the previous ratios).

Lastly, it should be noted that, even if a (presumably dissenting) bank were in theory to cite a failure to achieve the financial ratios under the former agreements, the early repayment of the loan agreements requires the approval of the majority of the banks (between 50.1% and 66.66%, depending on the agreement). Therefore, a request for early repayment could be rejected by a blocking minority (between 33.33% and 49.9%, depending on the agreement), which, given the degree of adherence to the agreement, it is reasonable to assume will be easily obtained.

At 2013 year-end, the short-term and long-term credit limit granted to the Company by the banks amounted to EUR 4,017,793 thousand (31 December 2012: EUR 3,829,935 thousand), EUR 387,799 thousand of which had not been drawn down at 31 December 2013 (31 December 2012: EUR 195,998 thousand).

With regard to the credit facilities and loans arranged by the Company in prior years that were in force at the balance sheet date, it is important to note the following, all of which were assigned to the refinancing process:

- On 26 March 2012, Fomento de Construcciones y Contratas, S.A. completed the refinancing of a syndicated credit of EUR 451 million that matured on 29 April 2012. The twelve banks that were involved in the original transaction participated in the refinancing. The transaction matures in three years (on 30 April 2015), with a 10% repayment in April 2014 and a 10% repayment in October 2014. It consists of a single tranche loan of EUR 438.5 million.
- On 17 July 2012, Fomento de Construcciones y Contratas, S.A. completed the refinancing of a long-term financing line of EUR 800 million, which matured on 19 July 2012. In December 2011, EUR 140 million were repaid and, accordingly, the outstanding loan amount was EUR 660 million. Sixteen entities took part in the refinancing. The operation matures in three years (on 19 July 2015), with a 10% repayment in July 2014 and a 10% repayment in January 2015. It consists of two tranches, a loan of EUR 178.1 million and a credit facility of EUR 330.8 million.
- On 11 August 2011, Fomento de Construcciones y Contratas, S.A. entered into a syndicated loan to finance part of the 2011 investment plan for EUR 120,000 thousand, maturing in three years (11 August 2014). The participating banks are ICO, BBVA and Santander. The first repayment of 20% fell due in 2013 and the rest upon maturity.
- On 30 July 2010, Fomento de Construcciones y Contratas, S.A. refinanced the syndicated loan of EUR 1,225 million that matured on 8 May 2011 under a Forward Start arrangement. This loan matures in three years (on 8 May 2014) with repayment of 50% in 2013. It consists of three tranches: the first, a EUR 735 million loan, the second, a EUR 490 million credit facility and the third, a new money tranche of EUR 62 million available from 1 January 2011. Therefore, the amount of the new transaction totals EUR 1,287 million. Various financial derivatives associated with the syndicated loan have been arranged.
- Syndicated loan arranged on 25 January 2007. This loan replaced the bridge loan of EUR 1,030,000 thousand arranged in 2006 as part of the structured recourse financing for the acquisition of the British company Waste Recycling Group Ltd and its corporate group, currently the FCC Environment Group. The loan is structured in two tranches: the first for an initial amount of EUR 819,700 thousand and the second for GBP 200,000 thousand. Both tranches mature in December 2013, with half-yearly settlements of 4.615% of the total initial amount of the loan and a final payment of 40.005% of the loan. The interest rate on the euro tranche is Euribor plus a spread calculated on the basis of the variation in the Net Financial Debt/EBITDA Ratio. The spread established for the euro tranche is also applicable to the tranche denominated in pounds sterling.

In 2013 an agreement was entered into whereby the maturities falling due in 2013 of the Forward Start facility, the syndicated loan of EUR 120 million with ICO, BBVA and Santander, the syndicated loan relating to the acquisition of FCC Environment and the new liquidity facility arranged on 15 April 2013, were postponed until 31 March 2014.

18. TRADE AND OTHER NON-CURRENT AND CURRENT PAYABLES

a) Accounts payable to Public Authorities

The entire balance of "Trade and Other Non-Current Payables" and a portion of the balance of "Other Accounts Payable to Public Authorities" under "Trade and Other Current Payables" (see Note 20-a) include the deferral of the payment of certain taxes and social security contributions, authorised by the Large Taxpayers Central Office of the State Tax Agency and the Social Security General Treasury, respectively. The deferred amounts are payable monthly up to a maximum of four years at an interest rate of 5%.

The detail of the aforementioned deferred payments is as follows:

	2013	2012
Non-current	136,430	103,132
Current	105,243	46,288
	241,673	149,420

b) Deferral of payment to suppliers in commercial transactions

In relation to the resolution issued by the Spanish Accounting and Audit Institute (ICAC) on 29 December 2010 implementing Additional Provision Three of Law 15/2010, of 5 July, on combating late payment in commercial transactions, it should be noted with respect to 2013 that in Spain the Company operates mainly with public-sector customers such as the State, Autonomous Communities, local corporations and other public bodies which take longer to settle their payment obligations than the periods established in Public Sector Contract Legislation and in Law 3/2004, of 29 December, on combating late payment.

It is also important to note that in 2013, the provisions of Article 228.5 of the current Consolidated Text of the Public Sector Contract Law ("TRLCSP") were applied to work and supplies arising from agreements entered into by the Company with the various Public Authorities.

Due to this situation, in order to adapt the Company's financial policy to reasonable levels of efficiency, the usual payment periods to the suppliers in the sectors in which the Company operates were maintained throughout 2013.

The Company's supplier payment policy described in the two preceding paragraphs is thus supported by a) Payments to suppliers of agreements entered into by the Company with the Public Authorities: in Article 228.5 of the TRLCSP (all the requirements of which were met) and b) Payments to other suppliers: in Transitional Provision Two of Law 15/2010 and, where applicable, the provisions of Article 9 of Law 3/2004, which does not consider "payment deferral due to objective reasons" to be abusive, taking into consideration in both case a) and case b) the usual payment period in the business sectors in which the Company operates.

Furthermore, the Company acknowledges and pays suppliers, always by mutual agreement, the late-payment interest agreed in the agreements and provides them with negotiable payment methods associated with actions for collection of a bill of exchange, and the discount costs, if any, are borne by the Company. Such agreements, which are expressly provided for in the TRLCSP, as described above, are also allowed by Directive 2011/7/EU of 16 February, of the European Parliament and of the Council.

In compliance with the aforementioned ICAC resolution, the following table shows the payments made and the outstanding payments to suppliers.

PAYMENTS MADE AND OUTSTANDING PAYMENTS AT THE BALANCE-SHEET DATE	2013		2012	
	Amount	%	Amount	%
Within the maximum payment period	127,000	84	114,764	70
Other	24,494	16	49,056	30
Total payments made in the year	151,494	100	163,820	100
Weighted average period of late payment	85 days		76 days	
Payments at year-end not made in the maximum payment period	19,870		13,257	

19. INFORMATION ON THE NATURE AND RISKS OF FINANCIAL INSTRUMENTS

The concept of financial risk refers to the changes in the financial instruments entered into by Fomento de Construcciones y Contratas, S.A. as a result of political, market and other factors, the repercussion thereof on the maximisation of the available financial resources at a reasonable cost, and their impact on the financial statements.

The risk management philosophy of the Company and the FCC Group is consistent with its business strategy and seeks to achieve maximum efficiency and solvency at all times. To this end, strict financial risk management and control criteria have been established, consisting of identifying, measuring, analysing and controlling the risks incurred in the Group's operations, and the risk policy has been integrated into the Group organisation in the appropriate manner.

In line with this risk policy, the Company enters into hedges initially to hedge the underlying transaction and not for speculative purposes.

In view of the Company's activities and the transactions through which it carries on its business, it is currently exposed to the following financial risks:

Capital risk

The Company and the FCC Group manage capital to ensure that the companies comprising the Group are able to continue as profitable and solvent businesses.

In line with the Strategic Plan approved in 2013, the whole Group's strategy is based on:

- the concentration of strategic businesses (engineering and performance of large infrastructure projects, urban waste management and water management and treatment);
- selective profitable international presence;
- generation of recurring cash flows; and
- debt adapted to cash-flow generation.

The cost of capital and the associated risks of each investment project are analysed by the Operational Areas and the Finance Division, with reports from other functional areas, if required, and are subsequently approved or rejected by the corresponding committee or by the Board of Directors.

One of the objectives of this investment analysis, in addition to the habitual objectives (profitability, return period, risk assumed, strategic and market assessment), is to ensure levels of debt comply with the obligations assumed with the banks. In the investment analysis, the project's self-sufficiency from a cash-flow point of view shall take precedence over all of these.

Financial Management, which is responsible for the management of financial risks, periodically reviews the financial debt and compliance with the financing obligations and the capital structure of the subsidiaries.

Interest rate risk

The Company's and the Group's interest rate risk arises from changes in cash flows relating to borrowings bearing interest at floating rates as a result of fluctuations in market interest rates, which in turn change the future cash flows generated by assets and liabilities tied to floating interest rates.

In order to ensure a position that is in the Company’s best interest, and to optimise the cost of financing and income statement volatility, an interest rate risk management policy is actively implemented based on the ongoing monitoring of markets and the assumption of different positions based primarily on the asset financed.

Given the nature of the Company's activities, which are closely linked to inflation, its financial policy consists of ensuring that both its current financial assets, which to a large extent provide natural hedging for its current financial liabilities, and the Company’s debt are partially tied to floating interest rates.

The Company manages floating-rate debt proactively through the on-going monitoring of market interest rate trends and the analysis of the advisability of entering into interest rate hedges to minimise this risk. Stable rates in 2013 gave rise to very stable levels of interest rate risk in 2013.

The reference interest rate for the bank borrowings arranged in euros is mainly Euribor.

Furthermore, as part of its risk management policy, the Company performed interest rate hedging transactions in 2013, ending the year with various hedging instruments of varying maturities on 66.96% of the total net debt.

Complying with the policy of classifying original instruments as hedges, the Company has entered into interest rate hedges, mainly swaps (IRSs), which guarantee fixed interest rates.

Sensitivity analyses are carried out periodically in order to observe the effect of a possible change in interest rates on the Company's accounts. Accordingly, a simulation was performed using, on the one hand, three rising basic yield curve scenarios around 0.45% at 31 December 2013, assuming increases in the curve of 25 bp, 50 bp and 100 bp and, on the other hand, a falling yield curve scenario, assuming a fall of 25 bp at year-end.

The amounts obtained in relation to the derivatives in force at year-end with an impact on equity are shown below (in thousands of euros).

	Hedging derivatives			
	-25 bp	+25 bp	+50 bp	+100 bp
Impact on equity	(489)	683	1,361	2,698

Changes in the value of financial derivatives entered into by the Company for hedging purposes (see Note 13 "Derivative Financial Instruments") are recognised mainly in reserves.

With regard to derivatives that do not qualify for hedge accounting it should be noted that the impact on the income statement of application of the sensitivity test on the same terms as those indicated above would be irrelevant.

As in the case of derivatives, the table below summarises the effect that the aforementioned increases and decreases in the interest rate yield curve on the net debt, after excluding any hedged debt, would have on the Company's income statement:

	Net debt			
	-25 bp	+25 bp	+50 bp	+100 bp
Impact on the income statement	(1,607)	1,607	3,215	6,430

Foreign currency risk

A noteworthy consequence of the FCC Group's positioning in international markets is the exposure resulting from net positions in foreign currencies against the euro or in one foreign currency against another when the investment and financing of an activity cannot be made in the same currency.

The general policy of the Company and the FCC Group is to mitigate, as far as possible, the adverse effect on its financial statements of exposure to foreign currencies, with regard to both transactional and purely equity-related changes. The Company therefore manages the effect that foreign currency risk can have on the balance sheet and the income statement.

The Company and the Group actively manage the foreign currency risk by arranging financial transactions in the same currency as that in which the related asset is denominated, i.e. efforts are made to obtain in local currency the financing required for the local activity of the company in the country of origin of the investment, with a view to creating a natural hedge or a matching of the cash flows to the financing. However, there are occasions when, due to the weakness of the currency of the country of origin of the investment, this is not possible because long-term financing cannot be obtained in that currency. In this case, financing will be obtained either in the currency of the consolidated group or in the most closely correlated foreign currency.

Solvency risk

It is important to note with regard to "Solvency Risk" that, although the Company's financial statements present losses of EUR 436,494 thousand, these relate mostly to accounting losses or, in the case of non-recurring losses, as a result of asset write-downs, impairment losses on goodwill and adjustments to various investments at the Azincourt groups performed by FCC Environment (UK), Energy, Realia Business, Globalvía Infraestructuras and FCC Construcción. These are operating losses that have no effect on cash and that will not affect the FCC Group's borrowings in the future (and, therefore, will not affect its solvency risk either).

Liquidity risk

This risk results from the timing mismatches between the funds generated by bank financing activities and divestments, and the funds needed for the payment of debts, working capital requirements, business investment commitments, etc.

The Company is present in various markets in order to facilitate the obtainment of financing and to mitigate liquidity risk.

Fomento de Construcciones y Contratas, S.A., as Parent of the FCC Group, considers that the adverse performance of certain markets and businesses in which the Group has been carrying on its activity gave rise to the recognition of considerable losses in 2013, as a result mainly of the need to recognise significant write-downs of the goodwill of several investees, associates and discontinued operations, and to implement actions aimed at laying the foundations of a strategic re-focus, involving the withdrawal from certain Construction and Cement markets, and the costs of restructuring certain activities.

Noteworthy among the liquidity risks arising in 2013 was that relating to Alpine, the subsidiary of FCC Construcción, S.A. in Central and Eastern Europe, which firstly initiated solvency proceedings and subsequently entered into liquidation. These events took place in June 2013 following a noticeable deterioration in its activity, especially from the second quarter of the year, and its resulting inability to meet the obligations under the refinancing agreements entered into in March 2013. Accordingly, all of Alpine's assets were reduced to zero in the consolidated financial statements of FCC, EUR 423.9 million of which relate to the write-off of the investment therein, together with the results of the company until the date it ceased to be consolidated and the provisions recognised for the possible risks associated with the on-going liquidation process. The net financial debt associated with Alpine, without recourse to the Parent of the FCC Group, was EUR 741.2 million at 2012 year-end. As a result of the above, Fomento de Construcciones y Contratas, S.A., which in turn wholly owns FCC Construcción, S.A., recognised an impairment loss of EUR 273,116 thousand on its investment in this company.

At 31 December 2013, the Company had a working capital deficiency of EUR 3,005 million and current bank borrowings amounting to EUR 4,114 million. Despite the above, the Directors of Fomento de Construcciones y Contratas, S.A. prepared these financial statements in accordance with the going-concern principle of accounting, since they have no doubts regarding the capacity of the Company or its group to refinance or restructure their financial debt, or to generate resources from its operations and through the disposal of non-strategic assets to enable it to adapt the financial structure to the situation of the businesses and the cash flows forecast in the 2013-2015 Business Plan. This period is also covered by the Strategic Plan undertaken by the Company and the Group, which includes the following main objectives:

- To substantially improve the profitability of the activities carried on by the Group, particularly its international operations, the main source of its growth.
- To reduce the net financial debt through the disposal of non-strategic businesses.
- To focus investment on businesses offering higher returns and development possibilities, either directly or through financial partners.
- To adapt the organisational structure and the management systems to this new scenario.

Furthermore, in the preparation of the accompanying financial statements, the following mitigating factors were taken into consideration with regard to any possible uncertainty as to the applicability of the going-concern principle:

- Note 17-b "Non-Current and Current Bank Borrowings" includes a detail of the refinancing process launched in 2013.
- The Group also had cash and current financial assets amounting to EUR 1,380 million.
- At 31 December 2013, the Group had drawable credit amounting to EUR 601 million in various working capital credit facilities.
- A significant portion of the FCC Group's current bank borrowings, amounting to EUR 1,458 million, is without recourse to the Parent. The following items are worthy of note in these borrowings without recourse:
  - Limited recourse project financing loans: EUR 492 million. These relate mainly to the debt associated with the acquisition of the FCC Environment (UK) Group (formerly the WRG Group).
  - The Cementos Portland Valderrivas Group's financial debt without recourse to the Parent, amounting to EUR 967 million.
- During the implementation of the Disposals Plan in 2013, as part of the Strategic Plan, sales of assets for an estimated EUR 917.1 million were agreed upon.
- The second Supplier Payment Plan approved in July 2013 structured receivables from the Spanish Public Authorities into two tranches, the fourth quarter of 2013 and the first quarter of 2014.

  At 31 December 2013, the FCC Group had past-due collection rights of over EUR 600 million from various Public Authorities.

- Against the current mascroeconomic backdrop, in December 2013 new measures were approved that will give rise to an improved collection period for balances with Public Authorities. On the one hand, an Organic Law was approved to control commercial debt in the public sector, the objective of which is to reduce the average payment period to public sector suppliers to 30 days.
  On the other hand, on 28 December 2013, a new Law was published that encourages the use of electronic invoicing and establishes an accounting register for invoices in the public sector, which should be operational from 1 January 2015. All this will enable procedures regarding payment to suppliers to be sped up and will give unpaid invoices a greater level of assurance.
- In 2013 the Group's Management, Budget and Planning Control Department was strengthened. The Department discharges, among others, the following functions:
  - the review and validation of whether the projects in the Group's portfolio fulfil the contractual objectives entered into and validated at the bidding stage, i.e. whether they achieve the desired quality, delivery dates and economic results;
  - the review and validation of whether the definitive versions of the bids delivered to external customers fulfil the requirements established by the Company in terms of margin, cash-flow generation, return on investment and risk;
  - the analysis of the FCC Group's economic and financial performance.

All of these factors, together with the strategic guidelines mentioned above that have already been launched, should contribute to a significant improvement in the Group's gross profit from operations, enhanced management of working capital and of the risks associated with international expansion, and a reduction in net financial debt. The objective established in the Strategic Plan is to increase gross profit from operations and to reduce the net financial debt to levels considered appropriate to the characteristics and recurrent nature of most of the Group's businesses.

For the same reason as explained in the previous section with reference to "Solvency Risk", the losses recognised in 2013 will not affect the Company's future liquidity as they refer mainly to accounting or non-recurring losses.

In order to optimise its financial position, the Company and the FCC Group implement a proactive policy to manage liquidity risk which includes exhaustive monitoring on a fortnightly basis of the current and forecast cash position. For the purpose of ensuring liquidity and enabling them to meet all the payment obligations arising from their business activities, the Company and the Group have the cash and cash equivalents disclosed in the balance sheet, together with the credit and financing facilities detailed in Note 17.

With a view to improving its liquidity position, the Company actively manages collection from its customers to ensure they meet their payment obligations.

Credit risk

The provision of services or the acceptance of orders from customers, whose financial solvency cannot be guaranteed at the time of acceptance, is not known or cannot be assessed by the Company, together with situations that may arise during the provision of a service or execution of an order that could affect the customer's financial position could result in the risk of non-payment of the amounts owed.

The following financial assets are exposed to credit risk:

- Current and non-current financial assets.
- Hedging financial instruments.
- Trade and other receivables.
- Financial assets included in cash and cash equivalents.

Fomento de Construcciones y Contratas, S.A. requests commercial reports and assesses the financial solvency of its customers before entering into agreements with them and also engages in on-going monitoring of customers, and has a procedure in place to be followed in the event of insolvency. In the case of public customers, the Company follows the policy of not accepting projects without an allocated budget and financial approval. Furthermore, late payment is monitored on an ongoing basis by specific bodies, including the risk committees.

Concentration risk

This risk arises from the concentration of financing transactions with common features such as:

- Sources of financing: the Company and the FCC Group obtain financing from over 70 Spanish and international financial institutions.
- Markets / geographical areas (domestic and foreign): the Company operates basically in the domestic market and, therefore, the debt is concentrated mainly in euros.
- Products: the Company arranges a broad spectrum of financial products, including loans, credit facilities, debt instruments, syndicated transactions and discounting facilities.

20. DEFERRED TAXES AND TAX MATTERS

a) Tax receivables and payables

The detail of the tax receivables and payables from/to Public Authorities is as follows:

a.1) Tax receivables

	2013	2012
Non-current		
Deferred tax assets	220,126	144,758
	220,126	144,758
Current		
Current tax assets	21,894	—
Other accounts receivable from Public Authorities	7,637	9,855
	29,531	9,855

"Deferred Tax Assets" includes basically, inter alia, the temporary differences arising from period depreciation and amortisation, provisions, impairment losses on investments and finance costs recognised that will be tax deductible in subsequent years, the deferral of losses contributed by joint ventures which will be included in the tax base for the following year and the temporary differences arising from the liability balance on measurement of derivatives.

Management of Fomento de Construcciones y Contratas, S.A., Parent of tax group 18/89 (see Note 20-g), assessed the recoverability of the deferred tax assets by estimating the future tax bases relating to this group and concluded that there are no doubts as to their recoverability in a period of no more than ten years.

a.2) Tax payables

		2013		2012
Non-current				
Deferred tax liabilities		87,203		101,740
Other accounts payable to Public Authorities		136,430		103,132
		223,633		204,872
Current				
Current tax liabilities		—		4,067
Other accounts payable to Public Authorities:		157,448		125,637
Tax withholdings payable	10,189		10,762	
VAT and other indirect taxes payable	20,900		27,017	
Accrued social security taxes payable	16,283		19,734	
Deferral of payment to Public Authorities (see Note 18)	105,243		46,288	
Other	4,833		21,836	
		157,448		129,704

"Deferred Tax Liabilities" includes mainly the deferral of the depreciation charge relating to the non-current assets held under leases and that relating to investments in property, plant and equipment subject to accelerated depreciation pursuant to Law 4/2008, in addition to the deferral of the profits contributed by joint ventures which are included in the tax base for the following year.

b) Reconciliation of the accounting profit (loss) to the taxable profit

The reconciliation of the accounting profit (loss) to the taxable profit for income tax purposes is as follows:

	2013			2012		
Accounting profit (loss) for the year before tax			(470,068)			(746,514)
	Increase	Decrease		Increase	Decrease	
Permanent differences	815,732	(4,292)	811,440	954,870	(26,646)	928,224
Adjusted accounting profit			341,372			181,710
Temporary differences						
- Arising in the year	301,108	(18,718)	282,390	220,089	(22,095)	197,994
- Arising in prior years	61,624	(16,188)	45,436	59,486	(118,306)	(58,820)
Taxable profit			669,198			320,884

The above table includes notably the permanent differences relating to 2013 and 2012. These differences arose from the impairment losses on the investments in investees which form part of the tax group 18/89 and, therefore, any reversal of the impairment loss in question in the coming years would be performed under the same item.

The changes in deferred tax assets and liabilities in 2013 and 2012 were as follows:

	Deferred tax assets	Deferred tax liabilities
Taxable timing differences		
Balance at 31/12/11	92,158	104,892
Arising in the year	66,027	6,629
Arising in prior years	(35,492)	(17,846)
Tax assets	6,736	—
Other adjustments	(126)	(18,753)
Balance at 31/12/12	129,303	74,922
Arising in the year	90,332	5,615
Arising in prior years	(4,856)	(18,487)
Tax assets	(1,753)	—
Other adjustments	5,285	1,224
Balance at 31/12/13	218,311	63,274

	Deferred tax assets	Deferred tax liabilities
Temporary differences arising in the balance sheet		
Balance at 31/12/11	20,453	25,617
Arising in the year	—	1,201
Arising in prior years	(4,998)	—
Balance at 31/12/12	15,455	26,818
Arising in the year	—	—
Arising in prior years	(13,640)	(2,889)
Balance at 31/12/13	1,815	23,929
Total at 31/12/13	220,126	87,203

c) Tax recognised in equity

At 31 December 2013, the tax recognised in equity related basically to the change in value of the Company's hedging instruments amounting to EUR 1,319 thousand (31 December 2012: EUR 12,069 thousand).

d) Reconciliation of the accounting result to the income tax expense

The reconciliation of the accounting result to the income tax expense is as follows:

	2013	2012
Adjusted accounting profit	341,372	181,710
Income tax charge (30%)	102,412	54,513
Tax credit for intra-Group double taxation	(131,157)	(89,761)
Reinvestment tax credit	(31)	(297)
Other tax credits and tax relief	(1,017)	(2,098)
Other adjustments	(3,781)	6,888
Income tax expense	(33,574)	(30,755)

e) Tax loss and tax credit carryforwards

At 2013 year-end the Company did not have any tax loss carryforwards.

In addition, it should be noted that the Company had tax credit carryforwards and, consequently, recognised the tax credit for reinvestment of extraordinary income arising in 2011 from the sale of the Torre Picasso building, amounting to EUR 4,983 thousand, which will be used in subsequent years (31 December 2012: EUR 6,736 thousand). The income qualifying for the tax credit for reinvestment amounted to EUR 81,700 thousand. This reinvestment must be made by 2014 at the latest in the assets listed in Article 42 of Legislative Royal Decree 4/2004, which will be retained during the legally established periods.

f) Years open for review and tax audits

Fomento de Construcciones y Contratas, S.A. has all the years not yet statute-barred open for review by the tax authorities for the taxes applicable to it. The criteria that the tax authorities might adopt in relation to the years open for review could give rise to contingent tax liabilities which cannot be objectively quantified. However, the Group's Senior Executives consider that any resulting liabilities would not significantly affect the Company's equity.

With respect to the years reviewed, it should be noted that the Company has not been issued tax assessments for significant amounts in the last four years and has filed the corresponding appeals, unless it has signed assessments on an uncontested basis. In 2012 the Supreme Court handed down a judgment rejecting the appeal filed previously by the Company in relation to the income tax assessments for the years from 1991 to 1994. The sentence was enforced in 2013 and did not affect the Company's equity since provisions had been recognised for these tax assessments (see Note 16).

To comply with the legal requirements concerning transfer pricing, the Company has established the necessary procedures to support its transfer prices and considers that there are no significant risks that they could give rise to any contingent liabilities.

g) Other tax disclosures

Under authorisation 18/89, Fomento de Construcciones y Contratas, S.A. files consolidated income tax returns with all the other Group companies that meet the requirements established by tax legislation.

21. GUARANTEE COMMITMENTS TO THIRD PARTIES AND OTHER CONTINGENT LIABILITIES

At 31 December 2013, Fomento de Construcciones y Contratas, S.A. had provided EUR 595,598 thousand (31 December 2012: EUR 523,723 thousand) of guarantees, mostly consisting of completion bonds provided to Government Agencies and private-sector customers as security for the provision of urban cleaning contract services.

At 2013 year-end the Company had also provided guarantees to third parties for certain Group companies amounting to EUR 507,227 thousand (31 December 2012: EUR 509,714 thousand). These include, most notably, EUR 321,104 thousand relating to Environmental Services companies that mainly guarantee loans granted to them by banks, and EUR 133,782 thousand relating to Construction companies in relation to the activity carried on by them. Guarantees amounting to EUR 29,658 thousand were also provided to third parties for companies in the Energy Area (see Note 11).

Fomento de Construcciones y Contratas, S.A. and the joint ventures in which it has interests are acting as defendants in lawsuits in relation to the liability inherent to the various business activities carried on by the Company in the performance of the contracts awarded, for which the related provisions have been recognised (see Notes 16 and 4-j). Accordingly, any resulting liabilities would not have a significant effect on the Company's equity.

22. INCOME AND EXPENSES

The net revenue and the income from sales and services include the dividends and the accrued interest on the financing granted to investees. Substantially all of the balance of "Sales and Services" was earned in Spain. However, it is important to note that in 2012 EUR 262,276 thousand were generated abroad, specifically by the project to construct Line 1 of the Panama City metro (see Note 2).

The detail, by area, of "Sales and Services" is as follows:

	2013	2012
Environmental Services	1,200,717	1,221,400
Integral Water Management	66,996	57,621
Construction	—	262,276
	1,267,713	1,541,297

“Finance Income From Marketable Securities and Other Financial Instruments of Group Companies and Associates” includes the interest earned on the financing granted to investees (see Note 10), which includes most notably that relating to FCC Construcción, S.A., amounting to EUR 69,795 thousand (31 December 2011: EUR 56,286 thousand) and to Azincourt Investment, S.L., amounting to EUR 34,733 thousand (31 December 2012: EUR 35,040 thousand).

As regards the transactions with Group companies and associates, Fomento de Construcciones y Contratas, S.A. performed work and services amounting to EUR 70,250 thousand (31 December 2012: EUR 61,998 thousand). These include most notably EUR 22,044 thousand (31 December 2012: EUR 15,928 thousand) billed to FCC Construcción, S.A., which is wholly owned by the Company. In addition, the Company also acquired services and purchased consumables from Group companies and associates amounting to EUR 34,088 thousand (31 December 2012: EUR 39,712 thousand).

At 31 December 2013, "Staff Costs" included EUR 13,547 thousand relating to the cost of the collective redundancy procedure carried out by the Company in 2013. This amount includes termination benefits and the estimated social security obligations arising from this collective redundancy procedure. On 13 August 2013, the Company formally notified the workers' representatives of the commencement of a consultation period in relation to the collective redundancy procedure at Central Services on economic, organisational and production-related grounds for the termination of 222 employment contracts. The Directorate-General for Employment of the Spanish Ministry of Employment and Social Security was notified of this circumstance. On 10 September 2013, the Company and the workers' representatives reached an agreement, to remain in force until 31 January 2014, whereby the number of employment contracts to be terminated was lowered to a maximum of 155. However, at the reporting date, most of the redundancies had been carried out.

23. RELATED PARTY TRANSACTIONS AND BALANCES

a) Related party transactions

The detail of the transactions with related parties in 2013 and 2012 is as follows:

	Group companies	Joint ventures	Associates	Total
2013				
Services rendered	60,365	9,005	880	70,250
Services received	33,513	349	226	34,088
Dividends	434,338	2,929	1,198	438,465
Finance costs	26,406	—	—	26,406
Finance income	147,124	2,113	1	149,238
2012				
Services rendered	50,311	10,765	922	61,998
Services received	39,167	334	211	39,712
Dividends	296,486	3,844	74	300,404
Finance costs	48,205	30	—	48,235
Finance income	131,678	2,533	11	134,222

b) Related party balances

The detail of the related party balances at 31 December 2013 is as follows:

	Group companies	Joint ventures	Associates	Total
2013				
Current financial assets (Note 10)	918,989	2,078	3,506	924,573
Non-current financial assets (Note 10)	2,884,865	8,918	8,311	2,902,094
Current payables (Note 10)	516,057	25	—	516,082
Trade receivables	44,492	5,930	205	50,627
Trade payables	17,067	131	54	17,252
2012				
Current financial assets (Note 10)	582,513	62,628	3,497	648,638
Non-current financial assets (Note 10)	3,613,713	483,528	12,875	4,110,116
Current payables (Note 10)	971,445	21,538	—	992,983
Trade receivables	40,673	4,935	401	46,009
Trade payables	14,918	373	60	15,351

The detail of the trade receivables from and payables to Group companies and associates is as follows:

Company	2013 Receivable	2013 Payable	2012 Receivable	2012 Payable
FCC Construcción, S.A.	19,927	1,361	17,569	862
Aqualia Gestión Integral del Agua, S.A.	4,678	1,614	3,853	1,504
Limpieza e Higiene de Cartagena, S.A.	3,385	14	4,649	—
Servicios Urbanos de Málaga, S.A.	1,941	—	1,029	—
FCC Ámbito, S.A.	1,879	275	1,242	308
Ingeniería Urbana, S.A.	1,866	—	1,656	—
FCC Industrial e Infraestructuras Energéticas, S.A., Sole-Shareholder Company	1,551	1,567	109	221
Societat Municipal Mediambiental d'Igualada, S.L.	1,551	—	1,160	—
Empresa Comarcal de Serveis Mediambientals del Baix Penedès ECOBP, S.A.	1,543	—	1,102	—
Serveis Municipals de Neteja de Girona, S.A.	1,336	—	1,285	—
A.S.A. Group	1,334	—	1,016	—
Gandia Serveis Urbans, S.A.	1,111	—	305	—
Ecoparc del Besòs, S.A.	1,078	12	1,654	27
FM Green Power Investments, S.L.	1,023	—	1,026	—
FCC Medio Ambiente, S.A.	1,023	734	1,134	451
Manipulación y Recuperación MAREPA, S.A.	710	36	641	18
Aqualia Infraestructuras, S.A.	573	631	344	305
Palacio de Exposiciones y Congresos de Granada, S.A.	474	36	167	—
Servicios Especiales de Limpieza, S.A.	437	1,607	417	1,130
Conservación y Sistemas, S.A.	—	—	1,070	175
Other	3,207	9,365	4,581	10,350
	50,627	17,252	46,009	15,351

c) Remuneration of the Directors of the Company and Senior Executives of the FCC Group

The Directors of Fomento de Construcciones y Contratas, S.A. earned the following amounts (in thousands of euros):

	2013	2012
Fixed remuneration	2,950	3,445
Other remuneration	784	1,149
	3,734 (*)	4,594

(*) Furthermore, EUR 7,500 thousand should be added to the figures in the foregoing table in relation to the termination benefit agreed upon with the former CEO for early termination of his contract.

The Senior Executives listed below, who are not members of the Board of Directors, earned total remuneration of EUR 4,192 thousand in 2013 (2012: EUR 6,015 thousand).

2013	
Mr. Agustín García Gila	Chairman of FCC Medio Ambiente
Mr. Eduardo González Gómez	Chairman of Energy and Chairman of Aqualia
Mr. Fernando Moreno García	Chairman of FCC Construcción, S.A.
Mr. Antonio Gómez Ciria	General Administration Manager
Mr. Miguel Hernanz Sanjuan	General Internal Audit Manager
Mr. Victor Pastor Fernández	General Finance Manager
Mr. José Luis Sáenz de Miera	Chairman and CEO of Cementos Portland Valderrivas
Mr. José Manuel Velasco Guardado	General Communication and Corporate Responsibility Manager
Ms Ana Villacañas Beades	General Organisation Manager

2012	
Mr. José Luis de la Torre Sánchez	Chairman of FCC Servicios
Mr. Miguel Hernanz Sanjuan	General Internal Audit Manager
Mr. Juan Béjar Ochoa	Chairman and CEO of Cementos Portland Valderrivas
Mr. José Mayor Oreja	Chairman of FCC Construcción, S.A.
Mr. Victor Pastor Fernández	General Finance Manager
Mr. Antonio Gómez Ciria	General Administration and Information Technologies Manager
Mr. Eduardo González Gómez	General Energy and Sustainability Manager
Mr. José Manuel Velasco Guardado	General Communication and Corporate Responsibility Manager
Mr. Francisco Martín Monteagudo	General Human Resources Manager

In the past, an insurance policy was arranged and the premium paid to meet payment of the contingencies relating to death, permanent occupational disability, retirement bonuses and other items for some of the Executive Directors and Executives of Fomento de Construcciones y Contratas, S.A. (see Note 4-l). In 2013 a further contribution was made through premiums for this insurance amounting to EUR 800 thousand and income amounting to EUR 3,259 thousand was received for rebates on premiums paid previously.

Except as indicated in the foregoing paragraphs, no other remuneration, advances, loans or guarantees have been granted to the Directors and there are no pension or life insurance obligations to former or current Directors.

d) Detail of investments in companies engaging in similar activities and performance of similar activities by the Directors or persons related to them as independent professionals or as employees

In relation to the investments held by the Directors of Fomento de Construcciones y Contratas, S.A., or persons related to them, in the share capital of companies outside the FCC Group; or in relation to whether they, as independent professionals or as employees, engage in a similar or complementary activity to that which constitutes the company object of the Group; or in relation to whether they themselves or a person acting on their behalf have performed, with the Company or with any company of the same Group, other transactions outside the course of the Company's ordinary business operations or in conditions that were not on an arm's length basis; it should be mentioned that the aforementioned Directors have stated that they or persons related to them:

- Do not carry on, as independent professionals or as employees, any activity that is identical, similar or complementary to the activity that constitutes the Company's object.
- Do not own any investments in the share capital of companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the company object of Fomento de Construcciones y Contratas, S.A.
- Had not performed, with the Company or any company of the same Group, other transactions outside the course of the Company's ordinary business operations, or in conditions that were not on an arm's length basis.

The foregoing does not include the Director Mr. Henri Proglio, who is Chairman and CEO of Electricité de France (EDF).

The detail of the Directors who hold positions at companies in which Fomento de Construcciones y Contratas, S.A. holds a direct or indirect ownership interest is as follows:

Name or company name of Director	Group company name	Position
CARTERA DEVA, S.A.	CEMENTOS PORTLAND VALDERRIVAS, S.A.	DIRECTOR
EAC INVERSIONES CORPORATIVAS, S.L.	CEMENTOS PORTLAND VALDERRIVAS, S.A.	DIRECTOR
Mr. JUAN BÉJAR OCHOA	CEMENTOS PORTLAND VALDERRIVAS, S.A.	DIRECTOR
Mr. RAFAEL MONTES SÁNCHEZ	CEMENTOS PORTLAND VALDERRIVAS, S.A.	DIRECTOR
Mr. FELIPE B. GARCÍA PÉREZ	ETHERN ELECTRIC POWER, S.A., Sole-Shareholder Company	DIRECTOR-SECRETARY
	FCC ENVIRONMENTAL LLC.	DIRECTOR
	FCC POWER GENERATION, S.L., Sole-Shareholder Company	DIRECTOR-SECRETARY
	FCC CONSTRUCCIÓN, S.A.	DIRECTOR-SECRETARY
Mr. OLIVIER ORSINI	CEMENTOS PORTLAND VALDERRIVAS, S.A.	DIRECTOR
Mr. GUSTAVO VILLAPALOS SALAS	CEMENTOS PORTLAND VALDERRIVAS, S.A.	DIRECTOR

These Directors hold positions or discharge functions and/or hold ownership interests of less than 0.01% in all cases in other FCC Group companies in which Fomento de Construcciones y Contratas, S.A. directly or indirectly holds a majority of the voting power.

24. INFORMATION ON THE ENVIRONMENT

As indicated in Note 1, by their very nature, the Company's Environmental Services and Integral Water Management businesses are geared towards environmental protection and conservation, not only through the production activity itself (waste collection, operation and control of landfills, sewer cleaning, treatment and elimination of industrial waste, wastewater treatment, etc.), but also as a result of performing these activities using production techniques and systems designed to reduce environmental impact in accordance with the limits established in the relevant legislation.

The performance of production activities described above requires the use of specialised structures, plant and machinery that are efficient in terms of environmental protection and conservation. At 31 December 2013, the acquisition cost of the non-current assets assigned to the above activity totalled EUR 1,170,094 thousand (31 December 2012: EUR 1,156,403 thousand), with accumulated depreciation amounting to EUR 735,579 thousand (31 December 2012: EUR 682,090 thousand).

Company management considers that any possible contingencies in relation to the protection and improvement of the environment at 31 December 2013 would not have a material impact on the accompanying financial statements.

As indicated in Note 1, Fomento de Construcciones y Contratas, S.A. is the Parent of the FCC Group which operates various business lines and, due to the nature thereof, pays particular attention to controlling the impact on the environment. These matters are discussed in detail in the Group's Corporate Social Responsibility report, which is published annually on FCC's website, www.fcc.es, among other channels, and provides the reader with more representative information than that included in this Note.

25. OTHER DISCLOSURES

a) Employees

The average number of employees at the Company in 2013 and 2012 was as follows:

	2013	2012
Managers and university graduates	383	440
Professionals with qualifications	364	377
Clerical and similar staff	841	901
Other salaried employees	23,383	23,431
	24,971	25,149

At 31 December 2013 and 2012, the number of employees, Directors and Senior Executives of the Company, by gender, was as follows:

	Men	Women	Total
2013			
Directors	13	5	18
Senior Executives	6	1	7
Managers and university graduates	244	89	333
Professionals with qualifications	270	66	336
Clerical and similar staff	351	416	767
Other salaried employees	17,929	4,786	22,715
	18,813	5,363	24,176
2012			
Directors	13	5	18
Senior Executives	7	—	7
Managers and university graduates	305	130	435
Professionals with qualifications	293	84	377
Clerical and similar staff	444	474	918
Other salaried employees	17,573	4,868	22,441
	18,635	5,561	24,196

b) Fees paid to auditors

In 2013 and 2012 the fees for financial audit and other services provided by the Company's auditors, Deloitte, S.L., or by a company related to the auditors as a result of a relationship of control, common ownership or common management were as follows: fees paid to auditors: EUR 214 thousand (31 December 2012: same amount), fees for other attest services: EUR 33 thousand (31 December 2012: EUR 31 thousand), and fees for other services: EUR 50 thousand (31 December 2012: EUR 41 thousand).

26. EVENTS AFTER THE REPORTING PERIOD

As indicated in Note 17 to these financial statements, lenders holding 99.4% of the total volume of the debt had approved the refinancing agreement, the final completion of which is conditional upon compliance with certain conditions precedent. This situation will enable the Company to obtain a sustainable financial structure adapted to the forecast generation of cash flows for the various businesses, thereby enabling it to focus on the profitability improvement and debt reduction targets set in the FCC Group Strategic Plan.

In relation to the Energy Area, as indicated in Note 11 to these financial statements, an agreement was entered into to sell the investment in FM Green Power, S.L., Sole-Shareholder Company to Plenium FMGP. Since the agreement is subject to the customary conditions precedent for this type of agreement, the investment in this company was recognised under "Non-Current Assets Classified as Held for Sale" at the sale price stipulated in this agreement. On 31 January 2014, the Ministry of Industry, Energy and Tourism submitted to the Spanish National Markets and Competition Commission, for a mandatory report, its draft order approving the remuneration parameters for standard facilities applicable to certain electricity production facilities, based on renewable energy, cogeneration and waste sources. Since, as indicated above, the investment was measured at its sale price, the application of the proposed order will not have any impact on the Company's financial statements.

27. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Company (see Note 2). Certain accounting practices applied by the Company that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

APPENDIX I GROUP COMPANIES

Company	Carrying amount		% of ownership	Dividends received	Share capital	Reserves	Other equity items	2013 Profit (loss)		
	Assets	Impairment						From operations	From continuing operations	operations discontinued operations
Aqualia Gestión Integral del Agua, S.A. Federico Salmón, 13 - Madrid -Water management-	254,768	—	100.00	—	145,000	385,942	—	66,817	123,955	—
Armigesa, S.A. Pza. Constitución, s/n - Armilla (Granada) -Urban cleaning-	612	—	51.00	—	1,200	148	—	192	107	—
A.S.A. Abfall Service AG Hans-Hruschka-Gasse, 9 - Himberg (Austria) -Urban cleaning-	226,784	—	Direct 99.98 Indirect 0.02	—	5,000	48,757	(306)	(7,978)	(3,936)	—
Asesoría Financiera y de Gestión, S.A. Federico Salmón, 13 - Madrid -Financial services-	3,008	—	Direct 43.84 Indirect 56.16	82,422	6,843	66,223	—	3,981	34,383	—
Azincourt Investment, S.L., Sole-Shareholder Company Federico Salmón, 13 - Madrid -Holding company-	3	3	100.00	—	3	(512,661)	—	(22)	(78,638)	—
Bvefdomintaena Beteiligungsverwaltung, GmbH Nottendorfer, 11 - Vienna (Austria) -Corporate vehicle-	135	—	100.00	—	35	100	—	—	—	—
Cementos Portland Valderrivas, S.A. Estella, 6 - Pamplona -Cement-	298,705	—	Direct 59.34 Indirect 12.94	—	56,896	1,099,395	11,896	1,161	(312,032)	—
Compañía General de Servicios Empresariales, S.A., Sole-Shareholder Company Federico Salmón, 13 - Madrid -Corporate vehicle-	60	—	100.00	3	60	17	—	4	3	—
Corporación Española de Servicios, S.A. Federico Salmón, 13 - Madrid -Corporate vehicle-	44	—	Direct 99.99 Indirect 0.01	2	60	16	—	3	2	—
Dédalo Patrimonial, S.L., Sole-Shareholder Company Federico Salmón, 13 - Madrid -Holding company-	61	61	100.00	—	61	(6,658)	—	(136)	(30,001)	—
Ecoparque Mancomunidad del Este, S.A. Federico Salmón, 13 - Madrid -Urban cleaning-	16,803	—	Direct 99.99 Indirect 0.01	—	16,805	5,534	—	2,298	2,219	—
Egypt Environment Services SAE Cairo - Egypt -Urban cleaning-	7,760	3,495	Direct 97.00 Indirect 3.00	135	36,400 (EGP)(*)	(3,166) (EGP)(*)	—	19,846 (EGP)(*)	8,941 (EGP)(*)	—

Company	Carrying amount		% of ownership	Dividends received	Share capital	Reserves	Other equity items	2013 Profit (loss)		
	Assets	Impairment						From operations	From continuing operations	operations discontinued operations
Empresa Comarcal de Serveis Mediambientals del Baix Penedés, ECOBP, S.L. Plaça del Centre, 3 - El Vendrell (Tarragona) -Urban cleaning-	200	—	66.60	168	540	109	211	533	321	—
Empresa Municipal de Desarrollo Sostenible Ambiental de Ubeda, S.L. Pza. Vázquez Molina, s/n- Úbeda (Jaén) -Urban cleaning-	720	—	90.00	359	800	235	—	311	210	—
Europea de Gestión, S.A., Sole-Shareholder Company Federico Salmón, 13 - Madrid -Corporate vehicle-	63	—	100.00	4	60	22	—	4	3	—
FCC Construcción, S.A. Balmes, 36 - Barcelona -Construction-	1,358,051	273,117	100.00	—	220,000	1,054,270	—	(172,777)	(236,625)	(443,070)
FCC Construcciones y Contratas Internacional, S.L. Sole-Shareholder Company Federico Salmón, 13 - Madrid -Corporate vehicle-	3	—	100.00	—	3	—	—	—	—	—
FCC Fomento de Obras y Construcciones, S.L. Sole-Shareholder Company Federico Salmón, 13 - Madrid -Corporate vehicle-	3	—	100.00	—	3	—	—	—	—	—
FCC Inmobiliaria Conycon, S.L. Sole-Shareholder Company Federico Salmón, 13 - Madrid -Corporate vehicle-	3	—	100.00	—	3	—	—	—	—	—
FCC Medio Ambiente, S.A. Federico Salmón, 13 - Madrid -Urban cleaning-	35,102	—	Direct 98.98 Indirect 1.02	291,981	43,272	(101,203)	—	140,142	129,463	—
FCC Power Generation, S.L., Sole-Shareholder Company Federico Salmón, 13 - Madrid -Energy-	903	3	100.00	—	228	1	—	(356)	(276)	—
FCC Versia, S.A. Federico Salmón, 13 - Madrid -Management company-	62,625	7,431	100.00	—	40,337	224,270	—	118,572	(201,120)	—
FCC 1, S.L., Sole-Shareholder Company Federico Salmón, 13 - Madrid -Corporate vehicle-	3	(3)	100.00	—	3	(1,673)	—	3,854	2,819	—

Company	Carrying amount: Assets	Carrying amount: Impairment	% of ownership	Dividends received	Share capital	Reserves	Other equity items	2013 Profit (loss): From operations	2013 Profit (loss): From continuing operations	2013 Profit (loss): operations discontinued operations
F-C y C, S.L., Sole-Shareholder Company Federico Salmón, 13 - Madrid -Corporate vehicle-	3	—	100.00	—	3	—	—	—	—	—
Fedemes, S.L. Federico Salmón, 13 - Madrid -Property development-	10,764	—	Direct 92.67 Indirect 7.33	9,764	10,301	18,228	—	807	2,890	—
Gandia Serveis Urbans, S.A. Llanterners, 6 - Gandia (Valencia) -Urban cleaning-	78	—	65.00	—	120	1,226	—	1,667	640	—
Geral I.S.V. Brasil Ltda. Río Bravo, 138 - 10º - Andar Parte Centro Rio de Janeiro (Brazil) -Vehicle roadworthiness testing-	27	—	100.00	—	—	—	—	—	—	—
Limpiezas Urbanas de Mallorca, S.A. Crta. Can Picafort, s/n - Santa Margalida (Balearic Islands) -Urban cleaning-	5,097	503	Direct 99.92 Indirect 0.08	—	308	3,567	—	1,031	764	—
Per Gestora Inmobiliaria, S.L. Federico Salmón, 13 - Madrid -Corporate vehicle-	71,543	—	Direct 99.00 Indirect 1.00	49,500	60	108,143	—	110,194	(16,102)	—
Serveis Municipals de Neteja de Girona, S.A. Pza. del vi, 1- Girona -Urban cleaning-	45	—	75.00	—	60	184	—	355	(14)	—
Societat Municipal Medioambiental d'Igualada, S.L. Pl. del Ajuntament, 1 - Igualada (Barcelona) -Urban cleaning-	870	—	65.91	—	1,320	66	—	172	21	—
Tratamientos y Recuperaciones Industriales, S.A. Rambla Catalunya, 2-4 - Barcelona -Waste treatment-	21,455	14,570	Direct 74.92 Indirect 0.08	—	72	7,931	—	44	64	—
Valoración y Tratamiento de Residuos Urbanos, S.A. Riu Magre, 6 - Pol. Ind. Patada del Cid- Quart de Poblet (Valencia) -Waste treatment-	2,500	—	80.00	—	3,125	(57)	—	673	407	—
TOTAL	2,378,801	299,186		434,338						

(*) (EGP): Egyptian pound.

NOTA: - Of the companies shown above, only Cementos Portland Valderrivas, S.A. is a listed company and its market price at the balance sheet date was EUR 5.56. The average market price in the last quarter of 2013 was EUR 6.356.

- As required by Article 155 of the Consolidated Text of the Spanish Limited Liability Companies Law, in 2013 the Company made the related notifications to the companies in which it had acquired direct or indirect holdings of over 10%.

APPENDIX II JOINT VENTURES

	% of ownership
ABASTECIMIENTO VILLALÓN	20.00
AGARBI	60.00
AGUAS TOMELLOSO	20.00
AIGÜES DE LLEIDA	50.00
AQUALBAL	20.00
AQUALIA - FCC - MYASA	20.00
AQUALIA - FCC - OVIEDO	5.00
ARGÍ GUEÑES	70.00
ARUCAS II	70.00
ASEOS EMT	50.00
AZUD VILLAGONZALO	20.00
BARRIO CARMELITAS	20.00
BILBOKO LORATEGIAK	60.00
BILBOKO SANEAMENDU	50.00
BILBOKO SANEAMENDU BI	50.00
BIOCOMPOST DE ÁLAVA	50.00
BOADILLA	50.00
CAMÍ SA VORERA	20.00
CANA PUTXA	20.00
CANAL DEL ARAMO	20.00
CANDAS	20.00
CANGAS	50.00
CASTELLAR DEL VALLÈS	50.00
CASTELLAR POLÍGONOS	50.00
CEMENTERIOS PERIFÉRICOS II	50.00
CENTRO DEPORTIVO GRANADILLA DE ABONA	20.00
CENTRO DEPORTIVO VILLENA	81.83
CGR GUIPUZCOA	35.14
CHIPIONA	50.00
COLEGIOS SANT QUIRZE	50.00
COMPLEJO DP. CABEZO DE TORRES	20.00
CONSERVACIÓN ALCORCON	50.00
CONSERVACIÓN Y SISTEMAS	60.00
CONSERVACIÓN DE GALERÍAS	50.00
CONSORCIO LÍNEA UNO	45.00

	% of ownership
CONTENEDORES MÓSTOLES	30.00
CTR DE L'ALT EMPORDÀ	45.00
CTR-VALLÈS	20.00
CUENCA	20.00
CYCSA-EYSSA VIGO	50.00
DEIXALLERIES	20.00
DOS AGUAS	35.00
ECOPARQUE CÁCERES	50.00
ECOURENSE	50.00
EDAR ALMANSA	5.00
EDAR CUERVA	5.00
EDAR RANILLA	25.00
EDAR REINOSA	5.00
EDAR SAN VICENTE DE LA BARQUERA	5.00
EDIFICIO ARGANZUELA	95.00
ENERGÍA SOLAR ONDA	25.00
ERETZA	70.00
EXPL. PL. BIO LAS DEHESAS	50.00
F.L.F. LA PLANA	47.00
F.S.S.	50.00
FCC - ACISA - AUDING	45.00
FCC - AQUALIA SALAMANCA	5.00
FCC - ERS LOS PALACIOS	50.00
FCC - FCCMA ALCOY	20.00
FCC - FCCMA R.B.U. - L.V. JAVEA	20.00
FCC - FCCMA R.B.U. SAN JAVIER	20.00
FCC - FCCMA SEGRIÀ	20.00
FCC - FCCMA S.U. DENIA	20.00
FCC - HIJOS DE MORENO, S.A.	50.00
FCC - LUMSA	50.00
FCC - PALAFRUGELL	20.00
FCC - PAS SALAMANCA	100.00
FCC - PERICA	60.00
FCC - SUFI MAJADAHONDA	50.00
FCCSA - GIRSA	80.00

	% of ownership
FCCSA - VIVERS CENTRE VERD, S.A.	50.00
FUENTES XÀTIVA	50.00
GESTIÓ INTEGRAL DE RUNES DEL PAPIOL	40.00
GESTIÓN INSTALACIÓN III	34.99
GESTIÓN PISCINA DE MULA	20.00
GESTION SERVICIOS DEPORTES CATARROJA	100.00
GIREF	20.00
GIRSA - FCC	20.00
G. RESIDUOS AENA PALMA	100.00
GUADIANA	20.00
INTERIORES BILBAO	80.00
JARDINES MOGAN	51.00
JARDINES PROTECCIÓN ESPECIAL	50.00
JARDINES TELDE	95.00
JUNDIZ	51.00
JUNDIZ II	51.00
KABIEZESKO KIROLDEGIA	60.00
LA CANDA	30.00
LA LLOMA DEL BIRLET	80.00
LAS YUCAS	50.00
LEA - ARTIBAI	60.00
LEGIO VII	50.00
LEKEITIOKO MANTENIMENDUA	60.00
L.V. SAN SEBASTIÁN	20.00
L.V. Y RBU ARUCAS	70.00
LIMPIEZA CARRIL BUS	30.00
LIMPIEZA Y RSU LEZO	55.00
LODOS ARAZURI	50.00
LOGROÑO LIMPIO	50.00
LOTES A Y B FUENLABRADA 2010	50.00
MANACOR	30.00
MANCOMUNIDAD DE ORBIGO	20.00
MANTENIMENT REG DE CORNELLÀ	60.00
MANTENIMIENTO DE COLEGIOS II	60.00
MANTENIMIENTO DE EDIFICIOS	60.00
MANTENIMIENTO INSPECCION DE TRABAJO	100.00
MELILLA	50.00
MÉRIDA	10.00

	% of ownership
MOLINA	5.00
MOLLERUSA	60.00
MURO	20.00
MUSKIZ III	70.00
NIGRÁN	10.00
NÍJAR	20.00
ONDA EXPLOTACIÓN	33.33
PÁJARA	70.00
PAMPLONA	80.00
PARQUES SINGULARES MÓSTOLES	50.00
PASAIA	70.00
PAVIMENTO ZONA I	50.00
PINTO	50.00
PISCINA CUBIERTA BENICARLO	65.00
PISCINA CUBIERTA C. DEP. ALBORAYA	99.00
PISCINA CUBIERTA MANISES	100.00
PISCINA CUBIERTA MUN. L'ELIANA	100.00
PISCINA CUBIERTA PAIPORTA	90.00
PISCINA MUNICIPAL ALBATERA	93.00
PLA D'URGELL	100.00
PLANTA DE TRATAMIENTOS VALLADOLID	60.00
PLANTA RSI TUDELA	60.00
PLAYAS GIPUZKOA	55.00
PLAYAS GIPUZKOA II	55.00
UTE PONIENTE ALMERIENSE	50.00
POSU - FCC VILLALBA	50.00
POZUELO	20.00
PUENTE LADRILLO	20.00
PUERTO	50.00
PUERTO DE PASAIA	55.00
PUERTO DE PTO. DEL ROSARIO	70.00
PUERTO II	70.00
QUINTO CONTENEDOR	50.00
RBU VILLA-REAL	47.00
R.S. UTE PONIENTE ALMERIENSE	50.00
REDONDELA	10.00
REPARACIONES CASA CAMPO	100.00
REPOSTADOS ENTREVÍAS	50.00

	% of ownership
RESIDENCIA	50.00
RIVAS	30.00
RSU TOLOSALDEA	60.00
S.U. BENICASSIM	35.00
S.U. BILBAO	70.00
SALTO DEL NEGRO	50.00
SAN FERNANDO	20.00
SANEAMIENTO URBANO CASTELLÓN	65.00
SANT QUIRZE	50.00
SANT QUIRZE DEL VALLÉS	50.00
SANTA COLOMA DE GRAMANET	61.00
SANTOMERA	60.00
SANTURTZIKO GARBIKETA	60.00
SANTURTZIKO GARBIKETA II	60.00
SASIETA	75.00
SAV - FCC TRATAMIENTOS	35.00
SELECTIVA LAS PALMAS	55.00
SELECTIVA SAN MARCOS	65.00
SELECTIVA UROLA-KOSTA	60.00
SELLADO VERTEDERO LOGROÑO	50.00
SERAGUA-FCC-VIGO	50.00
SIMÓN HERNÁNDEZ	50.00
TABLADA	20.00
TORREJÓN	25.00
TORRIBERA V	50.00

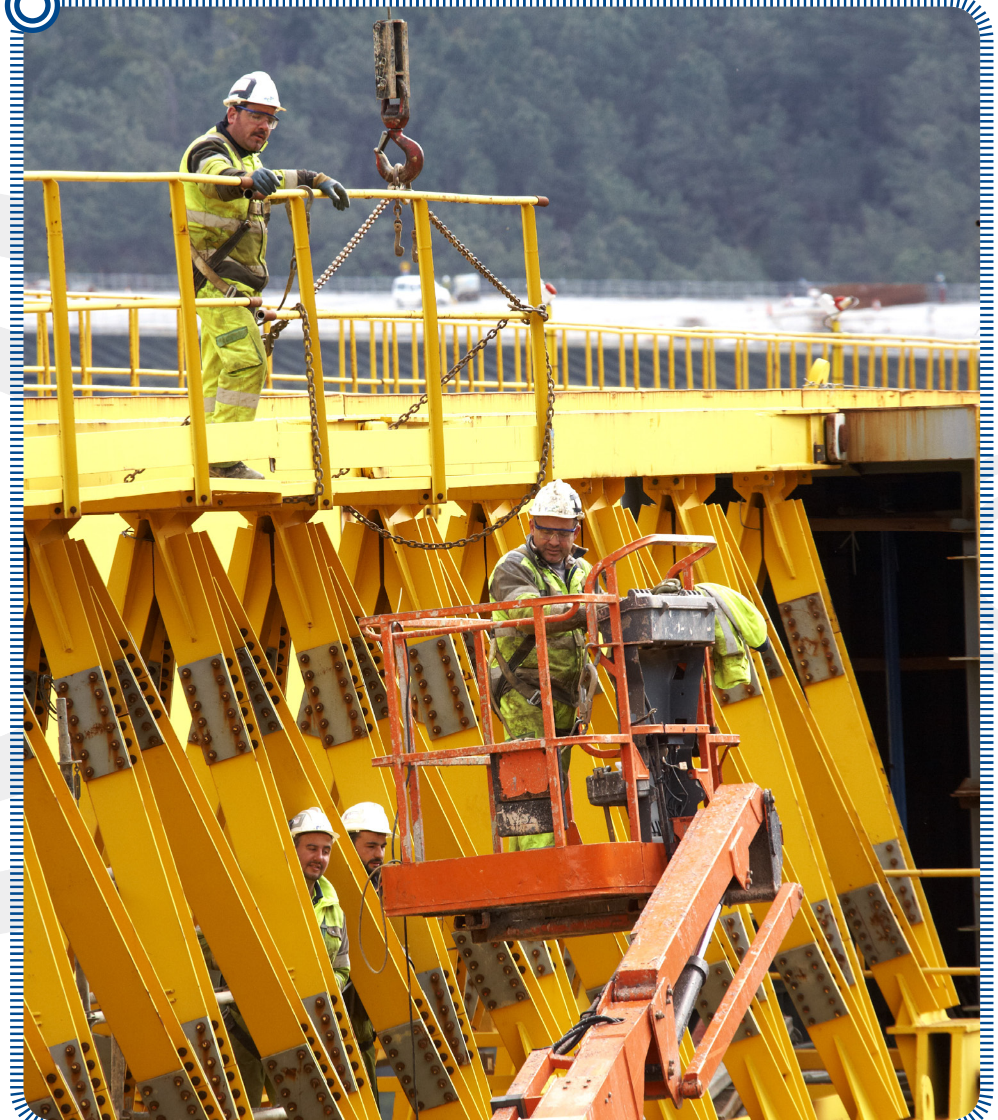
	% of ownership
TRANSPORTE DE TXINGUDI	60.00
TRANSPORTE SAN MARCOS	80.00
TREMP	51.00
TÚNEL PUERTO ALGECIRAS	30.00
TXINGUDI	75.00
TXINGUDIKO GARBIKETA	73.00
URNIETA	20.00
UROLA ERDIA	60.00
URRETXU Y ZUMARRAGA	65.00
VALDEMORO	100.00
VALDEMORO 2	100.00
VERTEDERO ARTIGAS	50.00
VERTEDERO GARDELEGUI II	70.00
VERTEDERO TALES Y CORTES	50.00
VERTRESA	10.00
VIGO RECICLA	70.00
VILLALÓN DE CAMPOS	20.00
VINAROZ	50.00
ZARAGOZA DELICIAS	51.00
ZARAUTZ	20.00
ZARAUZKO GARBIETA	60.00
ZUMAIA	60.00
ZURITA	50.00
ZURITA II	50.00

APPENDIX III ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

Company	Carrying amount: Assets	Carrying amount: Net impairment losses	% of ownership	Dividends received	Share capital	Reserves	Other equity items	2013 Profit (loss): From operations	2013 Profit (loss): From continuing operations
Clavegueram de Barcelona, S.A. Acer, 16 - Barcelona -Urban cleaning-	733	—	20.33	59	3,606	3,996	—	1,284	905
Ecoparc del Besòs, S.A. Rambla Cataluña, 91-93 - Barcelona -Urban cleaning-	2,621	—	Direct 31.00 Indirect 54.00	—	7,710	969	19,599	4,124	1,630
Ecoserveis Urbans Figueres, S.L. Avda. Alegries, s/n - Lloret de Mar (Girona) -Urban cleaning-	301	—	50.00	118	601	120	—	215	350
Empresa Mixta de Limpieza de la Villa de Torrox, S.A. Pz. de la Constitución, 1 - Torrox (Malaga) -Urban cleaning-	300	—	50.00	129	600	280	—	344	231
Empresa Mixta de Medio Ambiente de Rincón de la Victoria, S.A. Avda. Zorreras, 1 - Rincón de la Victoria (Málaga) -Urban cleaning-	301	—	50.00	124	601	229	—	477	245
Gestión Integral de Residuos Sólidos, S.A. Profesor Beltrán Ibaquena, 4 - Valencia -Urban cleaning-	6,937	4,056	49.00	—	5,281	1,152	272	(796)	(936)
Ingeniería Urbana, S.A Pol. Industrial Pla de Vallonga, s/n - Alicante -Urban cleaning-	3,786	—	35.00	748	6,010	6,018	—	1,842	1,180
Palacio de Exposiciones y Congresos de Granada, S.A. Ps del Violón, s/n - Granada -Equipment management-	255	255	50.00	—	510	(328)	—	(1,153)	(820)
Pallars Jussà Neteja i Serveis, S.A. Pau Casals, 14 - Tremp (Lleida) -Urban cleaning-	25	—	40.00	—	60	42	—	4	3
Port Torredembarra, S.A. Edificio Capitanía Puerto Deportivo y Pesquero Torredembarra (Tarragona) -Operation of marinas-	304	—	Direct 15.71 Indirect 13.09	—	1,865	203	—	(163)	(116)
Servicios Urbanos de Málaga, S.A. Ulises, 18 - Madrid -Urban cleaning-	1,610	—	51.00	248	3,156	540	—	—	673
Suministros de Agua de Queretaro S.A. de C.V. Santiago de Queretaro (Mexico) -Water management-	4,367	—	Direct 24.00 Indirect 2.00	1,140	347,214 (MXN)(*)	324,706 (MXN)(*)	—	203,762 (MXN)(*)	92,233 (MXN)(*)
TOTAL	21,540	4,311		2,566					

(*) (MXN): Mexican peso.

NOTA : - As required by Article 155 of the Consolidated Text of the Spanish Limited Liability Companies Law, in 2013 the Company made the related notifications to the companies in which it had acquired direct or indirect holdings of over 10%.



DIRECTORS' REPORT

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.

This report was prepared in accordance with the guidelines established in the "Guide for the preparation of directors reports of listed companies" published by the Spanish National Securities Market Commission (CNMV).

1. COMPANY SITUATION

Fomento de Construcciones y Contratas, S.A. is the Parent of the FCC Group and holds direct or indirect ownership of the investments in the Group's businesses and areas of activity. Consequently, with a view to providing information on the economic and financial events that took place during the year, placing them in their appropriate context, the Separate Directors' Report of the FCC Group is as follows.

1.1. Company situation: Organisational structure and management decision-making process

On a primary level, the organisational structure of the FCC Group is composed of areas, which are divided into two large groups: operating and functional.

The operating areas encompass all the activities relating to the production line. As described in greater detail in Note 1 to the consolidated financial statements, the FCC Group is composed of the following operating areas:

- **Environmental Services.**
- **Integral Water Management.**
- **Construction.**
- **Cement.**

Each of these operating areas is presided over by one or various Specialised Companies, which report to FCC and encompass the activities inherent to the Group.

The functional areas that provide support to the operating areas are as follows:

- **General Secretariat:** legal affairs of the FCC Group and coordination of the functioning of the various managing bodies.
- **Organisation:** includes the Human Resources, Information Technologies and Systems and Aggregate Purchases departments.
- **Administration:** administrative management, general accounting, tax management and administrative procedures.
- **Finance:** financial management of the FCC Group, relations with financial institutions, capital markets, shareholders, stock markets and the Spanish National Securities Market Commission (CNMV), financial analysis of investments, integrated Group financial management and control, management, budgetary and planning control.
- **Internal Audit:** effective oversight of the Internal Control System, which contributes to Good Corporate Governance, verifies correct compliance with applicable regulations and reduces the potential impact of risks in the attainment of the FCC Group's objectives.
- **Communication and Corporate Responsibility:** management of Communication Services, Corporate Image and Corporate Responsibility.

On a secondary level, the areas may be divided into Sectors – operating sectors – and divisions – functional divisions - , creating spheres permitting greater specialisation when required.

The structure of the decision-making bodies is as follows:

- **Board of Directors:** this is the body with the most wide-reaching, unrestricted powers, except for those expressly reserved by the Spanish Limited Liability Companies Law or the Bylaws, to the powers of the shareholders at the General Meeting.
- **Strategy Committee:** this supports the Board of Directors in determining the Group's strategy, in accordance with the guidelines agreed by the latter, by preparing the corresponding reports and proposals, reporting on the investment and divestment proposals, association agreements, third-party agreements, development of new lines of business and financial transactions that might affect the Group's strategy.
- **Executive Committee:** the Board of Directors delegates the most wide-reaching powers to the Executive Committee, which may exercise all the functions and powers conferred by the Bylaws and the Spanish Limited Liability Companies Law to the Board of Directors, with the sole exception of those that cannot be delegated.
- **Audit and Control Committee:** its main function is to support the Board of Directors in its supervisory tasks, through the periodic review of the process for preparing economic and financial information, its internal controls and independence of the external auditor.
- **Nomination and Remuneration Committee:** this supports the Board of Directors in relation to the proposals for the nomination, re-election, ratification and termination of Directors, establishes and controls the remuneration policy of the Company's Directors and Senior Executives and the fulfilment by the Directors of their duties, particularly in relation to situations of conflicts of interest and related-party transactions.
- **Management Committee:** transaction of business which requires coordinated actions between various areas of activity.

More detailed information on the functions of the FCC Group's decision-making bodies is provided in section 1 of the Internal Control over Financial Reporting system (ICFR).

1.2 Company situation: Company business model and strategy

1.2.1. Business model

FCC is one of the main European groups specialised in environmental services and infrastructure development, with a presence in 35 countries worldwide. Over 42% of its billings arise from international markets, mainly Europe and the United States.

Environmental Services

The Environmental Services area has a solid presence in Spain and has been leader in the provision of environmental urban services for over 100 years, while also broadening its international scope. In Spain, activities are performed through offices of the Parent and the specialised companies FCC Medio Ambiente, S.A. and FCC Ámbito, S.A., which engages in industrial waste management. Also, international business is carried on mainly by its subsidiary FCC Environment (UK) Limited, whose registered office is located in the UK, and by the A.S.A Group, which operates in Austria and Eastern Europe. Both subsidiaries are leaders in the integral management of urban solid waste and energy recovery. Consequently, FCC's main line of business is considerably diverse in geographical terms, with approximately 43% of total revenues stemming from international markets.

Environmental services generate recurring cash flows since they are based on long-term contracts (5-10 year contracts in waste collection and up to 30 years in urban waste treatment).

In Spain, FCC is leader in waste collection, street cleaning and green area upkeep, the contracts of which have a very high renewal rate upon expiry, and efforts are made to obtain new contracts.

The Environmental Services area also includes the Industrial Waste sector, where FCC operates mainly in Spain and Portugal.

In Spain, it manages hazardous waste (with a market share of approximately 25%, making it market leader); and non-hazardous waste. In relation to recoverable non-hazardous industrial waste, FCC focuses mainly on paper and cardboard. It also operates in soil decontamination.

With regard to its international activities in Portugal, FCC is focused on the management and treatment of hazardous industrial waste. The company is leader with a market share of approximately 50%.

Integral Water Management

Like Environmental Services, Integral Water Management generates recurring cash flows, since it is based on long-term contracts (up to 30 years in water management and distribution).

92% of the income from this line derives from water management and distribution, where FCC estimates that it is ranked number two in terms of leadership in Spain through its subsidiary Aqualia, and number three in the Czech Republic through Aqualia Czech. Also, approximately 20% of the income generated by the water business hails from international markets.

FCC Aqualia is ranked number three among the European companies in its industry and number six worldwide, behind the large "utilities" of Sao Paulo, Beijing and Shanghai, according to the magazine Global Water Intelligence, the most widely renowned media source and main benchmark in the international water industry.

In the Spanish market, although no official statistics are available, if we take into account the publications of the Spanish Association of Water Supply and Treatment (AEAS) prepared using the information furnished by the companies themselves, referring exclusively to municipalities of over 5,000 inhabitants, FCC Aqualia, by number of served inhabitants, would be ranked in second place in terms of private operators with a 15% market share overall and a 26% market share of the privatised market.

Construction

The area's activity is divided into four lines of business:

- **Civil engineering:** Represents 75% of the area's revenues. Its activity is focused, inter alia, on the construction of roads, bridges, tunnels, railway infrastructure, airports, hydroelectric and port work.
- **Non-residential building:** Represents 12% of the area's revenues. Its activity is focused, inter alia, on the construction of administrative, health, cultural and sports centres.
- **Residential building:** Represented 6% of the area's revenues. Its activity is focused, inter alia, on the construction of housing units, housing developments and car parks.
- **Industrial:** Represents 7% of the area's revenues. Its activity is focused, inter alia, on the construction of mechanical and electrical facilities, distribution networks, generation plants, energy maintenance and efficiency.

The revenues from international markets represent approximately 43% of the total.

Cement

The FCC Group carries on its cement activity through Cementos Portland Valderrivas, S.A. (CPV), a company listed on the Spanish stock market interconnection system, in which it holds a 71.6% ownership interest. Its activity is geared towards the operation of quarries and mineral deposits for the manufacture of cement, which entails approximately 87% of the activity's total income. The remaining 13% is contributed by the manufacture of concrete, aggregates and mortar.

With regard to its geographical diversification, 60% of income comes from international markets. CPV is present in Spain, Tunisia and the US, although the company also exports mainly to Canada, UK and North Africa from these three countries.

CPV has an estimated penetration of 20 % in Spain and 22% in Tunisia.

1.2.2. Company strategy

The new Strategic Plan was launched in March 2013 which sets out the Company's objectives and strategy.

The objectives of the aforementioned Plan are concentration in the strategic business areas (Environmental Services, Construction and Integral Water Management), efficient operations with costs adapted to current market conditions, alignment of the debt and capital structure with the cash generation of the businesses, with an international presence limited to regions, and more profitable activities.

The foregoing will give rise to higher cash generation, EBITDA recovery and debt reduction.

In order to achieve the objectives of debt reduction and profitability enhancement, the Strategic Plan establishes five initiatives:

- Sale of non-strategic assets.

During the implementation of the 2013 divestment plan linked to the Strategic Plan, the group resolved to sell assets for an estimated amount of 917.1 million euro. Of these, noteworthy are the formalisation and corresponding collection of the sale of 49% of the water business in the Czech Republic for 96.5 million euro, 50% of Proactiva for 125 million euro and the sale of treasury shares for 150 million euro.

Also, on 27 December 2013, 51% of Energía was sold for 8 million euro, which also implies a reduction in net financial debt of 763 million euro. This transaction was subject to a number of conditions precedent, compliance with which is estimated to occur in early 2014.

On 27 February 2014, FCC reached an agreement with CCF Logistics Holding, S. à. r. l. to sell its logistics company for 32 million euro, which will entail a 27 million euro reduction in the Group's financial debt.

On 17 March 2014, an agreement was reached with JCDecaux to sell the Cemusa group for 80 million euro.

- Restructuring of the Construction business.

In Spain, the main measure consists of adjusting production resources in order to bring them into line with the current market climate.

Both its domestic and international structure have been reorganised by simplifying the organisational levels, improving efficiency and eliminating functional and geographical structures that do not correspond to the volume of activity.

- Adjustment of Cement capacity and production resources.

The Group is currently putting in place certain measures to reduce costs and enhance profitability. These include most notably adapting the activity of the Spanish cement factories to the market climate through temporary shutdowns, enabling capacity to be brought into line with current demand by minimising activity costs.

Also, CPV has shut down concrete, aggregate and mortar plants in Spain, which were generating negative EBITDA.

- Strengthening of the leadership of Environmental Services in Spain and repositioning in the UK.

The objective consists of reinforcing FCC's leadership in Environmental Services in Spain and in waste management services in Central Europe (where the Group operates through ASA). Also, the Group's strategy is aimed at shifting the UK business towards waste management and treatment activities and maintaining Aqualia's leadership (water) in Spain, together with its commitment to international development.

Similarly, the efficiency and savings plans identified in 2013 are being implemented across the board, in accordance with the level of activity.

- Reduction of overheads.

This initiative consists mainly of centralising support functions, reducing the number of offices, focusing offices on commercial and technical activities and simplifying administration processes and support tasks.

Despite the current restrictive economic environment conditioned by slow economic recovery and scant financing, the various areas present the following future strategies:

Environmental Services:

- Strengthen its leadership in Spain by increasing contracts and enhancing efficiency through cost control and the use of cutting-edge technology.
- Effluent restrictions in the EU (65% effluent reduction by 2016 vs 1995 - EU Landfill Directive).
- Need for infrastructure in the waste treatment sector.
- On an international scale, FCC aims to strengthen waste management and treatment services in the UK and adapt landfill capacity to meet current demand.

Integral Water Management:

- Increase its current market share and obtain tariff-based improvements, improve service coverage and the outsourcing of public services.
- International expansion through Engineering Services and Infrastructure Construction models to develop activities and the use of proprietary technology in managing the water cycle due to increased profitability in the development of hydro infrastructures, which at present only contribute 8% to the line of business's revenues.
- Growing demand of integral water management in regions with water stress, especially in Latin America and MENA.
- Urban growth in emerging countries implying the need for significant investment in hydroelectric infrastructure.

Construction:

- Selective activity strategy in large highly-complex value added civil engineering works to be performed in markets considered to be of a high potential: certain countries in Latin America, North Africa and the Middle East, together with specific projects in the US.
- Double the volume of construction in emerging markets up to 2020.
- US Transport Infrastructure Renewal Plan (investment of 476 billion dollars from 2013 - 2019).
- Industrial construction investment programmes, especially in Latin America (Brazil and Mexico).

Cement:

- In view of the slump in demand over the past six years in Spain from the construction sector, CPV's main objective continues to focus on adjusting capacity and production resources, together with developing measures to increase efficiency both in Spain, given the current property market crisis, and in the US, where a complete optimisation programme has been implemented, which mainly includes the reduction of variable costs, the increased use of factories and the optimisation of purchases.

Consequently, the FCC Group holds a position of leadership in its strategic markets, has an extensive international presence and significant recurring income.

2. BUSINESS PERFORMANCE AND RESULTS

2.1. Operating performance

2.1.1. Highlights

FCC awarded largest international contract ever won by a Spanish construction company

FCC achieved a new milestone in international construction in the second half of the year. The Arriyadh Development Authority (ADA) awarded the FCC-led consortium one of three contracts to build the Riyadh metro, the longest subway system under development in the world (176 kilometres), with a total estimated budget of over 16.3 billion euro.

The FCC-led consortium, which includes Samsung and Alstom, will build lines 4, 5 and 6 of the subway under a contract worth 6.070 billion euro. The project will take five years.

Additionally, in the first half of 2013, a consortium including FCC was awarded the contract to build, maintain and operate the new Mersey Gateway Bridge in Liverpool for 700 million euro; this is the Group's largest contract in the UK. In March, the company obtained two contracts in Peru: construction of the port of Callao, in Lima, for 165 million euro, and upgrading of the Trujillo sports complex for 32 million euro.

As a result of these contracts, the backlog at 31 December expanded by 12.3%, guaranteeing over 30 months' work.

Notable progress in the divestment plan

Since the Strategic Plan was implemented in April 2013, the group has agreed on asset sales and divestments of 917.1 billion euro. More detail about the significant sales is provided in note 1.2.2.

Second Supplier Payment Fund and new legislation to reduce the public sector's trade accounts payable

The Organic Act to Control Trade Accounts Payable by the Public Sector and the Act on Electronic Billing and Accounting of Public Sector Invoices were approved in Spain on 19 December. They complement the final stage of the Second Supplier Payment Fund, approved in July 2013, which is structured in two phases of payment: in the fourth quarter of 2013 and the first quarter of 2014. These measures aim to reduce the average period of payment to public sector suppliers to 30 days.

At 31 December, FCC had over 600 million euro in past-due trade receivables from public administrations in Spain.

FCC Aqualia lands contracts worth over 1.140 billion euro

Aqualia, FCC's water management subsidiary, has obtained new end-to-end water management contracts, including a 25-year concession in Jerez worth close to 900 million euro. The company also added or extended contracts worth over 200 million euro in Madrid, Ávila, Oviedo, Girona, Cantabria, León, Vizcaya, Guipúzcoa and Pontevedra. As a result, the backlog totalled 14.373 billion euro at the end of December 2013.

Complete refinancing of FCC Environment (previously WRG)

In December, FCC reached an agreement with all of the banks comprising the syndicate of the loan to Azincourt Investment (the holding company that owns 100% of FCC Environment UK) to fully refinance the loan for a four-year period. The loan amounts to 381 million pounds sterling and, like the previous loan, is without recourse to FCC,S.A. The syndicate comprises 26 banks: 10 Spanish and 16 from other countries.

Deconsolidation of Alpine

Alpine filed for protection from creditors in June 2013. The receivers immediately commenced the process of liquidation, which is currently under way. As a result, FCC wrote off its investment in Alpine in the consolidated financial statements.

2.1.2 Executive Summary

- The pace of contraction in revenues eased (-9.5%), to 6,726.5 billion euro, despite the decline in infrastructure investment in Spain.
- The EBITDA margin recovered steadily in all areas during the year, to 10.7%, even though the impact of ongoing restructuring measures is still limited.
- The company had a net attributable loss of 1,506.3 million euro as a result of sharp adjustments in goodwill, provisioning, impairments, and results from discontinued operations.
- Net interest-bearing debt declined notably, by 1,112.2 million euro with respect to 2012, to 5,975.5 million euro; that figure does not yet reflect all the divestments envisioned in the Strategic Plan.

- The backlog increased by 6.4% in the year, to 32,865.1 million euro, due to major new contracts in the Construction, Water and Environmental Services businesses.

NOTE: Assets held for sale

The assets and liabilities corresponding to Versia and FCC Energía have been designated as "held for sale", the former since 30 June 2013, the latter since 1 July 2011. The stakes in FCC Environmental (industrial waste in the US), GVI and Realia have been so classified since 31 December (Note 2.1.5.2). Accordingly, their earnings are recognised under "results from discontinued operations" (Note 2.1.4.5.2).

As a result of these changes, the income statement and cash flow statement for 2012 have been restated to enable comparison.

KEY FIGURES			
(million euro)	Dec. 13	Dec. 12	Chg. (%)
Net sales	6,726.5	7,429.3	-9.5%
EBITDA	719.9	820.3	-12.2%
EBITDA margin	10.7%	11.0%	-0.3 p.p.
EBIT	(303.1)	147.4	N/A
EBIT margin	-4.5%	2.0%	-6.5 p.p.
Income attributable to equity holders of the parent company	(1,506.3)	(1,028.0)	46.5%
Operating cash flow	765.1	1,159.0	-34.0%
Investing cash flow	(159.7)	(227.2)	-29.7%
(million euro)	Dec. 13	Dec. 12	Chg. (%)
Equity	242.8	1,697.0	-85.7%
Net interest-bearing debt	5,975.5	7,087.7	-15.7%
Backlog	32,865.1	30,896.4	6.4%

2.1.3. Summary by business area

Area (million euro)	Dec. 13	Dec. 12	Chg. (%)	% of 2013 total	% of 2012 total
REVENUES BY BUSINESS AREA					
Environmental Services	2,770.4	2,827.6	-2.0%	41.2%	38.1%
Water	930.0	901.4	3.2%	13.8%	12.1%
Construction	2,589.2	2,935.6	-11.8%	38.5%	39.5%
Cement	540.9	653.7	-17.3%	8.0%	8.8%
Corp. services and adj.1	(104.0)	111.0	-193.7%	-1.5%	1.5%
Total	6,726.5	7,429.3	-9.5%	100.0%	100.0%
REVENUES BY GEOGRAPHIC AREA					
Spain	3,909.6	4,621.9	-15.4%	58.1%	62.2%
Latin America	912.5	701.0	30.2%	13.6%	9.4%
United Kingdom	840.6	896.0	-6.2%	12.5%	12.1%
Central & Eastern Europe	560.5	630.0	-11.0%	8.3%	8.5%
United States	196.3	170.1	15.4%	2.9%	2.3%
Middle East & North Africa	147.5	131.5	12.2%	2.2%	1.8%
Others	159.5	278.9	-42.8%	2.4%	3.8%
Total	6,726.5	7,429.3	-9.5%	100.0%	100.0%
EBITDA					
Environmental Services	425.4	497.3	-14.5%	59.1%	60.6%
Water	191.7	188.9	1.5%	26.6%	23.0%
Construction	98.8	89.4	10.5%	13.7%	10.9%
Cement	50.4	69.8	-27.9%	7.0%	8.5%
Parent co. and adj.	(46.4)	(25.1)	84.9%	-6.4%	-3.1%
Total	719.9	820.3	-12.2%	100.0%	100.0%
EBIT					
Environmental Services	(66,6)	48,4	N/A	22,0%	32,8%
Water	114,9	114,2	0,6%	-37,9%	77,5%
Construction	(247,7)	43,6	N/A	81,7%	29,6%
Cement	(24,2)	(133,4)	-81,9%	8,0%	-90,5%
Corp. services and adj.1	(79,5)	74,6	N/A	26,2%	50,6%
Total	(303,1)	147,4	N/A	100,0%	100,0%

Area (million euro)	Dec. 13	Dec. 12	Chg. (%)	% of 2013 total	% of 2012 total
NET DEBT					
Environmental Services	2.220,0	2.472,4	-10,2%	37,2%	34,9%
Water	396,2	761,0	-47,9%	6,6%	10,7%
Construction	(153,3)	754,3	-120,3%	-2,6%	10,6%
Cement	1.363,7	1.320,5	3,3%	22,8%	18,6%
Corp. services and adj.	2.148,9	1.779,5	20,8%	36,0%	25,1%
Total	5.975,5	7.087,7	-15,7%	100,0%	100,0%
BACKLOG					
Environmental Services	11,883.7	11,381.7	4.4%	36.2%	36.8%
Water	14,373.3	13,628.5	5.5%	43.7%	44.1%
Construction	6,608.1	5,886.2	12.3%	20.1%	19.1%
Total	32,865.1	30,896.4	6.4%	100.0%	100.0%

1 Corporate Services in 2012 include results from the Handling business (151.8 million euro in revenues and 10.5 million euro in EBITDA), which was divested in September 2012.

2.1.4. Income Statement

(million euro)	Dec. 13	Dec. 12	Chg. (%)
Net sales	6,726.5	7,429.3	-9.5%
EBITDA	719.9	820.3	-12.2%
EBITDA margin	10.7%	11.0%	-0.3 p.p.
Depreciation and amortisation	(423.5)	(487.2)	-13.1%
Impairments in goodwill and other assets	(469.7)	(243.7)	92.7%
Exceptional provisions for restructuring and works	(231.1)	13.8	N/A
Other operating income	101.3	44.2	129.2%
EBIT	(303.1)	147.4	N/A
EBIT margin	-4.5%	2.0%	-6.5 p.p.
Financial income	(438.8)	(373.2)	17.6%
Other financial results	(77.8)	(48.9)	59.1%
Equity-accounted affiliates	59.0	14.1	N/A
Earnings before taxes (EBT) from continuing activities	(760.8)	(260.7)	191.8%
Corporate income tax expense	135.5	38.0	N/A
Income from continuing operations	(625.3)	(222.7)	180.8%
Income from discontinued operations	(905.2)	(869.5)	4.1%
Net profit	(1,530.4)	(1,092.2)	40.1%
Non-controlling interests	24.1	64.2	-62.5%
Income attributable to equity holders of the parent company	(1,506.3)	(1,028.0)	46.5%

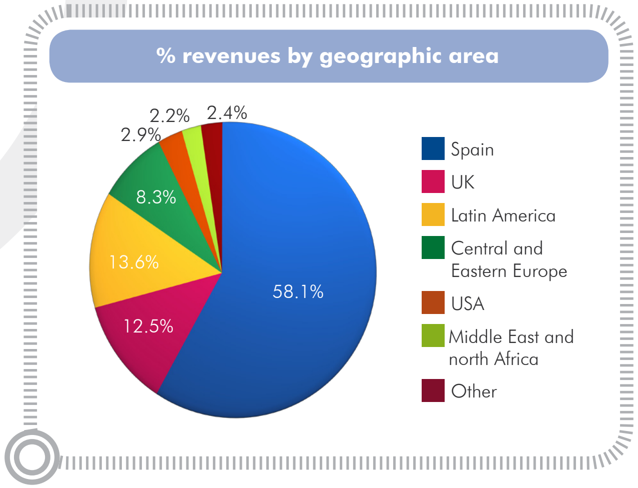
2.1.4.1. Revenues

Consolidated revenues totalled 6,726.5 million euro in 2013, a decline of 9.5% year-on-year. In Spain, revenues fell by 15.4%, due mainly to the negative impact on the Construction and Cement areas of the sharp reduction in public expenditure on infrastructure; meanwhile, international revenues increased slightly (0.3%) despite the adverse baseline effect caused by the sale of the airport handling business in September 2012 and a cement port terminal in the UK in February 2013. In like-for-like terms, revenues in international markets increased by 4.6%.

Revenue breakdown, by region

(million euro)	Dec. 13	Dec. 12	Chg. (%)
Spain	3,909.6	4,621.9	-15.4%
Latin America	912.5	701.0	30.2%
United Kingdom	840.6	896.0	-6.2%
Central & Eastern Europe	560.5	630.0	-11.0%
United States	196.3	170.1	15.4%
Middle East & North Africa	147.5	131.5	12.2%
Others	159.5	278.9	-42.8%
Total	6,726.5	7,429.3	-9.5%

Revenues in Latin America increased by 30.2%, due mainly to the execution of the final section of the metro and the reorganisation of roads in Panama City (Construction area), together with the commencement of contracts in new markets, such as Chile and Peru. The 6.2% decline in the United Kingdom is due mainly to the completion of a construction contract (not yet offset by new contracts), to the negative currency effect, and to the sale of the cement terminal in February 2013. In Central and Eastern Europe, revenues fell by 11.0% broadly as a result of the completion of major contracts, such as the bridge over the Danube connecting Bulgaria and Romania (Construction area), and the soil decontamination project in the Czech Republic (Environmental Services area). Revenues increased by 15.4% in the United States due to the positive performance by the Cement business and commencement of construction of a bridge in California. In the Middle East and North Africa, revenues increased by 12.2%, boosted by the Construction business in Qatar; the decline in other markets reflects the baseline effect of divesting the airport handling business in September 2012. A total of 64% of revenues of this activity came from outside Spain in 2012.

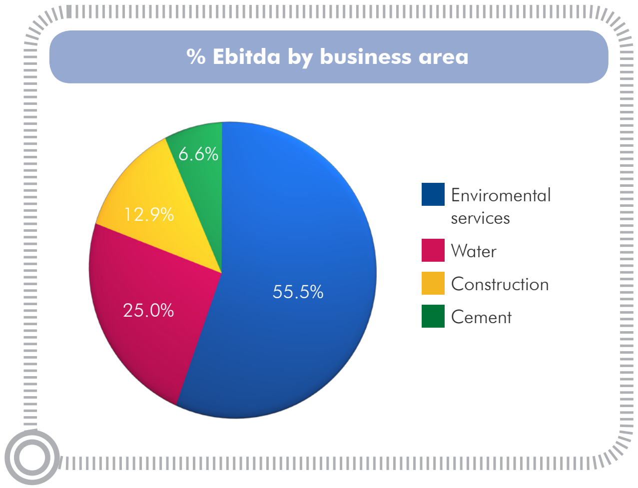


2.1.4.2. EBITDA

NOTE: Given the size of certain non-recurring events, EBITDA does not include the charge/release of exceptional provisions for restructuring and works or exceptional asset impairments for either year.

EBITDA totalled 719.9 million euro in 2013, i.e. 12.2% less than in 2012 due to the sharp decline in Construction and Cement in Spain, together with lower margins in the Environmental Services area.

The EBITDA margin was 10.7%, compared with 11.0% in 2012, but it recovered gradually over the course of the year due to the first restructuring measures, mainly in the Construction and Cement areas, which will become increasingly visible in the coming quarters.



2.1.4.3. EBIT

The depreciation charge in 2013 decreased by 13.1% with respect to 2012, to 423.5 million euro, due largely to changes in consolidation scope during the period. That figure includes 62.9 million euro for assets that were stepped up on consolidation in the FCC Group (75.1 million euro in 2012).

Impairment of goodwill and other assets amounted to 469.7 million euro in 2013, and includes:

1) Impairment of goodwill in Environmental Services at FCC Environment UK (236.4 million euro) and in Industrial Waste companies (24 million euro).
2) Impairment of assets in the Construction area, mainly real estate and concessions, totalling 156.1 million euro.
3) Impairment of assets in the Cement area, mainly in the concrete, mortar and aggregate businesses, for 53.2 million euro, because of their closure to adapt to current demand.

This same line item amounted to 243.7 million euro in 2012, and included:

1) Impairment of goodwill at FCC Environment UK (190.2 million euro) and in Industrial Waste companies (22.8 million euro).
2) Impairment of assets in the Cement area, mainly in the concrete, mortar and aggregate businesses, for 30.7 million euro, in connection with their closure to adapt to current demand.

Exceptional provisions, which amounted to 231.1 million euro in 2013, include 127.2 million euro for workforce restructuring (51.7 million euro in Cement, 49 million euro in Construction, and 26.5 million euro in Corporate Services) and 103.9 million euro for risks associated with international Construction projects. In 2012, this item included 121.9 million euro for workforce restructuring (60 million euro in Construction, 46.9 million euro in Cement and 15 million euro in Central Services) and the net release of 135.7 million euro in provisions for risks associated with international projects (82.6 million euro in the Parent company and 53.1 million euro in Construction).

Other operating income, amounting to 101.3 million euro, was mainly from the Cement business and reflects the 104.9 million euro in capital gains on the asset swap and sale of the port terminal in the UK.

The 44.2 million euro in 2012 correspond to capital gains on the sale of the airport handling business.

Overall, EBIT amounted to -303.1 million euro in 2013, compared with 147.4 million euro in 2012.

2.1.4.4. Earnings before taxes (EBT) from continuing activities

Earnings before taxes from continuing activities were negative in the amount of 760.8 million euro after incorporating the following to EBIT:

2.1.4.4.1. Financial income

Net financial expenses amounted to 438.8 million euro in the period, 17.6% more than in 2012. This increase is attributable to the higher cost of funding, in part caused by the full refinancing of the Cement business in July 2012.

Other financial results, which amounted to -77.8 million euro, mainly reflect impairments for loans to concession companies in which the Construction area has a minority stake.

2.1.4.4.2. Equity-accounted affiliates

The contribution from equity-accounted affiliates amounted to 59 million euro in 2013, compared with 14.1 million euro in 2012. This increase is mainly due to the sale of 50% of Proactiva and to greater income from the minority stake in Construction area concession companies.

2.1.4.5. Income attributable to equity holders of the parent company

Net attributable income amounted to -1,506.3 million euro (compared with -1,028 million euro in 2012), after including the following items in EBT:

2.1.4.5.1. Income tax

The corporate income tax reflects a tax credit of 135.5 million euro, compared with 38 million euro in 2012.

2.1.4.5.2. Income from discontinued operations

This includes the results from all of the entities classified as discontinued at 31 December, including:

a. Alpine, which contributed a loss of 423.9 million euro, due to writing off the investment in that company and including its results up to the date of deconsolidation as well as provisions for possible risks associated with the current liquidation process.
b. FCC Energy, which contributed a net loss of 267.3 million euro following the sale agreement reached on 30 December, reflecting both the value adjustments in its portfolio of renewable assets as a result of a series of regulatory changes implemented by the government, and transaction costs related to its sale.
c. Realia and GVI, which contributed losses of 99.7 million euro, mainly including impairments on the investment in both companies and their attributable income in the year, which totalled -32.9 million euro.
d. The remaining 114.3 million euro is attributable to -50.9 million euro in losses and impairments at Versia, and -63.4 million euro corresponding to FCC Environmental (industrial waste in the US).

Overall, discontinued activities made a negative contribution of 905.2 million euro in 2013, compared with a loss of 869.4 million euro in 2012.

2.1.4.5.3. Non-controlling interests

Income attributable to non-controlling interests, mainly in the Cement area, amounted to a loss of 24.1 million euro, compared with 64.2 million euro in 2012.

2.1.5. Balance Sheet

(million euro)	Dec. 13	Dec.12(1)	Chg.(M€)
Intangible assets	2,857.3	3,821.7	(964.4)
Property, plant and equipment	3,750.9	4,691.3	(940.4)
Investments accounted for using the equity method	368.7	935.0	(566.3)
Non-current financial assets	383.5	412.6	(29.1)
Deferred tax assets and other non-current assets	1,082.0	732.8	349.2
Non-current assets	**8,442.4**	**10,593.5**	**(2,151.1)**
Non-current assets classified as held for sale	2,172.5	1,476.2	696.3
Inventories	798.0	1,128.7	(330.7)
Trade and other accounts receivable	2,809.4	4,921.3	(2,111.8)
Other current financial assets	401.8	437.2	(35.4)
Cash and cash equivalents	977.8	1,166.2	(188.4)
Current assets	**7,159.6**	**9,129.5**	**(1,969.9)**
TOTAL ASSETS	15,601.9	19,723.0	(4,121.1)

(million euro)	Dec. 13	Dec.12(1)	Chg.(M€)
Equity attributable to equity holders of parent company	3.2	1,246.9	(1,243.7)
Non-controlling interests	239.6	450.1	(210.5)
Net equity	**242.8**	**1,697.0**	**(1,454.2)**
Grants	226.3	220.2	6.1
Long-term provisions	1,092.0	1,155.0	(63.0)
Long-term interest-bearing debt	1,070.6	4,540.0	(3,469.4)
Other non-current financial liabilities	66.3	565.9	(499.6)
Deferred tax liabilities and other non-current liabilities	1,017.2	1,106.1	(88.9)
Non-current liabilities	**3,472.3**	**7,587.2**	**(4,114.9)**
Liabilities associated with non-current assets classified as heldfor sale	1,729.2	970.4	758.8
Short-term provisions	340.1	303.6	36.5
Short-term interest-bearing debt	6,284.4	4,151.8	2,132.6
Other current financial liabilities	114.1	172.8	(58.7)
Trade and other accounts payable	3,419.1	4,840.4	(1,421.3)
Current liabilities	**11,886.9**	**10,438.9**	**1,448.0**
TOTAL LIABILITIES	15,601.9	19,723.0	(4,121.1)

(1) Figures have been restated for the sole purpose of complying with IAS 19, which requires recognition in net equity of the actuarial gains and losses from deferred compensation of employees (pension funds). The net impact of the tax effect is 24.6 million euro.

2.1.5.1. Investments accounted for using the equity method

The investment accounted for using the equity method companies (368.7 million euro) comprised mainly the following at the end of December:

1) 97.3 million euro in Environmental Services companies.
2) 77.5 million euro in Water concession companies.
3) 36.9 million euro corresponding to concession companies in the Construction area not contributed to GVI.
4) 157 million euro corresponding to the other stakes in, and loans to, equity-accounted affiliates.

2.1.5.2. Non-current assets and liabilities classified as held for sale

Of the 2,172.5 million euro in non-current assets classified as held for sale at 31 December 2013, 933.3 million euro correspond to FCC Energy, 870.1 million euro to Versia and to

FCC Environmental, and the remaining 369.1 million euro to the stakes in GVI and Realia. FCC Energy has been so classified since 1 July 2011 (and is pending only completion of the sale), Versia since 30 June 2013 and the remainder since 31 December 2013.

Those assets had associated liabilities amounting to 1,729.2 million euro, of which 918.7 million euro correspond to FCC Energy, and 810.5 million euro to Versia and to FCC Environmental. Net debt for those areas was 797.1 million euro at 31 December: 736.9 million euro in non-recourse project finance in the Energy area, and 63.6 million euro at Versia and FCC Environmental.

2.1.5.3. Net equity

Net equity amounted to 242.8 million euro as of 31 December 2013. The decline with respect to 31 December 2012 is mainly due to losses on discontinued operations detailed in section 2.1.4.5.2 together with impairment losses and exceptional provisions detailed in section 2.1.4.3.

2.1.5.4. Net interest-bearing debt

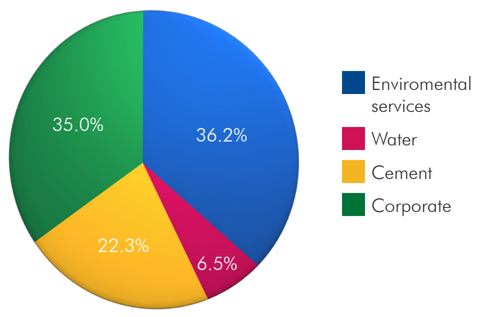
At 31 December 2013, net interest-bearing debt amounted to 5,975.5 million euro, i.e. a decline of 1,112.2 million euro compared with the end of 2012, due mainly to the effect of deconsolidating Alpine and to divestments over the course of the year.

(million euro)	Dec. 13	Dec. 12	Chg.(M€)
Bank borrowings	6,227.1	7,247.0	(1,019.9)
Debt instruments and other loans	851.1	1,144.7	(293.6)
Accounts payable due to financial leases	48.3	70.9	(22.6)
Derivatives and other financial liabilities	228.6	228.6	0.0
Gross interest-bearing debt	7,355.1	8,691.1	(1,336.0)
Cash and other financial assets	(1,379.6)	(1,603.4)	223.8
Net interest-bearing debt	5,975.5	7,087.7	(1,112.2)
With recourse	3,893.4	4,262.9	(369.5)
Without recourse	2,082.1	2,824.8	(742.7)

The large balance of gross interest-bearing debt maturing in the short term, amounting to 6,284.4 million euro, is because the process of refinancing most of the Group's corporate debt was still pending at 31 December 2013. It is expected to be included in a new long-term credit facility, its main components aligned with the current Strategic Plan. This item also includes a 450 million euro convertible bond maturing in October 2014 and 456.6 million euro in funding for FCC Environment UK, which completed long-term refinancing in January 2014.

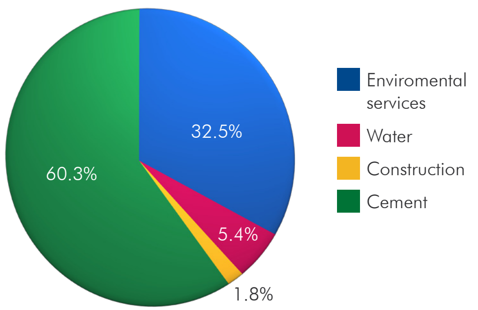
Environmental Services and Water accounted for 42.7% of net debt, connected to regulated long-term public service contracts; 22.3% of net debt corresponds to Cement, which represents a large proportion of fixed assets on the balance sheet. The remaining 35% corresponds to the Parent company, which includes a 450 million euro convertible bond, funding for investees in the process of being divested (GVI, Realia, etc.) and acquisition debt in connection with several operating companies in the various business areas.

Net debt by business area



Net interest-bearing debt without recourse to the Parent company amounted to 2,082.1 million euro in 2013, accounting for 34.8% of the total. The breakdown by business area is as follows:

Net debt without recourse, by area



It is important to note that almost all of the debt in the Cement area is without recourse to the rest of FCC Group, as stipulated in the refinancing agreement for the area that was signed in July 2012. The remaining debt without recourse, 456.6 million euro, corresponds to the acquisition of FCC Environment UK and to funding of projects in the Water and Waste Treatment areas of the Environmental Services division.

2.1.5.5. Other current and non-current financial liabilities

The balance of other current and non-current financial liabilities amounted to 180.4 million euro and includes financial liabilities not classified as interest-bearing debt, such as those linked to suppliers of property, plant and equipment, deposits and guarantees received, and stock options. The 558.3 million euro decline with respect to 31 December 2012 is mainly due to the classification of operating licenses in the Urban Furniture business as non-current assets available for sale.

2.1.6. Cash Flow

(million euro)	Dec.13	Dec.12	Chg.(%)
Funds from operations	748.3	1,176.7	-36.4%
(Increase)/decrease in working capital	257.3	145.7	76.6%
Other items (taxes, dividends, etc.)	(240.5)	(163.4)	47.2%
Operating cash flow	765.1	1,159.0	-34.0%
Investing cash flow	(159.7)	(227.2)	-29.7%
Cash flow from business operations	605.4	931.8	-35.0%
Financing cash flow	(170.0)	(601.2)	-71.7%
Other cash flow (exchange differences, change in consolidation scope, etc.)	676.8	(292.8)	N/A
(Increase) / decrease in net interest-bearing debt	1,112.2	37.8	N/A

2.1.6.1. Operating cash flow

Operating cash flow totalled 765.1 million euro in 2013, compared with 1,159 million euro in 2012. It includes a decline in funds from operations and an improvement in operating cash flow, reflecting the effect of the Second Supplier Payment Plan, which was partially executed in 2013. The Others section includes costs incurred for restructuring, which began in 2013.

A total of 257.3 million euro in working capital were released, with an improvement in all areas of activity and especially in Construction, due to the commencement of repositioning efforts by that area. This change includes a 19.8 million euro decline in factoring with respect to 2012, to 290.5 million euro at 31 December 2013.

(million euro)	Dec.13	Dec.12	Chg. (M€)
Environmental Services	200.8	236.3	(35.5)
Water	6.5	19.5	(13.0)
Construction	1.7	(165.7)	167.4
Cement	15.7	13.3	2.4
Corporate services and adjustments	32.6	42.3	(9.7)
(Increase)/decrease in working capital	257.3	145.7	111.6

Past-due accounts receivable from local government sector clients in Spain exceeded 600 million euro at the end of 2013. In view of the procedures and terms established under

Royal Decree-Act 8/2013, of 28 June, it is possible to estimate that outstanding payments from regional governments that fell due prior to 31 May 2013 will be received in the first quarter of 2014. The Act to Control Trade Accounts Payable by the Public Sector and the Electronic Invoice Act were approved at the end of last year. These Acts seek to reduce the average payment period for suppliers to the public sector to 30 days by establishing an automatic progressive payment control system.

"Other operating cash flow" amounted to -240.5 million euro and includes 99.4 million euro released from provisions for non-recurring restructuring costs.

2.1.6.2. Investing cash flow

Consolidated investing cash flow totalled 159.7 million euro in 2013, vs. 227.2 million euro in 2012. This year's accounts include the payment of a 40.5 million euro fee for a 25-year concession to provide end-to-end water management services in Jerez.

This item also includes 125 million euro received in connection with the sale of 50% of Proactiva (Environmental Services area) in the fourth quarter of 2013 and another 90.4 million euro from the divestment of group and associated companies and business units, mainly the sale of minority stakes in various concession companies in the Construction area and of the Cement area's port terminal in Ipswich (UK) for 22.1 million euro. The 2012 figures included the sale of the airport handling business for 128 million euro.

The breakdown of net investments by activity is as follows:

(Investment/divestment, million euro)	Dec.13	Dec.12	Chg. (M€)
Environmental services	(76.3)	(168.8)	92.5
Water	(87.7)	(50.8)	(36.9)
Construction	(5.7)	(84.2)	78.5
Cement	26.8	(23.4)	50.2
Corporate services and adjustments	(16.8)	100.0	(116.8)
Total	(159.7)	(227.2)	67.5

2.1.6.3. Financing cash flow

Consolidated financing cash flow was-170 million euro in 2013, compared with -601.2 million euro in 2012, which included 150.7 million euro of dividend payments, together with capital expenditure of 52.6 million euro to buy out the remaining non-controlling interests (13.5%) in Alpine, in accordance with the agreement signed the previous year.

In addition to interest payments and other financing flows, this item also includes the receipt of 97 million euro from the sale of 49% of the water business in the Czech Republic and of 150.6 million euro for own shares (9.7% of capital) sold during the second quarter of 2013.

2.1.6.4. Others

This item, amounting to 676.8 million euro, reflects the effect of exchange differences, value adjustments in derivatives and changes in consolidation scope.

2.1.7. Business performance

2.1.7.1. Environmental Services

Note: The assets and liabilities corresponding to FCC Environmental (industrial waste management in the US) have been classified as "held for sale" since 31 December 2013 (Note 2.1.5.2). The related income is recognised under "results from discontinued operations" (Note 2.1.4.5.2). Accordingly, and to enable comparison, the income statement and cash flow statement for 2012 have been restated

EBITDA in Environmental Services amounted to 55.5% of the FCC Group total. Overall, 95% of its activity is focused on municipal solid waste collection, processing and disposal, as well as other municipal services such as street cleaning and green area upkeep. The other 5% corresponds to industrial waste collection and management.

The business in Spain focuses on municipal waste management and street cleaning; in the UK, it is involved notably in municipal waste treatment and disposal; in Central and Eastern Europe, mainly Austria and the Czech Republic, it engages in end-to-end municipal waste management (collection, processing and disposal); and in Portugal and Italy it is involved in industrial waste management.

2.1.7.1.1. Results

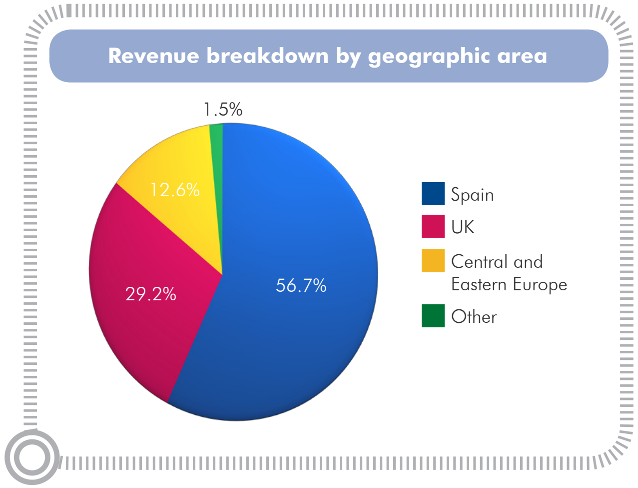
(million euro)	Dec. 13	Dec. 12	Chg. (%)
Revenues	2,770.4	2,827.6	-2.0%
Environmental	2,633.3	2,662.2	-1.1%
Industrial Waste	137.1	165.5	-17.1%
EBITDA	425.4	497.3	-14.5%
EBITDA margin	15.4%	17.6%	-2.2 p.p.
EBIT	(66.6)	48.4	-237.7%
EBIT margin	-2.4%	1.7%	-4.1 p.p.

Revenues in this area amounted to 2,770.4 million euro in 2013, down 2% with respect to 2012 due to a 17.1% contraction in the industrial waste business in Spain and Italy, the negative currency effect in the UK, and the completion of a soil decontamination contract in the Czech Republic in the Environment area.

Revenue breakdown by region			
(million euro)	Dec. 13	Dec.12	Chg. (%)
Spain	1,571.2	1,595.6	-1.5%
United Kingdom	809.2	806.9	0.3%
Central and Eastern Europe	349.6	367.0	-4.7%
Others (Portugal, Italy, etc.)	40.4	58.1	-30.5%
Total	2,770.4	2,827.6	-2.0%

In Spain revenues declined by 1.5% to 1,571.2 million euro due to the contraction in the Industrial Waste business and to the adaptation of services provided to certain clients to adjustments in their budgets approved in 2012.

In the UK (0.3%), the increase in recycling offset the 4.5% depreciation by the pound sterling (5.3% at constant exchange rates). In Central and Eastern Europe, the 4.7% decline in revenues is mainly attributable to the completion of a soil decontamination contract in the Czech Republic and to 3.3% currency depreciation. The 30.5% decline in revenues in other markets is due to the completion of a large sludge removal contract in Italy.



EBITDA declined by 14.5% to 425.4 million euro, and the EBITDA margin was 15.4%, compared with 17.6% in 2012. The decline in the margin is due to several factors: the sharp decrease in revenues and margins in Industrial Waste; the decline in landfill prices in the UK, as well as lower waste collection prices in Austria and the implementation of a landfill fee in Hungary; and the adaptation of services provided to certain clients in Spain.

EBIT amounted to -66.6 million euro, reflecting 260.4 million euro of impairment in goodwill, of which 236.4 million euro is attributable to FCC Environment UK and 24 million euro to the Industrial Waste companies.

Backlog breakdown by region			
(million euro)	Dec. 13	Dec. 12	Chg.(%)
Spain	7,436.2	7,473.0	-0.5%
International	4,447.5	3,908.7	13.8%
Total	11,883.7	11,381.7	4.4%

The international backlog increased by 13.8% with respect to 2012 year-end, to 4,447.5 million euro, due mainly to the inclusion of a 30-year contract worth over 1,000 million euro to manage the Buckinghamshire waste treatment plant, which did not contribute to revenues in the period.

The backlog in Spain remained in line with 2012 year-end (-0.5%), following the inclusion of Madrid street cleaning contracts 5 and 6, which will last 8 years and are over 500 million euro in total.

2.1.7.1.2. Cash flow

(million euro)	Dec.13	Dec.12	Chg.(%)
Funds from operations	**444.3**	**488.9**	**-9.1%**
(Increase) / decrease in working capital	200.8	236.3	-15.0%
Other items (taxes, dividends, etc.)	(64.2)	(35.7)	79.9%
Operating cash flow	**580.9**	**689.5**	**-15.7%**
Investing cash flow	(76.3)	(168.8)	-54.8%
Cash flow from business operations	**504.6**	**520.7**	**-3.1%**
Financing cash flow	(147.0)	(190.1)	-22.7%
Other cash flow (exchange differences, change in consolidation scope, etc.)	(105.2)	549.7	N/A
(Increase) / decrease in net interest-bearing debt	**252.4**	**880.2**	**-71.3%**
(million euro)	Dec.13	Dec.12	Chg.(M€)
Net interest-bearing debt	**2,220.0**	**2,472.4**	**(252.4)**
With recourse	1,543.7	1,792.5	(248.8)
Without recourse	676.3	679.9	(3.6)

Operating cash flow in the Environmental Services area totalled 580.9 million euro in 2013, down 15.7% with respect to 2012, in line with the decline in EBITDA and the smaller reduction in working capital.

Working capital performed well in the year, declining by 200.8 million euro, including the receipt of 182 million euro in the fourth quarter under the Second Supplier Payment Plan. The difference in working capital in 2012 reflected the 544 million euro collected under the first Supplier Payment Plan.

On 19 December, Spanish Parliament approved the Act to Control Trade Accounts Payable by the Public Sector and the Electronic Invoice Act, which aim to reduce the supplier payment period to 30 days by establishing an automatic oversight and payment system under Central Government control. At 31 December, the average collection period in the Environment business in Spain was five months, equivalent to close to 500 million euro in past-due accounts.

Investing cash flow, which totalled -76.3 million euro, includes an inflow of 125 million euro from the sale of 50% of Proactiva. The remaining 25 million euro is expected to be collected in the first half of 2014.

Other cash flow reflects intragroup movements as well as variations in exchange rates and in the value of derivatives. In 2012, this item included the reclassification as parent company debt of 648 million euro of acquisition debt relating to FCC Environment UK, which is with recourse to the parent company.

The area's net interest-bearing debt declined by 252.4 million euro in the year, to 2,220 million euro. Net interest-bearing debt without recourse to the parent company includes 449.4 million euro corresponding to FCC Environment UK and funding for various municipal waste treatment and abatement plants in the UK and Austria.

2.1.7.2. Water

The Water area accounts for 25.5% of FCC Group EBITDA. Public concessions for end-to-end water management (capture, distribution and treatment) account for 92% of total revenues, and water infrastructure design and construction for the other 8%.

FCC serves more than 13 million people in over 850 municipalities in Spain. In Eastern Europe, FCC serves 1.3 million users, mainly in the Czech Republic. It also has a strong presence in Italy, where it has an end-to-end water management contract in Sicily, and it operates in Portugal. In Latin America, the Middle East and North Africa, FCC is involved mainly in water infrastructure design, construction and management.

2.1.7.2.1. Result

(million euro)	Dec. 13	Dec. 12	Chg.(%)
Revenues	930.0	901.4	3.2%
Concessions	852.7	809.4	5.3%
Water Infrastructure	77.3	92.0	-16.0%
EBITDA	191.7	188.9	1.5%
EBITDA margin	20.6%	21.0%	-0.3 p.p.
EBIT	114.9	114.2	0.6%
EBIT margin	12.4%	12.7%	-0.3 p.p.

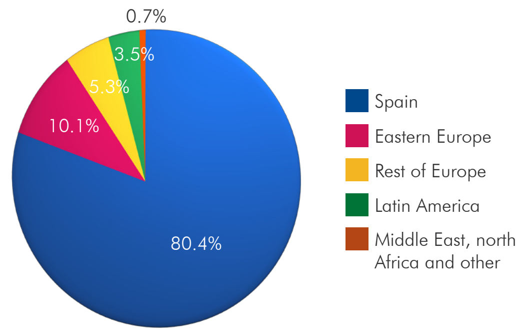
Water revenues expanded by 3.2% year-on-year in 2013 to 930 million euro. Revenues from concessions increased by 5.3% due to new end-to-end water management contracts in Spain and tariff revisions in Italy, while revenues from the construction of water infrastructure declined by 16% due to the completion of several plants in Latin America.

Revenue breakdown by region			
	Dec. 13	Dec. 12	Chg. (%)
Spain	747.6	723.7	3.3%
Eastern Europe	94.2	93.7	0.5%
Rest of Europe	49.3	45.1	9.3%
Latin America	32.5	34.4	-5.5%
Middle East, North Africa and Others	6.4	4.5	42.2%
Total	930.0	901.4	3.2%

Revenues in Spain increased by 3.3% due to the commencement of new end-to-end water management contracts, notably in Jerez and Arcos de la Frontera, as well as a sewage treatment contract in Algeciras, among others. The 3% decline in consumption was offset by the increase in average tariffs.

Revenues were stable in Eastern Europe (0.5%), and increased by 9.3% in the rest of Europe due to the revision of tariffs in Italy. The decline in revenues in Latin America is due to the completion of several sewage treatment plants in Mexico and a desalination plant in Chile. Notable growth in other markets is due to the commencement of the service to optimise the water supply network in Riyadh.

Revenue breakdown by region



EBITDA increased by 1.5% to 191.7 million euro, and the EBITDA margin was 20.6%, compared with 21.0% in 2012.

Backlog breakdown by region			
	Dec. 13	Dec. 12	Chg.(%)
Spain	10,166.7	9,279.7	9.6%
International	4,206.6	4,348.8	-3.3%
Total	14,373.3	13,628.5	5.5%

In Spain, the backlog increased by 9.6% to 10,116.7 million euro, due to the inclusion of a 25-year end-to-end water management contract in Jerez that is worth close to 900 million euro.

2.1.7.2.2. Cash Flow

(million euro)	Dec.13	Dec.12	Chg.(%)
Funds from operations	209.3	195.8	6.9%
(Increase) / decrease in working capital	6.5	19.5	-66.7%
Other items (taxes, dividends, etc.)	(19.4)	(21.5)	-9.8%
Operating cash flow	196.4	193.8	1.3%
Investing cash flow	(87.7)	(50.8)	72.6%
Cash flow from business operations	108.7	143.0	-24.0%
Financing cash flow	31.8	(46.3)	-168.7%
Other cash flow (exchange differences, change in consolidation scope, etc.)	224.3	20.3	N/A
(Increase) / decrease in net interest-bearing debt	364.8	116.9	N/A
(million euro)	Dec.13	Dec.12	Chg. (M€)
Net interest-bearing debt	396.2	761.0	(364.8)
With recourse	284.1	704.0	(419.9)
Without recourse	112.1	57.0	55.1

The Water area's operating cash flow increased slightly (1.3%) with respect to 2012. The increase in funds from operations, in line with higher EBITDA, was offset by a lower recovery of working capital, which reflects the 11.4 million euro collected in 2013 under the Second Supplier Payment Plan, compared with 85 million euro collected under the First Plan in 2012.

The area's investing cash flow amounted to -87.7 million euro compared with -50.8 million euro in 2012, due mainly to the payment of 50% of the fee for the 25-year end-to-end water management concession in Jerez of 40.5 million euro. The rest of the payment is expected to be made in April 2014.

Financing cash flow amounted to 31.8 million euro, compared with -46.3 million euro in 2012, mainly as a result of the collection of 97 million euro from the sale of a minority stake of the water business in the Czech Republic.

Other cash flow reflects intragroup movements as well as variations in exchange rates and in the value of derivatives. In 2013, this item includes the reclassification as parent company debt of 195.4 million euro of non-operating debt in this area.

Net interest-bearing debt declined by 364.8 million euro with respect to December 2012, to 396.2 million euro. Net interest-bearing debt without recourse to the parent company amounted to 112.1 million euro, corresponding mainly to debt at the Czech water subsidiary, Aqualia Czech.

2.1.7.3. Construction

Note: The Construction activity does not include subsidiary Alpine, which was deconsolidated in June 2013 since it was placed in liquidation. Its earnings are recognised under "results from discontinued operations" (Note 2.1.4.5.2). Accordingly, and to enable comparison, the income statement and cash flow statement for 2012 have been restated.

The Construction area accounts for 12.9% of FCC Group EBITDA. It is mainly involved in the design and construction of large civil engineering and industrial works and building in certain geographies. It operates in highly complex public works such as railways, tunnels and bridges, which, with industrial installation and maintenance projects, account for a large part of its activity.

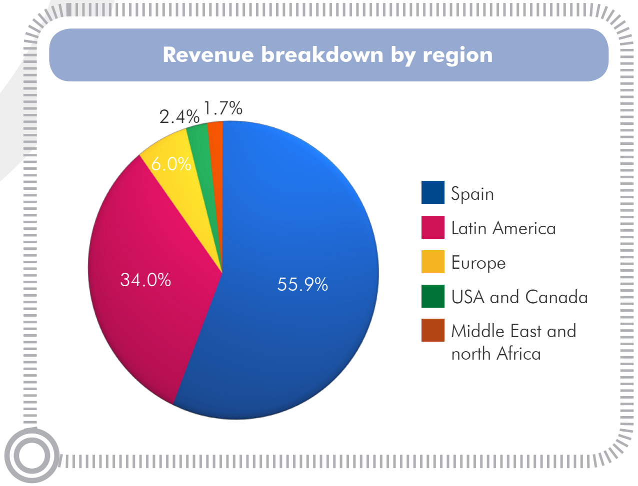
2.1.7.3.1. Results

(million euro)	Dec. 13	Dec. 12	Chg. (%)
Revenues	2,589.2	2,935.6	-11.8%
EBITDA	98.8	89.4	10.5%
EBITDA margin	3.8%	3.0%	0.8 p.p.
EBIT	(247.7)	43.6	N/A
EBIT margin	-9.6%	1.5%	-11.1 p.p.

Revenues in the Construction area totalled 2,589.2 million euro in 2013, a decline of 11.8% year-on-year. The sharp adjustment in public spending on infrastructure reduced revenues in Spain by 25.3%. In contrast, revenues from other countries expanded by 14.5%.

Revenue breakdown by region			
(million euro)	Dec. 13	Dec. 12	Chg. (%)
Spain	1,447.6	1,938.5	-25.3%
Latin America	880.0	666.6	32.0%
Europe	159.6	272.6	-41.5%
US and Canada	61.0	35.2	73.3%
Middle East, North Africa and Others	41.0	22.7	80.5%
Total	2,589.2	2,935.6	-11.8%

Revenues in Latin America increased notably, by 32%, principally as a result of the contracts for the metro and road reorganisation in Panama City entering the final phase of execution, as well as the commencement of projects in new markets such as Peru, Chile and Colombia. Revenues in Europe declined by 41.5% due to the completion of large contracts, such as the bridge over the Danube between Bulgaria and Romania, and the fact that some new projects were at a very early stage and other contracts had yet to be signed and started (e.g. Mersey Bridge and Haren Prison). Strong growth in revenues in the US and Canada is due to the start of work on the Gerald Desmond bridge, in Los Angeles, and to the faster pace of the Toronto subway contract.



EBITDA amounted to 98.8 million euro in 2013, and the EBITDA margin was 3.8%. Operating profitability recovered gradually over the course of the year, due mainly to actions under way to adapt the cost structure in Spain to current demand.

EBIT, which amounted to -247.7 million euro, reflects impairments, mainly of real estate and concession assets (156.1 million euro), and provisions for risks associated with certain international contracts (103.9 million euro) and for workforce restructuring costs (49 million euro).

Backlog breakdown by region			
(million euro)	Dec. 13	Dec. 12	Chg. (%)
Spain	2,520.6	3,686.9	-31.6%
International	4,087.5	2,199.3	85.9%
Total	6,608.1	5,886.2	12.3%

The international backlog increased by 85.9%, to 4,087.5 million euro, driven by large contracts such as the construction of lines 4, 5 and 6 of the Riyadh metro (1,722.6 million euro) and the hospital complex in Panama (445 million euro). However, the backlog does not yet include other important adjudications such as the new bridge over the River Mersey in Liverpool and the prison complex in Haren, which together are worth over 300 million euro.

Backlog breakdown, by business segment			
(million euro)	Dec. 13	Dec. 12	Chg. (%)
Civil engineering	5,095.3	4,523.3	12.6%
Building	1,237.1	1,070.5	15.6%
Industrial projects	275.7	292.4	-5.7%
Total	6,608.1	5,886.2	12.3%

Civil engineering and industrial projects continued to account for the bulk of the backlog, i.e. 81.3% of the total, while building (basically non-residential) accounted for the remaining 18.7%. At the end of 2013, the backlog guaranteed over 30 months' work.

2.1.7.3.2. Cash flow

(million euro)	Dec. 13	Dec. 12	Chg. (%)
Funds from operations	124.9	504.9	-75.3%
(Increase) / decrease in working capital	1.7	(165.7)	-101.0%
Other items (taxes, dividends, etc.)	(97.6)	(9.5)	N/A
Operating cash flow	29.0	329.7	-91.2%
Investing cash flow	(5.7)	(84.2)	-93.2%
Cash flow from business operations	23.3	245.5	N/A
Financing cash flow	(82.8)	(94.6)	-12.5%
Other cash flow (exchange differences, change in consolidation scope, etc.)	967.1	273.2	254.0%
(Increase) / decrease in net interest-bearing debt	907.6	424.1	114.0%
(million euro)	Dec. 13	Dec. 12	Chg. (M€)
Net interest-bearing debt	(153.3)	754.3	(907.6)
With recourse	(191.5)	(46.6)	(144.9)
Without recourse	38.2	800.9	(762.7)

The Construction area's operating cash flow was 29 million euro, after applying 71.5 million euro in non-recurrent provisions for restructuring costs.

Working capital remained stable in the year (1.7 million euro) and includes the collection of 20.7 million euro from the Second Supplier Payment Plan. In 2012, this item included 97 million euro under the First Supplier Payment Plan.

Investing cash flow totalled -5.7 million euro and includes the collection of 63.2 million euro on the sale of minority stakes in various concession companies during the year and of 31 million euro from the sale of real estate assets.

Other cash flow reflects intragroup movements as well as variations in exchange rates and in the value of derivatives. In 2013, this item includes a 400 million euro increase in the area's equity, the deconsolidation of Alpine's debt, amounting to 741 million euro, and the 149 million euro injected into that company in the first quarter. In 2012, this item included a 347 million euro increase in the area's equity and the 99 million euro injection into Alpine in the fourth quarter.

Overall, the area's net interest-bearing debt declined by 907.6 million euro with respect to December 2012, resulting in a net cash position of 153.3 million euro at year-end. The 38.2 million euro in net interest-bearing debt without recourse to the parent company corresponds to the Coatzacoalcos Tunnel and Conquense Highway concession companies.

2.1.7.4. Cement

The Cement area accounts for 6.6% of FCC Group EBITDA through its 69.8% stake in Cementos Portland Valderrivas. It focuses mainly on cement, concrete, aggregate and mortar production. That company has seven cement factories in Spain, three in the US and one in Tunisia.

2.1.7.4.1. Results

(million euro)	Dec. 13	Dec. 12	Chg.(%)
Revenues	540.9	653.7	-17.3%
Cement	426.2	468.3	-9.0%
Other	114.7	185.4	-38.1%
EBITDA	50.4	69.8	-27.9%
EBITDA margin	9.3%	10.7%	-1.4 p.p.
EBIT	(24.2)	(133.4)	-81.9%
EBIT margin	-4.5%	-20.4%	15.9 p.p.

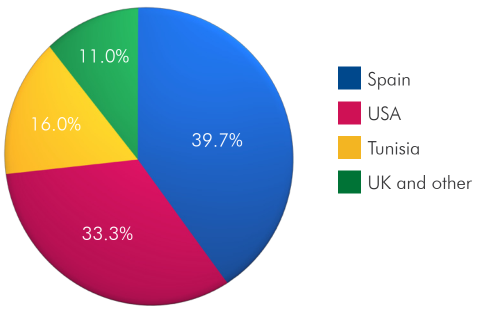
Revenues in the area totalled 540.9 million euro in 2013, down 17.3% year-on-year. Nevertheless, adjusting for the swap of Cementos Lemona and the sale of a port terminal in the United Kingdom in the first quarter, the decline was just 11.3% in like-for-like terms.

Revenue breakdown by region			
(million euro)	Dec. 13	Dec. 12	Chg. (%)
Spain	215.0	320.1	-32.8%
USA	180.3	165.3	9.1%
Tunisia	86.4	90.0	-3.9%
UK and others	59.2	78.3	-24.5%
Total	540.9	653.7	-17.3%

Revenues in Spain decreased by 32.8%, compared with the 19.2% reduction in cement consumption nationwide in 2013, due to deconsolidating Cementos Lemona and the closure of less profitable concrete, mortar and aggregate plants. Cementos Lemona was swapped with CRH for the non-controlling interests in Corporación Uniland, which was already fully consolidated.

Revenues in the US increased by 9.1%, and that country now accounts for one-third of the area total, while revenues in Tunisia declined slightly with respect to the previous year due to the currency effect. Exports to the UK and other markets reflect the aforementioned effect of the sale of the Ipswich terminal in the UK.

Revenue breakdown by region



The area's EBITDA declined by 27.9%, to 50.4 million euro, due to lower sales of emission rights, which amounted to 2.6 million euro, compared with 33.6 million euro in 2012. Excluding emissions right sales, EBITDA would have expanded by 32%. The decline in emissions rights sales is due to the delay in receiving the allocation under the new 2013/2020 framework; they will be received and sold together with the 2014 rights.

The area's EBITDA margin reflects a gradual recovery during the year, due to cost saving measures implemented in Spain in the last few quarters, together with the recovery in the US.

EBIT totalled -24.2 million euro, and includes capital gains amounting to 104.9 million euro, impairments totalling 53.2 million euro in connection with the mortar and aggregate business, and provisions of 51.7 million euro for workforce restructuring costs. Of the 104.9 million euro in capital gains, 89.8 million euro correspond to the asset swap (with no cash effect) and 15.1 million euro to the sale of the terminal in Ipswich (UK) in the first quarter.

2.1.7.4.2. Cash flow

(million euro)	Dec. 13	Dec. 12	Chg. (%)
Funds from operations	**42.8**	**30.3**	**41.3%**
(Increase) / decrease in working capital	15.7	13.3	18.0%
Other items (taxes, dividends, etc.)	(33.1)	(5.3)	N/A
Operating cash flow	**25.4**	**38.3**	**-33.7%**
Investing cash flow	26.8	(23.4)	N/A
Cash flow from business operations	**52.2**	**14.9**	**N/A**
Financing cash flow	(74.9)	(70.3)	6.5%
Other cash flow (exchange differences, change in consolidation scope, etc.)	(20.4)	20.0	N/A
(Increase) / decrease in net interest-bearing debt	**(43.2)**	**(35.5)**	**21.7%**
(million euro)	Dec. 13	Dec. 12	Chg. (M€)
Net interest-bearing debt	**1,363.7**	**1,320.5**	**43.2**
With recourse	108.3	33.4	74.9
Without recourse	1,255.4	1,287.1	(31.7)

The Cement area's operating cash flow amounted to 25.4 million euro in 2013, compared with 38.3 million euro in 2012. Nevertheless, funds from operations increased by 41.3%, partially offsetting the application of 30 million euro in non-recurrent provisions for workforce restructuring costs.

Investing cash flow, which totalled 26.8 million euro in 2013, includes an influx of 22.1 million euro from the sale of the terminal in Ipswich and of 8.1 million euro from the sale of two hydroelectric plants in Spain. Investment in the quarter was mainly concentrated on increasing the use of alternative fuels and raw materials in Spain. At the end of 2013, the fossil fuel replacement rate was 18% in Spain, compared with 41% in the US.

After applying financing cash flow and other changes, such as variations in exchange rates and the value of derivatives, the area's net interest-bearing debt increased by 43.2 million euro, to 1,363.7 million euro. Of that amount, 108.3 million euro is debt owed to the Group's parent company, while the remainder is without recourse to FCC.

2.2. Business performance. Environment

The information relating to the FCC Group's Environmental Policy is described in greater detail in Note 30 to the consolidated financial statements. Information on the environment.

The FCC Group's strategy maintains a socially responsable commitment in relation to environmental services, complying with applicable legal requirements, respect for the relationship with its stakeholders and its desire to generate wealth and social wellbeing.

At the FCC Group, the following principles, which form the basis of its contribution to sustainable development, are encouraged and stimulated throughout the organisation:

- On-going improvement: To promote environmental excellence through the setting of targets to achieve on-going improvements in the performance of activities, while minimising the negative impacts of the FCC Group's processes, products and services and strengthening the positive impacts.
- Control and monitoring: To establish environmental indicator management systems for the operational control of processes, which provide the necessary information for monitoring, assessing, taking decisions on and communicating the FCC Group's environmental efforts, and ensure compliance with the commitments acquired.
- Climate change and prevention of pollution: To lead the battle against climate change by implementing processes involving reduced emission of greenhouse gases and by promoting energy efficiency and the use of renewable energies. To prevent pollution and protect the natural environment through responsible management and consumption of natural resources and by minimising the impact of the emissions, discharges and waste generated and managed as a result of the FCC Group's activities.
- Observation of the environment and innovation: To identify the risks and opportunities of the activities with respect to the changing natural environment in order to promote innovation and the use of new technologies, and to generate synergies between the FCC Group's various activities.
- Life cycle of the products and services: To intensify environmental considerations in the planning of activities, purchase of materials and equipment and in relationships with suppliers and contractors.
- Everyone's participation is needed: To promote awareness and application of the environmental principles among employees and other interest groups.

2.3. Business performance. Employees

Following is a detail, by business area, of the FCC Group's headcount at 31 December 2013:

AREAS	SPAIN	INTERNATIONAL	TOTAL
Construction	5,676	5,000	10,676
Environment	29,126	8,598	37,724
Water Management	5,670	1,455	7,125
Industrial Waste	661	517	1,178
Versia	3,567	730	4,297
Cement	849	989	1,838
Central Services	417	-	417
TOTAL	45,966	17,289	63,255

3. LIQUIDITY AND CAPITAL RESOURCES

Liquidity

To optimise its financial position, the FCC Group maintains a proactive liquidity risk management policy by comprehensively monitoring cash and its projections on a fortnightly basis.

For the purpose of ensuring liquidity and enabling it to meet all the payment obligations arising from its business activities, the Group has the cash disclosed in the consolidated balance sheet (see Note 17 to the consolidated financial statements), and the credit and financing facilities detailed in Note 21 to the consolidated financial statements.

With a view to improving its financial position, the Group actively manages collection from its customers to ensure they meet their payment obligations.

In 2013 additional sources were added to the Group's usual liquidity sources arising from recurring activity, such as the II Supplier Payment Plan, the divestments which occurred during the year and the sale of treasury shares.

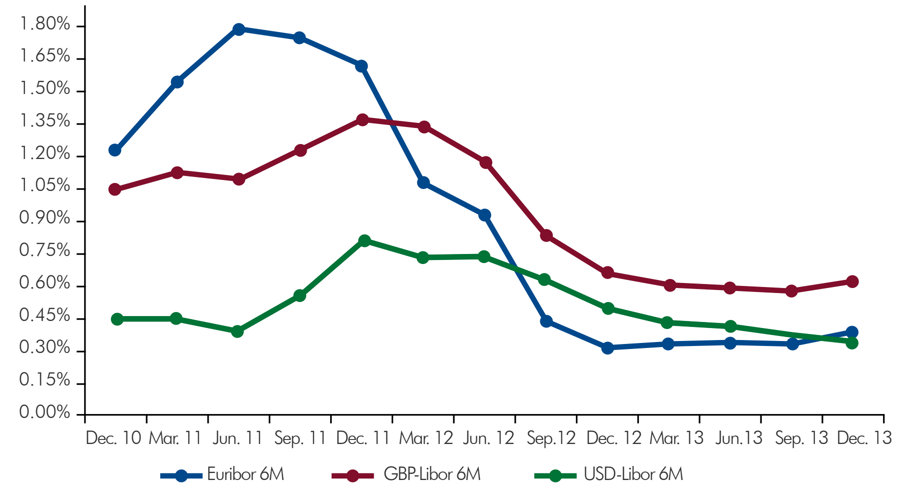
Capital resources

The Group manages its capital to ensure that the companies of which it is composed are capable of continuing as profitable and solvent businesses.

As part of capital management operations, the Group obtains financing through a wide variety of financial products from over 70 domestic and international financial institutions.

In 2013 the Group commenced the global refinancing of most of its debt and reached various limited recourse debt refinancing agreements (Note 21 to the consolidated financial statements).

In order to optimise the cost of capital resources, the FCC Group maintains an active interest rate risk management policy that includes ongoing monitoring of the market and assumes various positions based mainly on the financed asset. As shown by the chart, interest-rate stability over the past year led to very stable interest rate risk in 2013 (Note 31 to the consolidated financial statements).



4. MAIN RISKS AND UNCERTAINTIES

The FCC Group has an Integrated Risk Management Model, which it is progressively deploying and enables it to contend with the risks to which its activities are subject, since it operates in various geographical spheres, activities and legal environments, which, in turn, imply different risk levels inherent to the businesses in which it performs its operations.

The adopted Model allows a high-level risk map to be developed, using Enterprise Risk Management (COSO II) methodology, which furnishes information to Senior Executives and contributes to the definition of the FCC Group's strategy.

The FCC Group's risk management philosophy is consistent with the business strategy, seeking maximum efficiency and solvency at all times, for which strict risk control and management criteria are established. It consists of identifying, measuring, analysing and controlling the risks incurred by the Group's operations and the risk policy is correctly integrated in the organisation thereof.

In view of the unique nature of each FCC Group business area, risk is managed in each area, by preparing a Risks Map in each one and subsequently, based on the reported information, a consolidated Risks Map of the FCC Group is prepared.

Using this model, the risk in each business area is managed through:

- The identification of the key risks for the FCC Group, based on their potential threat to the attainment of the organisation's objectives in each business area.
- Risk evaluation. The risk valuation scales are defined in accordance with their potential impact if they materialise and their likelihood of occurrence.
- The identification of the controls and procedures that mitigate both the economic impact and their likelihood of occurrence.
- The identification of an owner for each identified risk, as the person responsible for maintaining an adequate Internal Control level.
- In addition, for risks that exceed the Accepted Risk for each sector of activity, the necessary action plans are implemented, including possible corrective measures to make their critical nature fall within the Accepted Risk area. These action plans include the measures required to strengthen existing controls and even include new controls.
- The implementation of specific procedures to carry out Risk Management in each business area, ensuring that it forms part of decision making.

Also, the results of Ongoing Risk Management are reported to the Audit Committee, the body ultimately responsible for overseeing the Group's risk management, as included in the Group's Board Regulations.

Consequently, the model enables the FCC Group to:

- Adopt measures to prevent their materialisation (likelihood of occurrence) or minimise their economic impact, by identifying early the key risks, in the case of identifying an internal control area of improvement.
- Compare the objectives to be reached by the Group with the risks that could prevent them from being executed and with the control activities required so that the risk does not materialise, or minimise their economic impact if they do materialise.
- Ensure compliance with prevailing legislation and the Group's internal regulations and procedures.
- Reasonably assure the reliability and integrity of financial information.
- Safeguard assets.

By following the best corporate practices in this area and applying COSO II methodology, the various types of risks are categorised in the model into:

- Strategic risks. These are risks related to the Group's strategy and are given priority management. They include the risks relating to the markets /countries/sectors in which the FCC Group operates. They also include reputational risks, innovation risks and economic planning.
- Operating risks. These are risks relating to the operational management and the value chain of each business where the FCC Group operates. They include the risks relating to tender and contracting processes, partner selection, subcontracting and suppliers, human resources management and ongoing employee training.
- Compliance risks. These affect internal or external regulatory compliance. They include those relating to compliance with the FCC Group's code of ethics, compliance with legislation applicable to: legal, tax, ICFR matters, protection of data, quality, environment, information security and the prevention of occupational risks.

- Financial risks. Risks associated with financial markets, cash generation and management. They include the risks relating to liquidity, working capital management, access to financial markets, exchange rates and interest rates.

4.1. Main risks and uncertainties. Operating risks.

Tenders and contracts.

The risks and opportunities that arise during the tenders and contracts process is one of the main challenges faced by the FCC Group. In this respect, the Group is redefining the specific processes relating to risk management during the tenders and contracts phases. The Company has formally established policies and procedures focused on the technical quality, technological capacity, economic viability and competitiveness of bids. The process of preparing, submitting and monitoring bids is subject to various levels of authorisation within the organisation, assigning the main tasks in this area to specific departments composed of highly-qualified technical employees.

Selection of partners, outsourcing and suppliers.

The Group selects the partners with which it participates in the various business areas by applying the procedures contained in the FCC Group's General Regulations Manual.

In relation to outsourcing risks, the outsourcing model established by the FCC Group is applied uniformly, in accordance with the aforementioned General Regulations Manual, which also establishes a protocol of action indicating the minimum requirements under which the Group companies can outsource public or private projects.

Furthermore, the Human Resources Manual defines the employment-related responsibilities assumed by the FCC Group in the case of outsourcing staff for projects or services.

Human Resources Management and Ongoing Employee Training

In Spain the FCC Group has implemented a project to modernise the human resources information and management system, by compiling all the information in a single global database unique to the whole Group, in order to support and facilitate human resources management.

This project also includes a SAP-based IT tool to design and implement the payroll for all FCC Group companies in Spain, thereby improving their security, quality and uniformity.

The FCC Group has implemented training processes in Spain and at certain subsidiaries, which are specific training plans structured on the basis of scheduled periodic training, albeit basic, or to improve knowledge, or specific training that meets particular needs at any given time. In fact, the FCC Group develops training plans for all employees involved in the preparation of the Group's financial statements. This plan involves continuously updating the activities carried on by the various Group companies during the evolution of the business and regulatory environment with regard to International Financial Reporting Standards and the regulations and evolution relating to internal control over financial reporting principles.

The 2013 Corporate Training Plan included specific Risk Management training, including the risks associated with ICFR and their evaluation, as well as criminal risks arising from the liability of legal entities.

4.2. Main risks and uncertainties. Financial risks

The concept of financial risk refers to the changes in the financial instruments arranged by the Group as a result of political, market and other factors and the repercussion thereof on the consolidated financial statements. The FCC Group's risk management philosophy is consistent with its business strategy and seeks to achieve maximum efficiency and solvency at all times. To this end, strict financial risk management and control criteria have been established, consisting of identifying, measuring, analysing and controlling the risks incurred in the Group's operations, and the risk policy has been integrated into the Group organisation in the appropriate manner.

In view of the Group's activities and the transactions through which it carries on its business, it is currently exposed to the following financial risks:

Capital risk

Capital risk is described in greater detail in Note 3 to the consolidated Directors' Report.

Interest rate risk

In order to ensure a position that is in the FCC Group's best interest, an interest rate risk management policy is actively implemented based on the ongoing monitoring of markets and the assumption of different positions based primarily on the asset financed.

Foreign currency risk

A noteworthy consequence of the FCC Group's positioning in international markets is the exposure resulting from net positions in foreign currencies against the euro or in one foreign currency against another when the investment and financing of an activity cannot be made in the same currency. The FCC Group's general policy is to mitigate, as far as possible, the adverse effect on its financial statements of exposure to foreign currencies, with regard to both transactional and purely equity-related changes. The FCC Group therefore manages the effect that foreign currency risk can have on the balance sheet and the income statement.

Solvency risk

The most representative ratio to measure solvency and debt repayment capacity is: Net Debt/Ebitda.

Liquidity risk

Liquidity risk is described in greater detail in Note 3 to the consolidated Directors' Report.

Concentration risk

This is the risk deriving from the concentration of financing transactions based on common characteristics and is distributed as follows:

- Financing sources: In order to diversify this risk, the FCC Group works with a large number of domestic and international financial institutions in order to obtain financing.
- Markets/geographical area (Spanish, foreign): the FCC Group operates in a wide variety of Spanish and international markets, the Group's debt concentrated mainly in euros and in other various international markets, with different currencies.
- Products: The FCC Group uses various financial products: loans, credit facilities, debt instruments, syndicated transactions, assignments and discounts, etc.
- Currency: the FCC Group finances its operations in a wide variety of currencies, corresponding to the country of the investment.

Credit risk

The provision of services or the acceptance of orders from customers, whose financial solvency cannot be guaranteed at the time of acceptance, is not known or cannot be assessed by the Group, together with situations that may arise during the provision of a service or execution of an order that could affect the customer's financial position could result in a collection risk with regard to the amounts owed.

The Group requests commercial reports and assesses the financial solvency of its customers before entering into agreements with them and also engages in on-going monitoring of customers, and has a procedure in place to be followed in the event of insolvency. In the case of public customers, the Group follows the policy of not accepting projects without an allocated budget and financial approval. The bids that exceed a certain collection period must be authorised by the Finance Department. Furthermore, late payment is monitored on an ongoing basis by specific bodies, including the risk.

Financial derivatives designated as hedging instruments

In general, the financial derivatives arranged by the FCC Group are treated for accounting purposes, according to the legislation on hedge accounting described in the Notes to the consolidated financial statements. The main financial risk being hedged by the FCC Group using derivative instruments is that relating to the change in floating interest rates to which the financing of the FCC Group companies is referenced. Financial derivatives are measured by experts on the subject that are independent from the Group and the entities financing it. Financial derivatives are measured by experts on the subject that are independent from the Group and the entities financing it, using generally accepted methods and techniques.

The financial risks to which the Group is exposed are discussed in further detail in Note 31 to the FCC Group's consolidated financial statements.

5. IMPORTANT CIRCUMSTANCES OCCURRING AFTER THE REPORTING PERIOD

As indicated in Note 21 to the consolidated financial statements, the FCC Group managed to include 99.4% of its total debt in the refinancing agreement, which will be formalised upon fulfilment of certain conditions precedent. This situation will enable a sustainable financial structure to be achieved that is adapted to the projected cash generation of the various businesses, which will enable the objectives established in the FCC Group's Strategic Plan of improving profitability and reducing debt to be focused on.

With regard to the Energy Area, as indicated in Note 1, an agreement was reached to sell 51% of ownership interest to Plenium FMGP, S.L. Since the agreement is conditional on the fulfilment of the habitual conditions precedent in agreements of this kind, the assets and liabilities have been recognised under "Non-Current Assets Classified as Held for Sale" and "Liabilities Associated with Non-Current Assets Classified as Held for Sale", and are measured at the sale price agreed upon in the aforementioned agreement (see Note 4). On 31 January 2014, the Spanish Ministry of Industry, Energy and Tourism submitted to the Spanish National Markets and Competition Commission, for its mandatory report, its draft order approving the standard facility remuneration parameters applicable to certain electricity production facilities using renewable energy sources, cogeneration and waste. Since, as indicated above, the ownership interest was measured at sale price, the implementation of the draft order will not have any impact on the financial statements of the FCC Group.

On 27 February 2014, an agreement was reached with CCF Logistics Holding, S.à.r.l. for the sale of the Logistics business, which is recognised as a discontinued operation in these consolidated financial statements (see Note 4). The sale proceeds amounted to EUR 32 million. The completion of this transaction is subject to the habitual conditions precedent in transactions of this kind.

On 17 March 2014, an agreement was reached with JCDecaux for the sale of the Cemusa Group for EUR 80 million. The Cemusa Group is recognised as a discontinued operation in these consolidated financial statements (see Note 4). The completion of this transaction is subject to the habitual conditions precedent in transactions of this kind.

6. COMPANY OUTLOOK

Set forth below are the prospects for 2014 for the main business areas composing the FCC Group. The construction and services backlog at 2013 year-end, which amounted to 32,865.1 million euro guarantees the continuation of a high level of activity over the coming years.

In 2014 the Environmental Services area is expected to maintain the budgets in Spanish local corporations, extend certain contracts and renew those for which invitations to tender are issued, without making any further significant cuts in services, and include some new additions, which should lead to growth in activity. At the beginning of 2014, the Environmental Services area portfolio amounted to 11,883.7 million euro, which is equal to 4.29 years of production, thereby giving a clear perception of future revenues.

In relation to Spanish Public Authority debt, the implementation of the so-called electronic invoice and the law to control public sector commercial debt help to significantly reduce the average collection period, which will contribute to greater financial stability in this area.

Despite the current economic climate in the United Kingdom and the slump in landfill activity (caused mainly by legislative changes and a substantial rise in waste disposal rates), activity is set to pick up in 2014 due to the implementation in 2013 of new mechanical-biological treatment plants, the construction of the facilities required for the PFI projects in Buckinghamshire and Wrexham and the undertaking of new investments to implement the PFI contracts that have already been awarded. Also, substantial improvement is forecast in activities relating to energy recovery and recyclable materials at treatment plants and collection points, in addition to ongoing enhanced output at the Allington incineration plant. Lastly, work is expected to commence on the construction and implementation of wind farms.

With respect to the Central European market where the FCC Group operates in the Environmental Services area through the ASA Group, no significant changes are expected to occur in 2014 compared to the activities performed in 2013. In this year there was a slight drop in revenues of 4.8%, due mainly to the 14% decrease in activities carried on in the Czech Republic (whose economy is in recession, with a 1.2% decline in GDP in 2012 and 0.4% envisaged for 2013). This economic recession has led to a decrease in the sale price of recycled materials and the discontinuation by Czech authorities of contaminated soil recovery activities. Also, the depreciation of the Czech koruna against the euro in 2013 has had an adverse impact on revenues in euros.

Income from Hungry fell by 16% as a result of the nationalisation by the Government of municipal collection services. This nationalisation trend is expected to continue in the future.

However, activities in Poland rose by 34% due to the award of new municipal contracts and the winter services in Slovakia performed well (6% increase in revenues). Serbia and Romania also showed improvement, reporting revenue increases of 24% and 8% respectively. This scenario will foreseeably continue in 2014.

Although there is still a certain degree of uncertainty surrounding the performance of the economy in 2014, activities in the Industrial Waste sector will foreseeably enjoy moderate recovery which, together with the prospects of favourable raw materials prices and the effects of the adjustments made in 2013 means there should be substantial improvement in results in Spain.

Mention should be made of the 3% growth in revenues in 2013 arising from the Company's activities in Portugal, due to the award of various bids for contaminated land management put out to tender by the Portuguese Government, financed by ERDF funds. This sector of activity is expected to continue in 2014 as a result of the award of the San Pedro da Cova decontamination project and the most likely incipient recovery in industrial activity.

Endeavours are underway in various European countries (Israel, Italy, Ukraine, etc.) to import hazardous waste for subsequently treatment at our Chamusca plant (Portugal).

Also, at the end of the last quarter in 2013, bids were made for the decontamination of industrial liabilities in Algeria and Kuwait, markets in which FCC has already consolidated its presence.

In the **Integral Water Management** area, expansion in 2014 will continue to be boosted through projects in familiar markets, such as Spain, Portugal, Central and Eastern Europe, the Middle East (Egypt, Saudi Arabia and UAE) and Latin America, where divestment in Proactiva paves the way for or improves the potential of an important market.

The need for and important development of infrastructure for supply and treatment services and the ability of multilateral bodies to finance them (World Bank, Inter-American Development Bank, etc.), means that the market for Engineering, Procurement and Construction (EPC) and Build Operate Transfer (BOT) activities, as well as industrial activities, has limited barriers from a geographical viewpoint. As a result of the current state of maturity of certain projects, we can estimate that on the whole, each one will report positive revenue growth in 2014.

In terms of profitability, the resizing of the workforce due to the reduction in the number of Management Units in the territorial structure and due to the inclusion of Aqualia Infraestructuras and Aqualia Industrial, together with ongoing improvement in operating margins, will have a positive impact on profitability in 2014.

In Spain in particular, the possible processing and approval of the Spanish Water Sector Law is expected to have important repercussions on the consolidation of a legal framework that gives greater guarantees that attract investment by foreign funds and thus, improve access to financing.

In the **Construction** area, the projections for 2014 are set forth in the FCC Group's Strategic Plan, which consists of three phases:

Phase one, which was implemented in 2013 and which consisted of significant restructuring and adjustments, as shown in the section in this consolidated Directors' Report describing the performance of the FCC Construcción Group during the aforementioned year.

Phase two, which will be foreseeably developed in 2014 emphasising better management, thus enabling the FCC Construcción Group to contribute a positive balance to the income statement.

Phase three will commence upon completion of the other two phases and growth will continue, while following a selective policy enabling the new projects undertaken to have clear profitability and financing perspectives.

Taking into account the foregoing, it is estimated that the revenues obtained in Spain in 2014 will be lower than in 2013, due to ongoing stagnation in the private construction sector and budgetary restrictions in the public sector.

Conversely, in the foreign market, revenues earned in 2014 are estimated to exceed those obtained in 2013, as a result of the endeavours being made to open new markets and enabling it operate, as main areas, in the Americas (Central America, Mexico, Chile, Peru, Brazil, Colombia, US and Canada), the Middle East (Saudi Arabia), North Africa (Algeria) and Europe (UK, Romania, Portugal and Poland).

With respect to the **Cement** area, it should be noted that the level of income is closely linked to the economic performance of the various countries in which the Company is established, which are mainly Spain, accounting for approximately 40% of total revenues, the US, with 33% and Tunisia, with 16%. CPV exports to other countries such as Canada, UK and North Africa from these three countries.

In Spain where the Cementos Portland Valderrivas Group has most of its production facilities, the estimates for 2014 by Oficimen (the Cement Production Grouping in Spain) indicates an 8% fall in cement consumption (compared to the 20% drop forecast in the market for 2013 and the actual 19% that occurred).

However, CPV's projections concerning the downturn in the market are slightly more optimistic than those of Oficemen. Of the total number of tonnes produced by CPV in Spain, approximately 35% are earmarked mainly for exports. This proportion is expected to remain the same in 2014. Also, prices are forecast to increase by 1% in the domestic market.

The slight drop in revenues in Spain in 2014 will be offset by the expected increase in revenues from the US, where the estimates from PCA (Portland Cement Association) indicate annual market growth of approximately 8%/9% for the 2014-2016 period, which will be headed by the residential sector, while civil works will see more moderate increases due to the budgetary restrictions of the union's government and states. In view of this market performance, as well as the various improvements in management undertaken by the Group in 2012 and 2013, the outlook is bright for the inflows of funds over the coming years in this market. Conversely, although the weight of the sales in tonnes for export to the US stood at approximately 6% in 2013, they will foreseeably increase significantly in coming years, leading to growth in revenues from the US.

The Tunisian market is expected to decrease slightly in 2014, the effect of which will be exacerbated by the arrival of new competitors. However, prices and sales from Tunisia to other countries in North Africa are forecast to increase, thus enabling CPV's income in this country to remain more or less in line with that from 2013.

In this context, the Cementos Portland Valderrivas Group will continue developing its policies to contain costs and restrict investments and adapt all organisational structures to the reality of the various markets in which it operates, in order to obtain a better inflow of funds.

7. R&D+I ACTIVITIES

In 2013 the FCC Group's R&D+i activities materialised into more than 60 projects.

Among the Corporate R&D+i projects, the following must be highlighted:

- **IISIS Project – Integrated Research on Sustainable Islands.** It is led by FCC, S.A. through the Environmental Services and Energy areas, with the participation of other Group areas such as Aqualia, FCC Construcción and the Cementos Portland Valderrivas Group, together with various outside companies. Its objective is to achieve sustainability and self-sufficiency with regard to urban developments for the future, including:
  - Elements, materials, technologies and systems required to develop the building in a marine environment, without constituting a threat to the environment. Hydraulic tests have continued on the models on what would be the island's support platform.
  - Self-sufficiency in all respects (energy, water, basic food, waste treatment and recycling), achieved through all kinds of integrated facilities.
  - A smart management and control system. All the processes and sub-processes involved in all stages of the lifecycle of the island have been identified, which will be used to create the smart control and management orders, based on achieving maximum efficiency and sustainability.

In 2013 the business areas performed the following R&D+i activities.

SERVICES

In **Environmental Services** activities:

- **Advanced solution for the global management of all the processes and players in environmental contracts.** With various objectives such as process improvement, swiftness of response vis à vis new business requirements, global access to more favourable functionalities, management of geo-referenced information, etc.
- **Project "Secado de los rechazos de las plantas de tratamiento"** (drying of treatment plant refuse).
- **Hybrid electric vehicle projects.** Hybrid electric vehicle developments have continued in the field of machinery.
- **Adaptation of urban cleaning vehicles to Euro 6 standard.** In order to obtain the technical specification and technological development of the adaptations to chassis and bodywork, to comply with the Euro 6 exhaust fumes regulations, which will become effective in January 2014.
- **HUELLA DE CARBONO Project.** The objective of this project is to design a methodology and functional model that make it possible to calculate the carbon footprint of the services rendered within the framework of an urban services contract. In short, it is about achieving energy efficiency and combating climate change.
- **Acceleration of composting processes.** Familiar with the fermentation process of organic material confined in tunnels, the objective is to reduce the length of the process through doping or the inclusion of a certain dose of catalysts and enzymes in the mass being fermented.
- **Liquid fuels from urban waste.** In order to subject waste to a process of pyrolysis, the chemical decomposition of organic matter caused by heating (thermolysis) in the absence of oxygen. The objective is to acquire in-depth knowledge of this industrial waste application by obtaining waste to fuel conversion ratios.
- **Measurement Evaluation and Exposition of Urban Trees and Climate Change Interactions (Life+Meet).** The proposed goal consists of determining its influence on the quality of the urban environment of the interaction between urban trees, climate change and the management of such trees, with the involvement of citizens, governments and managers.

With regard to **Industrial Waste** activities:

- **Cemesmer (Innova project).** To meet the demand for management of mercury-related waste in the face of the upcoming obsolescence of certain industrial processes.
- **Glass.** New treatment processes to fraction glass fibres for the production of high value-added construction materials.
- **Leachates.** Development of a new procedure for the regulation and separation of liquids for the integral management of water in landfills, aimed at minimising leachate production.
- **Pet Food.** In order to identify plant-based by-products that may be used as a raw material in the manufacture of pet food (cats and dogs). The study is carried out in Valle del Ebro with the participation of BYNSA, a Mercadona intersupplier of dog and cat food.
- **PIREPACK:** Study and development of refurbishment models for structures supporting pipe racks.
- **DREGREEN:** Development of ecological dredging for the extraction of highly contaminated sludge in reservoirs.

INTEGRAL WATER MANAGEMENT

In 2013 R&D+i strengthened its role as a strategic component at Aqualia to ensure ongoing improvement of its services and products. The portfolio of over 20 projects, with a total value of over 70 million euro, contributes greater quality, a lower environmental impact and lower activity costs.

The objectives of R&D+i and its projects are defined through ongoing dialogue with interest groups and are focused on the areas of Quality, Sustainability and Smart Management.

The ELAN Vigo project was completed in 2013 (Sustainable Elimination of Nutrients for the Reuse of Effluents and Waste). This line of research will continue in 2014 with the construction and operation of two actual facilities, currently at the project stage, at the canning company Friscos and at the Guillarei treatment plant (Pontevedra). As a result of the research carried out, last year Aqualia requested the European patent for carbonation and the ELAN Anammox process.

Some of the projects that commenced in 2012 were as follows:

- **SMARTIC Project.** The objective of the Smartic project (System for Monitoring Water in Real Time using Smart Technology), which could be implemented at various Aqualia plants, is the implementation of an automatic management system of the quality of the treatment of drinking water, based on the quality of entry. It is being developed in

Badajoz, as part of the CDTI's (Centre for Industrial Technological Development) 2013 ERDF-Innterconecta call for applications for Extremadura. SMARTIC was one of the proposals selected by the Government from proposals from over 100 companies.

- **ALEGRIA Project.** The purpose of this project is the recovery of industrial waste. By combining the various developments underway at FCC Aqualia, -the anaerobic digestion process, growth in microalgae and membrane bioreactors-, the project aims to obtain bioenergy and value products. This new combination could replace the traditional technologies used in the industrial water treatment plants in Galicia, by saving in operating costs, which currently amount to 4 euros /m3, with a view to enhancing the sector's competitiveness and sustainability.
- **INNOVA CANTABRIA.** This project proposes revamping the treatment plants, which includes the biological elimination of phosphorus in a single tank. The result would be a reduction in the surface area required, a decrease in energy consumption and concomitant operational cost savings. The project is supported by the Cantabrian Government's Impulsa plan and the ERDF.

In 2013 the intense activity of the Department of Innovation and Technology led to the request of 33 grants from the main public financing programmes. Of these, so far, the Company has been awarded 2 and is awaiting the resolution of another 14.3 of which have already passed the initial stage of approval.

Progress has also been made on major projects relating to the production of bioenergy from wastewater.

- **ALL-GAS Project.** Sustainable production of biofuel using the cultivation of low cost microalgae: Based on the "Algae to Biofuel" initiative of the EU's Seventh Framework Programme, the project overcame its first milestone in September 2012 with the approval of the initial results. The project is based on the recycling of organic material from agricultural waste and effluents from water treatment to produce biogas in order to minimise costs and the impact on the environment.
- **CENIT VIDA Project.** Research of advanced technologies for the integral valuation of algae. This project envisages the development of a sustainable and self-sufficient city based on the cultivation of microalgae, used as both a source of clean and renewable energy, and to supply the basic needs and requirements of its residents. Aqualia's work focuses on the efficient conversion of nutrients from wastewater into biomass and on the transformation of algae into biogas with a high purity.

The "R&D+i Project Management System" certification approved in December 2010 was audited and renewed by AENOR in October 2013 for a one-year period. This renewal was outstanding and not one "disagree" was received.

The R&D+i management system implemented at Aqualia pays special attention to technology surveillance and, specifically, it has internal systems such as half-yearly surveillance reports prepared by experts at Aqualia on priority areas.

Work with the media was ongoing during this period. Over 80 reports have reflected the work developed with the reporters to disseminate the progress made in the projects in which the Company is involved. Due to the considerable degree of international dissemination, noteworthy is the All-gas Project, which has appeared in media news in Spain, UK, US, China, Japan, France, Italy, India, Ireland, Philippines, Brazil, Oman, etc. Some of the media in which the project sparked an interest are global references, such as The Wall Street Journal, Le Monde, Reuters, CNBC and Scientific American.

CONSTRUCTION

Following is a detail of some of the most significant projects carried out in 2013.

- **SMARTBLIND System.** The objective of this project is to develop an energy-efficient smart window that includes a hybrid film made up of an electrochromic LC film and a PV film both printed on the same long-lasting flexible substrate.
- **SEA MIRENP Project.** The ultimate objective of this project is to make practical reuse possible in market conditions of construction and demolition waste material, such as recycled aggregates in applications in a port setting.
- **APANTALLA Project.** It consists of the development of new materials that act as a screen to shield electromagnetic waves, with particular emphasis on its integration in construction materials or paints.
- **SETH Project.** Development of an ongoing monitoring system to detect and assess the evolution of damage, using modes of vibration, based on statistical and technical methods of signal processing which, due to their efficiency, low cost and easy adaptability, can be installed easily in various types of building structures that could be the subject of vibration-type disturbances.
- **SR (Sustainable Remodelling) Project.** Development of an integrated system for the sustainable remodelling of buildings, including improvement of their energy efficiency.

- **NEWCRETE Project.** It consists of the development from the earliest stages to the verification of applicability at industrial level of concrete with new performance and sustainability profiles.
- **SPIA Project.** It consists of the development and implementation of new industrial security systems based on smart materials (photoluminescence, electroluminescence) and energy harvesting devices for individual use.
- **BUILD SMART Project.** It aims to change buildings to achieve increased energy efficiency, based on the new legislation for 2020.
- **CETIEB Project.** The main objective of the project is to develop innovative solutions to improve the monitoring of environmental quality inside buildings.
- **PRECOIL Project.** The purpose of this project is to reduce the number of occupational accidents in the construction of anti-accident linear infrastructure. The objective is the evaluation, design and implementation of a fully functional localisation system in real time of employees and hazardous areas in non-controlled environments, providing warnings to employees of possible risky situations.
- **IMPACTO CERO Project.** Its objective is to develop an anti-bird strike tubular screen.
- **CEMESMER Project.** For the development of a new cement range for the fixation of mercury and achieve technological breakthroughs in the processes for treating waste contaminated with mercury, enabling it to be reused as construction material.

Among the projects initiated in 2013, the following should be highlighted:

- **SEIRCO Project.** It consists of a smart expert system to assess risks in various construction sector environments.
- **BOVETRANS Project.** It develops a system of light transition vaults in road tunnels that will take advantage of sunlight.
- **"Auscultación Continua" Project.** Its objective is to design, develop and validate a distributed continuous auscultation system for building structures in urban environments.

In addition, in 2013 noteworthy was the participation in national and European R&D+i organisations and special working groups: the purpose of these organisations is to unite the efforts of research centres, industries and universities with respect to Research, Development and Technology Innovation.

2013 saw participation in:

- The European Construction Technology Platform (ECTP).
- The Spanish Construction Technology Platform (PTEC).
- The E2BA Association.
- The ENCORD Group (European Network of Construction Companies for Research and Development initiatives).
- reFINE (Research for future infrastructure networks in Europe).
- Chairmanship of the SEOPAN R&D+i Committee.
- The "Smart-Cities" working group.
- The R&D+i working group of the Advisory Board for the Certification of Construction Companies.

FCC Construcción occupies the Chairmanship of the SEOPAN R&D+i Committee. It sits on the CEOE's (Spanish Confederation of Employers' Organisations) R&D+i Commission's Internationalisation Committee. FCC Construcción is a member of the Advisory Board of AENOR for the Certification of Construction Companies. The purpose of this Working Group is the preparation of the "Guide for Interpreting UNE 166002 requirements in the construction sector".

R&D+i initiatives are expressly included in the Sustainability and Management System in procedure PR/FCC-730. The Company obtained the Certificate from the R&D+i Management System: R&D+i Management System Requirements, in accordance with the UNE 166002:2006 standard issued by AENOR (Spanish Association for Standardisation and Certification) on 31 August 2007 and the Certificate was renewed until August 2016.

CEMENTOS PORTLAND VALDERRIVAS

Although innovation activities in 2012 were focused on increasing the portfolio of research projects, which led to satisfactory results, 2013 was a year of intensive work for the development and consolidation of the projects already underway.

R&D+I activities are conceived as a thread that commences with research activities, within the framework of research projects, and concludes with product marketing and/or technology sales, once a series of laboratory tests has been overcome, industrial scaling for the production of new products, their development and application in actual construction work. Also, there are two fixed laboratories equipped with cutting-edge technologies, in addition to a mobile laboratory allowing technical assistance to be guaranteed in construction work to the highest level.

The pilot project for open innovation has played a key role in this regard. Consequently, a working group has been created to identify the large construction work planned globally and the various groups of consultants, from subject experts to engineering companies, construction companies or architectural studies, who were necessary to contact for the purpose of introducing the Cementos Portland Valderrivas Group and its new products to them.

2013 saw the further development of the ten projects, seven of which were led by the Cementos Portland Valderrivas Group and the others by external companies. At the end of this year, four projects that commenced in 2010 and 2011 were successfully completed: CEMESFERAS, TP-1, Hormigones Porosos de Alta Resistencia and Escombreras, in accordance with the basis for the grant aid approved by the Ministry and the Centre for Industrial Technological Development (CDTI). The results were very satisfactory, providing a preview of new products that contribute to the reduction of greenhouse gas emissions, improved energy efficiency, natural resources savings or a better quality of life, all of which constitute, in general, objectives shared by most of the Group's projects, in conformity with the commitment to sustainable development, which is maintained in its triple line of environmental, social and economic results.

Following the success achieved in 2012 with the development of three new products (TP-3, Hormigón Exprés and CEM II/B-V 52,5 R), the Group continues working on optimising these products to enable them to move on to the marketing phase, by performing tests in various applications. Also, in 2013, following the laboratory test phase, a new innovative product was obtained in the global market, called Hormigón Ultrarrápido, ready for marketing. This product was implemented at the Hympsa plant in Móstoles (Madrid), following a number of tests and it may be supplied from anywhere in Spain.

Intellectual property is a key issue right from the start of the chain and, therefore, special attention is being paid to the protection of the developed technologies, and a request for two new patents was submitted in 2012.

With regard to Technology Sales, in 2013 a new marketing strategy for the new products and their technology was designed, by making contact with potential customers in order to open up new business channels. In this process, intellectual property remains a key component in safeguarding the developed technologies, having processed five new patents to date.

All of these achievements clearly show the huge effort invested by the Cementos Portland Valderrivas Group in R&D+i activity over the last three years. However, considering that there is still a long way to go, work will continue along the same lines by focusing on the marketing area of new products and international technology sales -the areas that will ultimately contribute to the obtainment of results.

8. ACQUISITION AND DISPOSAL OF TREASURY SHARES

The FCC Group does not perform any transactions involving treasury shares aside from those included in the framework agreement of the Spanish National Securities Market Commission (CNMV) on Liquidity Contracts, which aims to provide the share price with liquidity and depth, in accordance with prevailing legislation. Accordingly, at 31 December 2013, 138,639 shares had been transferred.

It is estimated that there will be no impact on the return obtained by shareholders from the Liquidity Contract of the treasury shares, given that their nature and objective contravene the existence thereof. In view of the scant amount of treasury shares, it is estimated that there will be no impact on Earnings Per Share.

FCC completed several placements of treasury shares, amounting to more than 9% of share capital, among institutional investors in the second half of the year. Of special note is the purchase of 5.7% in October by entities connected with Bill Gates III.

At 31 December 2013, the FCC Group held a total of 280,670 own shares directly and indirectly (0.2% of the company's capital).

9. OTHER RELEVANT INFORMATION. STOCK MARKET PERFORMANCE AND OTHER INFORMATION

9.1 Share performance

The following table shows the detail of FCC share evolution during 2013 compared with 2012:

	Jan. – Dec. 2013	Jan. – Dec. 2012
Closing price (euro)	16.18	9.37
Appreciation	72.6%	(53.2%)
High (euro)	17.07	20.30
Low (euro)	6.69	7.15
Average daily trading (shares)	798,280	446,149
Average daily trading (million euro)	9.3	5.4
Market capitalisation at end of period (million euro)	2,059	1,192
No. of shares outstanding	127,303,296	127,303,296

9.2. Dividends

In the current economic and financial climate, various factors are leading to a decrease in the funds generated by the FCC Group and the need to incur losses in 2012 and 2013, as a result of having written down certain Company assets.

In this respect, in accordance with the principle of prudent management and in the best interest of all the Company's shareholders, FCC's Board of Directors decided not to pay any dividends in 2012, like in previous years. This agreement remained unchanged in 2013.

This decision, which aims to strengthen the Group's consolidated balance sheet seeks to create future value for shareholders and maintain profitable growth from operations. It will have to be ratified by the shareholders at the General Meeting, which will be held during the first half of 2014.

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Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Shareholders of
FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.:

1. We have audited the financial statements of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A., which comprise the balance sheet at 31 December 2013 and the related income statement, statement of changes in equity, statement of cash flows and notes to the financial statements for the year then ended. The directors are responsible for the preparation of the Company's financial statements in accordance with the regulatory financial reporting framework applicable to the Company (identified in Note 2 to the accompanying financial statements) and, in particular, with the accounting principles and rules contained therein. Our responsibility is to express an opinion on the financial statements taken as a whole based on our audit work performed in accordance with the audit regulations in force in Spain, which require examination, by means of selective tests, of the evidence supporting the financial statements and evaluation of whether their presentation, the accounting principles and policies applied and the estimates made comply with the applicable regulatory financial reporting framework.

2. In our opinion, the accompanying financial statements for 2013 present fairly, in all material respects, the equity and financial position of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. at 31 December 2013, and the results of its operations and its cash flows for the year then ended, in conformity with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein.

3. Without qualifying our audit opinion, we draw attention to Notes 17 and 26 to the accompanying financial statements, which indicate that in the last two years the Group of which FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. is the parent and the Company itself incurred losses that have significantly weakened their financial and equity position. In this respect, the Company's directors have approved a strategic plan that envisages divestments and a global restructuring of its financial debt, the contract for which has not yet become definitively legally binding. This circumstance is indicative of a significant uncertainty concerning the applicability of the going concern principle of accounting with respect to the accompanying financial statements, and it may affect the Company's ability to realise its assets and settle its liabilities for the amounts and with the classification reflected in the accompanying financial statements. In particular, it is not possible to assess the impact that the outcome of this situation could have in relation to the recovery of the Company's deferred tax assets and of its investments in FCC Construcción, S.A. and in Cementos Portland Valderrivas, S.A. The auditors' reports on the financial statements of these companies for 2013 include an uncertainty similar to that expressed in this paragraph. The Company's directors expect that the implementation of the strategic plan and the successful completion of the aforementioned restructuring of the Group's debt will make it possible to bring the debt servicing into line with the funds expected to be generated by the businesses and to finance its operations adequately. Accordingly, the Company's directors prepared the accompanying financial statements in accordance with the going concern principle of accounting.

4. The accompanying directors' report for 2013 contains the explanations which the directors consider appropriate about the Company's situation, the evolution of its business and other matters, but is not an integral part of the financial statements. We have checked that the accounting information in the directors' report is consistent with that contained in the financial statements for 2013. Our work as auditors was confined to checking the directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the Company's accounting records.

DELOITTE, S.L.
Registered in ROAC under no. S0692

Javier Parada Pardo
31 March 2014

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
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