ANNUAL REPORT 2013

Citizen Services

INDEX 2013

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MAY 2014

Citizen Services

Esther Alcocer Koplowitz
Chairwoman of FCC Group

LETTER FROM THE CHAIRWOMAN

DEAR SHAREHOLDERS:

I am writing to you to present the Annual Report for 2013, a year in which we began a new phase at FCC, driven not only by the need to deal with the effects of a profound economic crisis, but also by the desire to continue to adapt the company to the challenges brought about by globalisation.

The plan being implemented relies on the strength of our water business activities and environmental services. These are sectors with a high growth potential, significant technological development and a clear focus on our customers that represent more than three quarters of the Group's gross operating profit. We also find support in the technical quality demonstrated by the construction team, both in Spain and in large international projects, among which it is worthy to highlight the metro in Riyadh, Saudi Arabia, the largest contract awarded in the history of our Group, as well as the metro in Doha, Qatar. This is in addition to the significant progress we are gaining with our presence in Latin America with benchmark works in the industry. For example, the first metro built in Central America, Panama, or the one that we will build in the near future in Lima, Peru.

This plan is still possible thanks to the commitment of all those who work for FCC, whose sacrifice, effort and excellent performance deserve the recognition of the Board of Directors which I chair.

There have been substantial advances in the strategies that we set for ourselves: divestments to reduce debt, restructuring of businesses to adapt them to market conditions and reorganisation of teams, so they can compete in an increasingly demanding environment. This transformation process has already been backed by the financial and securities markets and the confidence of investors and world-renowned entrepreneurs like Bill Gates and George Soros, whose commitment to our Group is another example of the trends towards recovery already observed in the Spanish and European economies.

As the recently deceased Nobel Peace Prize laureate Nelson Mandela used to say: "There are things that always seem impossible..., until they are done." We went through difficult times in 2013, and we were able to show that, together, we could overcome them. We face 2014 with this same spirit of confidence in our ability to address the challenges that we started in 2013.

The way forward has been mapped out and the most difficult decisions have already been taken. I am convinced that we are on course to increase the profitability of our business activities in the interests of a better future for our shareholders, employees, customers and of the society in which we are involved and serve.

Esther Alcocer Koplowitz
Chairwoman of FCC Group

Juan Béjar Ochoa
Vice Chairman and CEO of FCC

ON THE PATH OF TRANSFORMATION

As Greek poet Pindar said "Days to come will prove the surest witness". Fiscal year 2013 was plagued with difficult decisions and on the 31st January 2013, changes in the Group's management approved by FCC Group's Board of Directors marked the path to the future. Six weeks after the appointment of Esther Alcocer Koplowitz as Chairwoman of the Board and my appointment as Vice Chairman and CEO, we presented a new strategic plan to which we are committed the whole year.

We thus began a new phase for FCC, in which we are responding to the effects of the ongoing economic crisis, and we are also preparing the Group to be able compete dynamically in a global environment. The first steps of this new phase are based on write-downs, adjustments and restructuring; the second, to improve operational management with a special emphasis on the profitability of all businesses; and third, once the Group has been stabilised and reached a new cruising speed, growth in the business activities that set us apart from our competitors. In short, the aim is to transform FCC based on the business values that have driven the company since its founding 114 years ago.

The crisis is leaving a profound mark on business activities that are subject to the economic cycle: construction and cement. In this context in June Alpine, the construction subsidiary with operations in Austria, Germany and Central and Eastern Europe, declared insolvency and is now in liquidation. This event marked a turning point in the write-down and adjustment process, the effects of which were first reflected in the 2012 results and have also marked the 2013 accounts.

The deconsolidation of Alpine did not alter the objectives of the existing strategic plan; instead it reinforced the determination of the Board of Directors and management team to address all the problems identified. In fact, during 2013 we made substantial progress in all strategic lines: divestments to reduce debt, restructuring of businesses to adapt them to market conditions, cuts in structure costs and the reorganisation of teams so they can compete in a global market.

2013: A year full of extraordinary events

The 2013 results reflect the impact of decisions taken during this first phase to ensure the Group's sustainability. The year was characterised by two core themes: extraordinary adjustments and write-downs on the one hand, and asset sales and divestments to reduce debt, on the other.

The accounting write-downs and restructuring costs amounted to 1,683 million euros, which can be broken down as follows: 469 for impairment of goodwill and other assets, 231 for exceptional provisions, 78 for impairment of loans to subsidiaries in the Infrastructures area and 905 for the results from discontinued operations, including Alpine and FCC Energía.

Excluding write-downs and provisions, FCC would have shown slightly positive before-tax earnings. In any event, this result reflects only part of the cost reductions addressed in the efficiency plan which will have accumulated recurrent savings amounting to 94 million euros by the end of 2014, to which another 100 will be added in 2015.

Revenues totalled 6,726 million euros in 2013, 9.5% less than in the previous year when calculated on a comparable basis, i.e., considering the changes in the scope of the Group as a result of divestments and the liquidation of Alpine. The contraction of activity in Spain, where the strong adjustment in public investment for infrastructures is markedly obvious, was partially offset by the 4.6% growth in international markets, most notably in Latin America, the United States, the Middle East and North Africa.

Gross operating income (EBITDA) amounted to 719.9 million euros, resulting in a reduction of 12.2% over the previous year, mainly attributable to the decrease in construction and cement activity in Spain. The operating margin (10.7%) was slightly lower in the entire year when compared to 2012, but it did begin to recover in the last quarter of the year as a result of the restructuring measures implemented. The Environment and Water Management businesses contributed over 80% of the consolidated EBITDA and they maintain their recurrent income and results.

Post-tax profit from continuing operations had a negative balance of 625 million euros. When adding the 905 million in losses generated by discontinued operations, there was a net loss of 1,530 million, of which 1,506 are attributable to the parent company after the discount corresponding to minority shareholders.

Net financial debt dropped to 5,975 million euros as of 31 December 2013, which is 1,112 million euros less than at year-end 2012, mostly due to divestments carried out throughout the year and the deconsolidation of Alpine. Although, despite the fact that all the divestments have not been booked during the year, they currently total 1,590 million euros and this will be increased with the sales operations underway.

The Environment and Water Management businesses encompass 42.7% of net debt linked to the provision of public, regulated and long term services; 22.3% corresponds to the cement business, whose fixed assets have an important impact assets on the balance sheet; and the remaining 35% is attributed to the parent company and includes a convertible bond for 450 million euros, the amount of the financing of the holdings in companies that are currently undergoing the divestment process (Globalvía and Realia, among others) and the debt from the acquisition of several operating companies in business areas.

The order-book at year-end amounted to 32,865 million euros, 6.4% more than in 2012. This order-book, of which 80% are contracts for Environment and Water business, is equivalent to 4.8 years of activity.

FCC gains the confidence of the markets

The 2013 results are the numerical expression of the efforts in terms of write-downs and restructuring corresponding to this first phase, the final milestone of which was the signing in March 2014 of the refinancing agreement for the most part of the bank debt until 2017. The new financing conditions include two tranches, amounting to 3,162 million and 1,350 million, respectively. The second (Tranche B) includes a right to convert into shares at market price without a discount for the outstanding balance at maturity (with a payment in-kind or capitalisable component for the accrued interest) by offsetting capital loans based on the issuance of warrants.

The agreement reaffirms the following management principles:

a) The volstering 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 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.

c) The gradual reduction of debt levels by fulfilling, inter alia the divestments plan and operational and cost reduction plan.

d) The possibility of investing in strategic areas that will maintain FCC's competitive position in accessing new contracts, especially in Water and Environment activities.

It also includes the possibility of making prepayments to amortise Tranche B with discounts on its nominal value. This option has a potentially positive impact on increasing the capacity to generate value for FCC shareholders.

The transformation process is not only garnering the support of the financial markets, but also that of investors. The securities market's confidence can be seen in the investments made by world renowned entrepreneurs such as Bill Gates who, through two of his funds, bought a

5.7% stake in FCC. The Microsoft founder was followed by other investors who have made our company an icon of the recovery of the Spanish and European economies.

These facts explain why, despite losses over the last two years, FCC shares appreciated 72.67% during 2013, compared to 21.4% of the IBEX and 35.5% of the industry average.

Focused on profitability

Now that the extraordinary decisions have been addressed, at FCC we are currently focusing on our ordinary course of business. During 2014, the results of the plans related to debt reduction, divestments, cost reduction, cash generation and improved margins will continue to be seen.

The driving force behind the change is the determination with which all the individuals and groups involved in the business project represented by FCC are acting. The responsible behaviour demonstrated by workers, unions, financiers, suppliers and customers in the hardest and most difficult period of the new phase initiated by FCC is to be commended.

These new times are characterised by the dynamism and mobility of management teams, responsibility in decision-making, consolidation of high standards of ethics and sustainability, social commitment to our companies' business environments and our commitment to talented people as a factor for progress.

Despite how tough the year was, 2013 closed with a series of good news, including the awarding of the largest contract in the history of the Group to an FCC Construcción-led consortium: three of the five metro lines in Riyadh (capital of Saudi Arabia) amounting to 6,000 million euros. In addition to this, the metros in Lima (Peru) and Doha (Qatar) were awarded in March this year.

Now well into 2014, the best news is that we continue to honour our commitments to all the people and groups that share with our main shareholder, Esther Koplowitz, and with the management team, the desire for FCC to remain a flagship global company in the sectors of environmental services, infrastructures and water.

Juan Béjar Ochoa
Vice Chairman and CEO of FCC

BOARD OF DIRECTORS

Esther Alcocer Koplowitz
Chairman

B-1998, S.L.
Represented by: Esther Koplowitz Romero de Juseu
First Vice-Chairman
Proprietary Director

Juan Béjar Ochoa
Second Vice-Chairman
Chief Executive Officer (CEO)

EAC Inversiones Corporativas, S.L.
Represented by: Alicia Alcocer Koplowitz
Proprietary Director

Dominum Dirección y Gestión, S.L.
Represented by: Carmen Alcocer Koplowitz
Proprietary Director

Fernando Falcó y Fernández de Córdova
Proprietary Director

Marcelino Oreja Aguirre
Proprietary Director

Rafael Montes Sánchez
Proprietary Director

Felipe B. García Pérez
General Secretary
Executive Director
Vice-secretary of the Board of Directors

Larranza XXI, S.L.
Represented by: Lourdes Martínez Zabala
Proprietary Director

César Ortega Gómez
Independent Director

Henri Proglio
Independent Director

Olivier Orsini
Independent Director

Gustavo Villapalos Salas
Independent Director

Gonzalo Rodríguez Mourullo
Independent Director

Claude Serra
Proprietary Director

Francisco Vicent Chuliá
Secretary (non-member)

EXECUTIVE COMMITTEE

CHAIRMAN

Juan Béjar Ochoa

MEMBERS

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

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

Fernando Falcó y Fernández de Córdova

Francisco Vicent Chuliá
Secretary (non-member)

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

STRATEGY COMMITTEE

CHAIRMAN

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

MEMBERS

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

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

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

Fernando Falcó y Fernández de Córdova

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

Rafael Montes Sánchez

Gustavo Villapalos Salas

AUDIT AND CONTROL COMMITTEE

CHAIRMAN

Gustavo Villapalos Salas

MEMBERS

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

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

Fernando Falcó y Fernández de Córdova

Felipe B. García Pérez
Secretary (non-member)

APPOINTMENTS AND REMUNERATIONS COMMITTEE

CHAIRMAN

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

MEMBERS

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

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

Fernando Falcó y Fernández de Córdova

Rafael Montes Sánchez

Gustavo Villapalos Salas

Olivier Orsini

Gonzalo Rodríguez Mourullo

Felipe B. García Pérez
Secretary (non-member)

STEERING COMMITTEE

CHAIRMAN

Juan Béjar Ochoa

MEMBERS

Esther Alcocer Koplowitz

Alicia Alcocer Koplowitz

Felipe B. García Pérez (Secretary)

Agustín García Gila

Eduardo González Gómez

Fernando Moreno García

Juan José Drago Masía

Víctor Pastor Fernández

José Luis Sáenz de Miera

José Manuel Velasco Guardado

Ana Villacañas Beades

GOALS AND STRATEGIES

The new management period that began with the presentation of the Strategic Plan in March 2013 consists of three stages: an initial stage with substantial write-offs, restructuring and adjustments in order to ensure the Group's sustainability in the short and medium term; a second stage featuring an improvement of operating management, particularly highlighting earnings in all the businesses; and a third stage of growth, once the financial capacity is fully recovered, allowing investments to flow back into the activities making up the core business.

Write-offs and restructuring

Within the first stage, FCC in 2013 wrote off assets in all of its businesses. In fact, the Group valued at zero the assets with valuation impairments or which had left or were about to leave the consolidated group, as well as all the works yielding losses or which could yield losses in the future. There might be additional impairments in FCC Environment and Cementos Portland Valderrivas if they do not fulfil their respective business plans.

The write-offs plus the provisions for ongoing restructuring, which added up to 1,680 million euro, led to losses totalling 1,506 million euro in the Group's consolidated income statement. Excluding the write-offs and provisions, FCC would have made it just over the breakeven point, although this calculation includes the capital gains generated in some of the divestments. This hypothetical profit only takes in one third of the cost savings contemplated in the efficiency plan that is being applied, which in 2014 will have an effect amounting to nearly 100 million euro.

Divestment of assets

One year after the launch of the Strategic Plan, over 70% of the forecast divestment of assets has been executed.

At year-end 2013 the Group had already sold Proactiva, FCC Aqualia had sold its 49% holding in Smvak, a company operating in the Czech Republic, several FCC Construcción concessions, the energy division and several investment properties had also been sold. Furthermore, in the first months of this year the sales of FCC Logística and Cemusa took place. To these divestments we must add the effect of the deconsolidation of the assets and liabilities of Alpine, the construction subsidiary in Austria, Germany and neighbouring countries that was declared bankrupt in June 2013. All of this adds up to nearly 1,700 million euro of the total 2,200 million euro considered in the Strategic Plan.

As a result of the execution of the divestment of assets programme, FCC will be a more homogeneous Group, concentrating on environmental services, infrastructure and water as the basis of its core business.

Efficiency programme

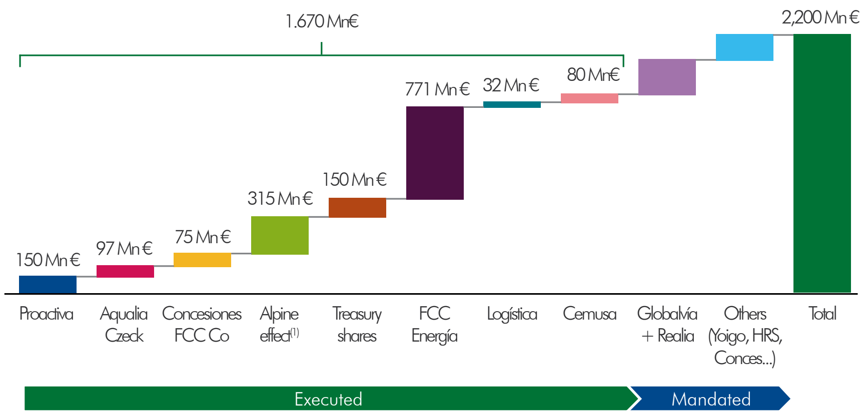
The cost savings plan established in the Strategic Plan has fulfilled 80% of its goals. In 2013, cost savings amounted to 34 million euro and this year the figure will be stretched to 60 million euro. In 2015 that figure will reach 100 million euro, representing a total of 194 million euro in three years.

Of these 194 million euro, 95 million euro will correspond to Construction, 37 million euro to Cement, 26 million euro to Environment, 10 million euro to Water and the remaining 26 million euro to Central Services.

Refinancing

In March of this year the Group completed the refinancing process of the majority of its bank debt. With this arrangement, FCC has a sustainable financial structure adapted

Divestment of assets
Progress of the asset divestment plant (March 2014)



One year after the launch of the Strategic Plan, over 70% of the forecast divestment of assets has been executed.

(1) The initial debt reduction envisaged for Alpine after the execution of the Strategic Plan. This does not include the additional reduction of the debt (375 mill/€) due to deconsolidated after liquidation.

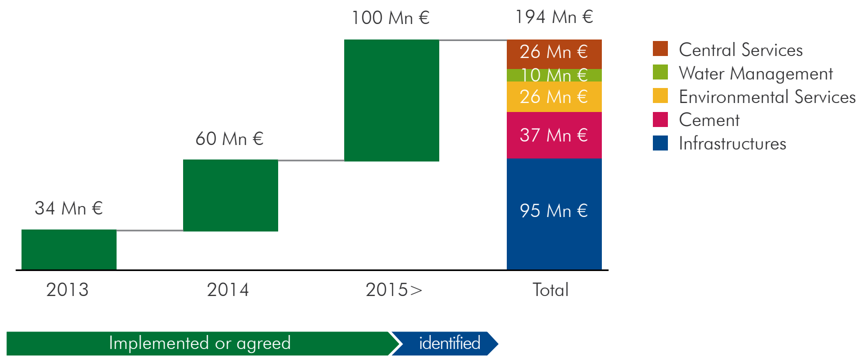
to the cash generation forecast in the different businesses, which will allow the Group to focus on the goals of improving returns from the operations and reducing debt as established in the Strategic Plan.

Main lines of strategy

After implementing all of the current Strategic Plan's lines of action described in the preceding sections, FCC's management teams are focusing on:

- Applying a new strategy in FCC Construcción's international business, competing only in infrastructure projects where the Group can use its differential capacities, always seeking higher margins and positive cash generation.
- Developing the Water concession business (integral cycle management) via alliances with new partners.
- Actively participating in the potential consolidation process of the cement sector in Spain, building on the leadership of Cementos Portland Valderrivas.
- Consolidating the finances and increasing the returns in international operations in the Environment area.
- Persevering in the cost savings policy, especially in terms of structure.
- Continuing with the reduction of financial leverage, with the goal of advancing towards a Net debt /Ebitda ratio of 4.
- Continuing the development and attraction of talented individuals in order to have mobile, dynamic teams capable of tackling projects anywhere in the world.

Efficiency programme
Cost savings plan



A year after the launch of the Strategic Plan, 80% of its cost savings goals have been implemented or agreed.

REGULATORY DISCLOSURES NOTIFIED TO THE CNMV

(SPANISH NATIONAL SECURITIES MARKET COMMISSION)

31/01/13
The company reports the appointment of Ms Esther Alcocer Koplowitz as Chair of the Group's highest governance body and Mr Juan Béjar Ochoa as Executive Vice-Chairman and CEO.

20/03/13
The company provides a presentation of the 2013-2015 Strategic Plan.

22/03/13
Approval of financial statements and sending of the Annual Corporate Governance Report.

16/04/13
The company sends out a notice for the Ordinary General Meeting of Shareholders.

30/04/13
The company reports the agreement reached on the Employee Reduction Scheme in its construction division in Spain.

10/06/13
FCC sells its 50% of Proactiva to Veolia Environnement for 150 million euro.

19/06/13
Alpine, an FCC Construction subsidiary, requests voluntary insolvency.

02/07/13
FCC sells 49% of its water business in the Czech Republic to Mitsui for 97 million euro.

04/07/13
The company reports the temporary suspension of the Liquidity Agreement.

REGULATORY DISCLOSURES NOTIFIED TO THE CNMV

08/07/13
FCC announces the beginning of the accelerated placement of 3% of the share capital among qualified investors.

09/07/13
FCC announces the end of the accelerated placement of 3% of the share capital among qualified investors.

09/07/13
The company reports the resumption of the Liquidity Agreement.

18/07/13
Changes in the Board of Directors. Resignations: Mr Javier Ribas, Mr Nicolás Redondo and Mr Antonio Pérez Colmenero. Appointments of Independent Directors by co-option, to the shareholders Mr Olivier Orsini, Mr Gustavo Villapalos Salas and Mr Gonzalo Rodríguez Mourullo.

26/07/13
The company reports the novation of the liquidity agreement.

29/07/13
FCC leads one of the consortia for the construction of three lines for the Riad metro amounting to 6,070 million euro.

02/08/13
Appointment of Mr Gustavo Salas Villapalos as the new Chairman of FCC's Audit and Control Committee for a period of four years.

13/08/13
The company sends a Regulatory Disclosure notice regarding the sale of Alpine Energie.

11/09/13
The company informs about the agreement reached on the Employee Reduction Scheme in its central services division in Madrid and Barcelona.

09/10/13
The company reports changes in the Board of Directors and in the Appointments and Remuneration Committee.

- Resignation of Mr Juan Castells Masana.
- New members of the Appointments and Remuneration Committee: Mr Gonzalo Rodríguez Mourullo and Mr Oliver Orsini.

21/10/13
Sale of 6% of treasury stock.

22/10/13
FCC reports that 5.7% has been purchased, on the one hand, by entities linked to William H. Gates III, with up to 6% of the remainder belonging to another institutional investor.

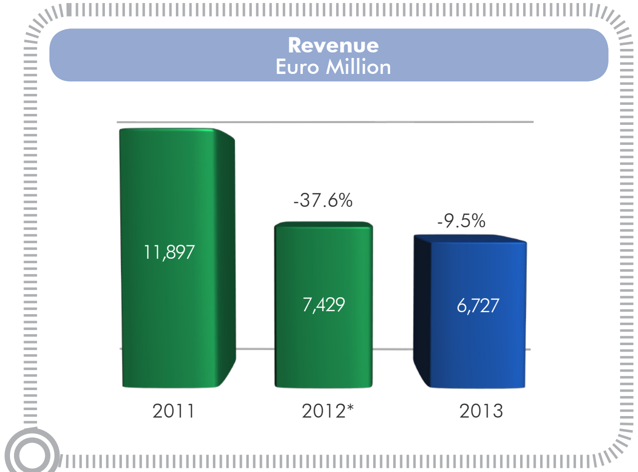
16/12/13
The company reports the agreement reached on the second Employee Reduction Scheme in its construction division in Spain.

19/12/13
The company reports changes in the Board of Directors. Appointment of shareholder Mr Claude Serra as Proprietary Director, replacing Mr Juan Castells.

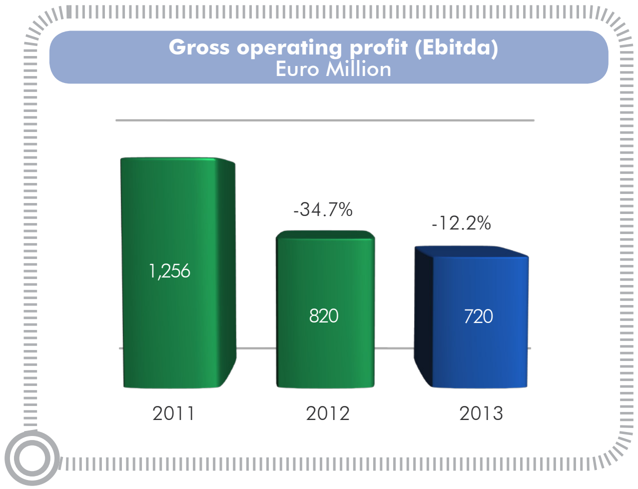
20/12/13
Sale of 3.8% of share capital.

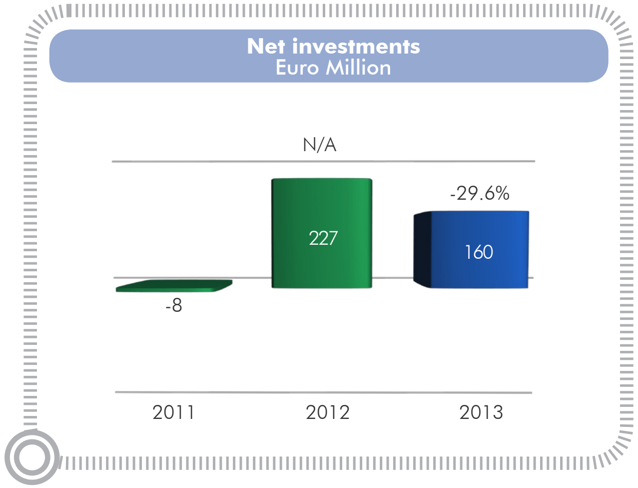
23/12/13
The company reports the complete refinancing of its subsidiary FCC Environment UK (formerly WRG).

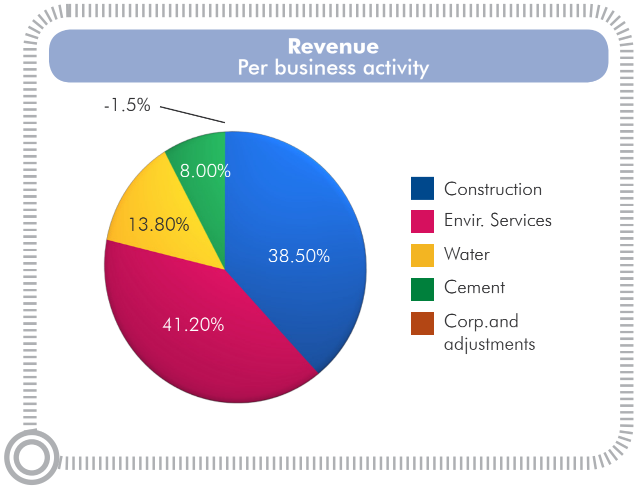
30/12/13
The company announces the sale of 51% of its energy division.

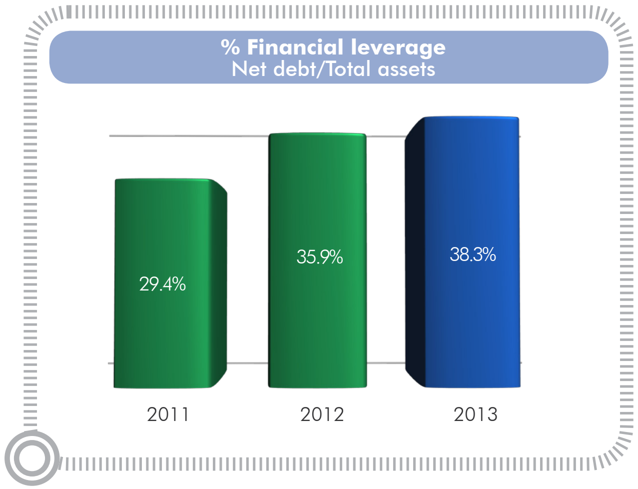


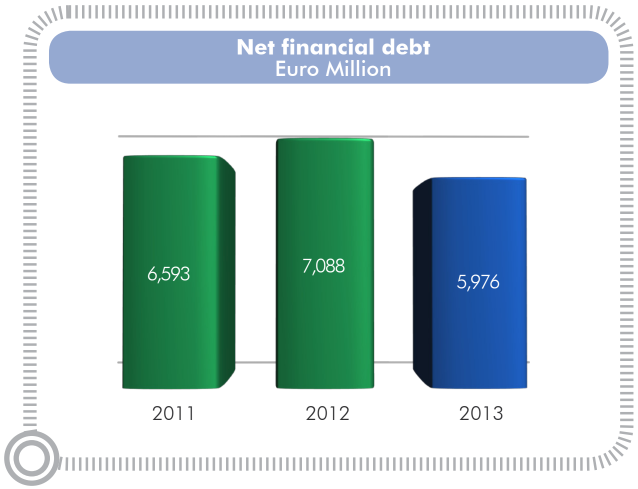
*Alpine deconsolidation



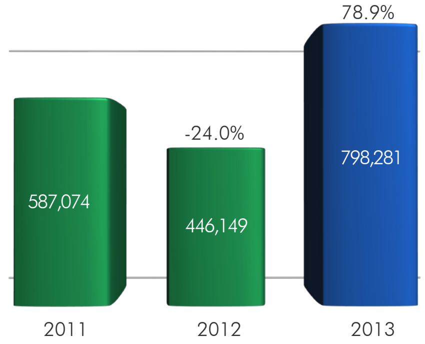

Net investments
Euro Million
N/A
227
-29.6%
160
-8
2011
2012
2013


Revenue
Per business activity
-1.5%
8.00%
13.80%
38.50%
41.20%
Construction
Envir. Services
Water
Cement
Corp.and adjustments

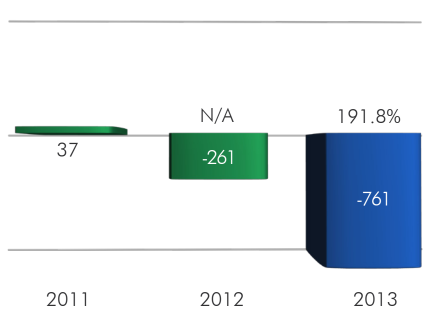

% Financial leverage
Net debt/Total assets
29.4%
35.9%
38.3%
2011
2012
2013


Net financial debt
Euro Million
6,593
7,088
5,976
2011
2012
2013

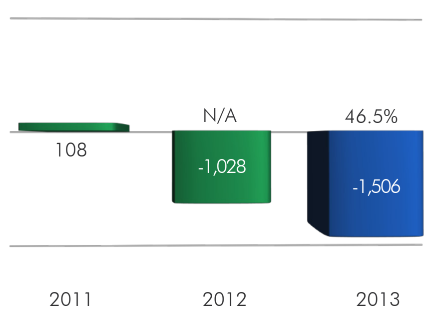
Average daily Volume
No shares daily average



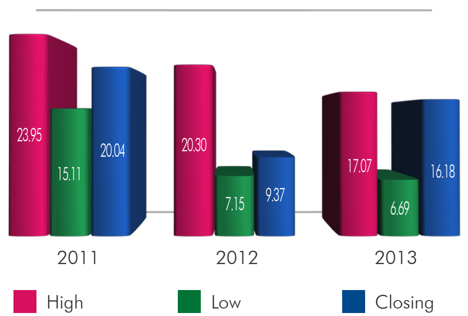
Profit before taxes
Euro Million



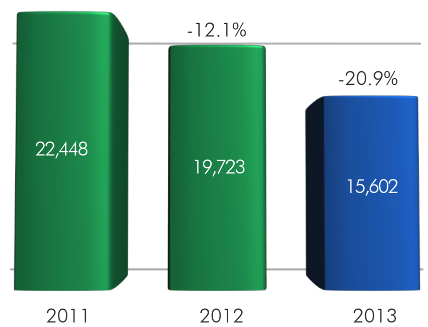
Profit attributable to equity holders of the parent company
Euro Million



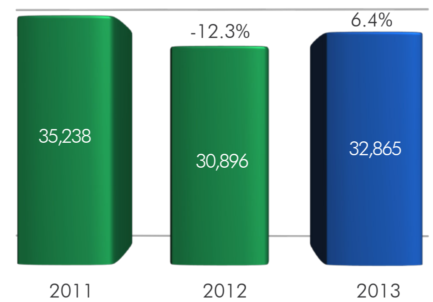
Share price: maximum, minimum and year-end
Euro per share



Total assets
Euro Million



Backlog
Euro Million



MARKET AND SHARE PERFORMANCE

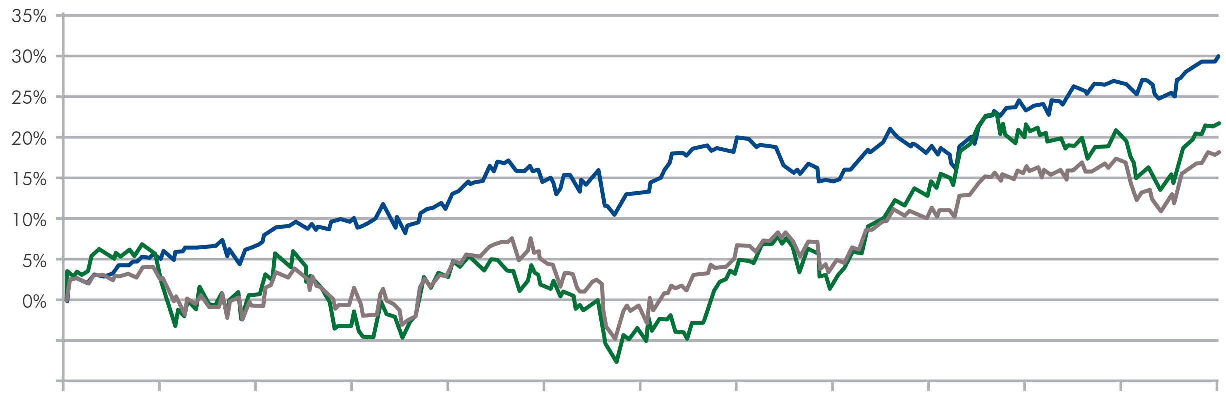
The market finished a volatile year in 2013. The Ibex 35 began the year at 8,167 points, marked its annual minimum on 24 June at 7,553, and thereafter began a positive trend, closing the year at 9,916 (+21.4%). Meanwhile, it reached the year's peak of 10,037 in October 2013; this was the first year since 2009 that the Spanish stock market closed in positive territory.

The clear change in the trend in the second semester was the outcome of a remarkable shift in the perception of the Spanish market, which went from being risky in the first half of the year, to a country that, after substantial government reforms, began to show signs of recovery towards the end of the year. Thus, the Spanish economy emerged from recession in the fourth quarter registering a 0.3% growth. The recovery from the Spanish downturn was possible by the easing of tensions in financial markets, the gradual normalisation of external financing, increased confidence and the improved performance of the labour market.

The same market trend was seen in other international markets which seem to support the beginning of the end of the crisis that has existed since 2007. This impetus in the markets has also been the result of support from the European Central Bank, with a flexible monetary policy and the lowering of interest rates to a record low of 0.25%.

In the United States, thanks to the enormous amount of liquidity provided by the Fed, along with macro data showing an undeniable improvement in the country's economic

PERFORMANCE OF S&P500, IBEX35 and EUROSTOXX50 IN 2013



Variation (%)	2012	January	February	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	2013
S&P 500	13.4%	5.0%	1.1%	3.6%	1.8%	2.1%	-1.5%	4.9%	-3.1%	3.0%	4.5%	2.8%	2.4%	29.6%
Ibex 35	-4.7%	2.4%	-1.6%	-3.8%	6.3%	-1.2%	-6.7%	8.6%	-1.7%	10.8%	7.9%	-0.7%	0.8%	21.4%
Eurostoxx 50	13.8%	2.5%	-2.6%	-0.4%	3.4%	2.1%	-6.0%	6.4%	-1.7%	6.3%	6.0%	0.6%	0.7%	17.9%

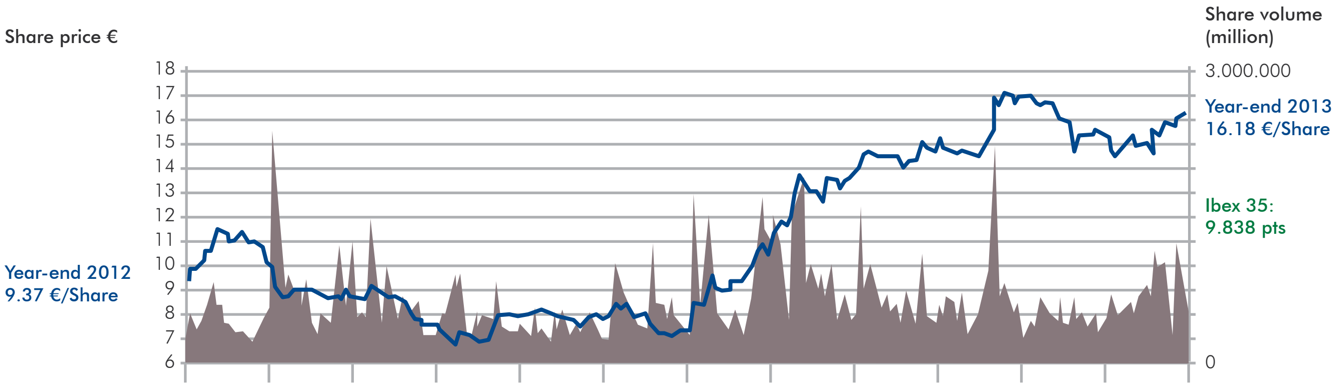
activity, the equities market was helped by a wave of investment. The NASDAQ and Dow Jones Indexes closed the year with gains of 38.3% and 28.5%, respectively. Meanwhile, the S&P500, an indicator that measures the performance of the 500 main stocks in the market, rose a significant 29.6% in twelve months, its best year since 1997.

In Spain, GDP growth accelerated in the fourth quarter of 2013, increasing by 0.3%, although the full year still registered a decline of 1.2% versus -1.4% in 2012. The annual decrease was due to the negative behaviour of domestic demand (consumption and investment), which could not be offset by the positive contribution from the external sector (exports).

The changing market trend since mid-year was also reflected in the performance of FCC's share prices, which hit lows of 6.67 per share on 8 April, and reached a maximum of 17.07 euros per share on 25 October. The close of business on 31 December recorded a price of 16.17 euros per share, with an annual appreciation of 72.6%, returning to the level of March 2012.

In addition, to address the challenges facing the company, in March 2013 the FCC Group launched a Strategic Plan that focuses on increasing the generation of cash flow and reducing financial debt, concentrating on more profitable businesses and geographies, capacity adjustments and cost reductions in order to adapt them to current market conditions, along with the divestment of an assorted group of non-strategic assets.

PERFORMANCE OF FCC SHARES IN 2013



	January	February	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	2013
% Var. FCC	6.3%	-10.2%	-16.8%	5.8%	-0.6%	-8.4%	45.1%	29.6%	9.1%	15.6%	-8.4%	4.0%	**72.6%**
% Var. Ibex 35	2.4%	-1.6%	-3.8%	6.3%	-1.2%	-6.7%	8.6%	-1.7%	10.8%	7.9%	-0.7%	0.8%	**21.4%**
% Var. Sector	1.8%	0.1%	-0.8%	6.5%	3.8%	-4.9%	7.1%	0.7%	9.1%	7.4%	-2.4%	1.3%	**35.5%**

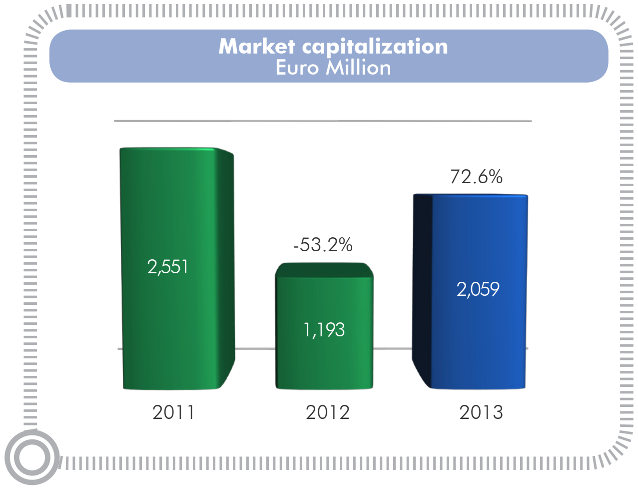
MARKET CAPITALIZATION

FCC ended the year with a capitalisation of 2,059 million euros.

TRADING

Total trading volume this year was higher than 203 million shares, with a daily average of 798,281 shares, 79.4% more than the daily average in 2012. For the full year, the traded volume was 160% of FCC's total share capital.

DIVIDENDS



In the current economic and financial environment, several factors are leading to a shrinkage of the resources generated by FCC Group and the need to assume losses in 2012 and 2013 as the result of the restructuring of certain company assets.

In this sense, FCC'S Board of Directors decided, in accordance with a principle of prudent management and in the best interest of all company shareholders, not to distribute a dividend in 2012, as was customary in previous years. This agreement remained unchanged in 2013.

This decision, which aims to strengthen the Group's balance sheet, seeks to create future value for shareholders and to sustain the profitable growth of operations and will have to be ratified by the General Meeting of Shareholders to be held in the first six months of 2014.

TREASURY STOCK

During 2013, FCC issued treasury stock amounting to more than 9% of the share capital to various institutional investors. The most significant of the treasury stock issues was the purchase of 5.7% in October by entities related to William H. Gates III.

Thus, as of 31 December 2013, the FCC Group held, directly and indirectly, a total of 280,670 shares in the Company, which represent only 0.2% of the share capital.

SHAREHOLDERS

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

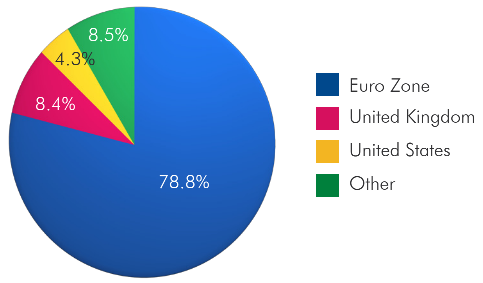
Main shareholders	No. of shares	% Share capital
B-1998, S.L.	55,334,260	43.46%
Azate, S.L.(1)	8,353,815	6.56%
William H. Gates III	7,301,838	5.73%

(1) 100% subsidiary of B1998 S.L.

FCC's free float is 44%. Its estimated distribution is: Spanish minority shareholders with 16.7%, Spanish institutional investors with 5.8% and foreign institutional investors with the remaining 21.5%.

The composition of the free float (as a percentage), based on the origin of the shareholders is as follows:

Geographical free-float Breakdown
Data as of 23 May 2013*



*Related to AGM shareholder structure.

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 asset	2,857,263	3,821,713
Property plant and equipment	3,734,068	4,620,674
Investment property	16,827	70,668
Investments accounted for using the equity method	368,709	935,039
Non-current financial assets	383,532	412,630
Deferred tax assets	1,081,989	732,789
CURRENT ASSETS	7,159,560	9,129,536
Non-current assets classified as held for sale	2,172,503	1,476,190
Inventories	798,029	1,128,668
Trade and other receivables	2,733,676	4,837,241
Other current financial assets	401,842	437,212
Other current assets	75,760	83,981
Cash and cash equivalents	977,750	1,166,244
TOTAL ASSETS	15,601,948	19,723,049

EQUITY AND LIABILITIES		31/12/13		31/12/12 (*)
EQUITY		242,756		1,696,990
Equity attributable to the Parent		3,184		1,246,906
Shareholders' equity	330,953		1,674,432	
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		1,091,981		1,154,967
Non-current financial liabilities		1,136,907		5,105,892
Deferred tax liabilities		802,757		907,266
Other non-current liabilities		214,411		198,793
CURRENT LIABILITIES		11,886,882		10,438,902
Liabilities associated with non-current assets classified as held for sale		1,729,203		970,355
Short-term provisions		340,087		303,575
Current financial liabilities		6,398,483		4,324,620
Trade and other payables		3,413,817		4,832,407
Other current liabilities		5,292		7,945
TOTAL EQUITY AND LIABILITIES		15,601,948		19,723,049

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

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	**6,726,488**	**7,429,349**
In-house work on non-current assets	99,608	60,599
Other operating income	226,373	327,529
Changes in inventories of finished goods and work in progress	(56,039)	(90,759)
Procurements	(2,604,687)	(2,691,270)
Staff costs	(1,995,593)	(2,154,928)
Other operating expenses	(1,886,044)	(1,872,574)
Depreciation and amortisation charge	(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	(238,739)	(200,976)
Other gains or losses	(153,108)	(175,207)
PROFIT (LOSS) FROM OPERATIONS	(303,134)	147,369
Finance income	71,257	88,676
Finance costs	(510,041)	(461,867)
Changes in fair value of financial instruments	22,586	(51,584)
Exchange rate differences	(11,158)	530
Impairment and gains or losses on disposals of financial instruments	(89,232)	2,132

	31/12/13	31/12/12 (*)
FINANCIAL PROFIT (LOSS)	(516,588)	(422,113)
Result of companies accounted for using the equity method	58,956	14,061
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	(760,766)	(260,683)
Income tax	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	(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	**(24,117)**	**(64,229)**
EARNINGS PER SHARE		
Basic	(12.73)	(8.97)
Diluted	(12.73)	(8.97)

(*) 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.

ENVIRONMENTAL SERVICES

ANALYSIS OF THE ENVIRONMENTAL SECTOR IN SPAIN

Over the past year, a total of 244 public tender contracts were awarded in the field of urban sanitation, which includes the activities related to the collection and treatment of solid waste, street cleaning and the maintenance of sewage networks, thus maintaining the level attained in 2012. The total annual consignment in connection with these contracts awarded amounted to 436 million euros compared to 605 million euros the previous year, with global contracts amounting to 1,556 million euros, compared to 850 in 2012.

2013 has been very similar to last year, as we find ourselves in an economic crisis cycle which affects the number of tenders due to budgetary restraint criteria. Despite this, however, the portfolio of services has improved 83% over the previous year.

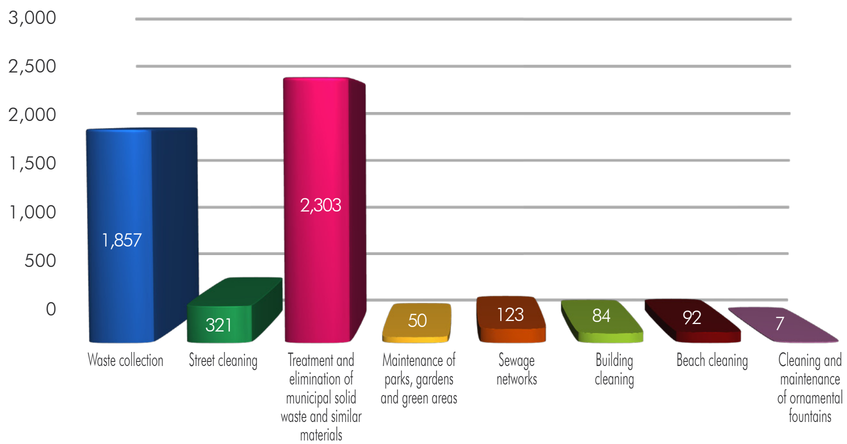
FCC'S BUSINESS ACTIVITY

FCC provides urban sanitation services in 3,384 municipalities across Spain and serves a population of over 27 million inhabitants. During 2013, FCC collected 6.6 million tonnes of waste and treated nine million tonnes.

MAIN CONTRACTS AWARDED IN 2013 FOR FCC MEDIO AMBIENTE

Renewal of the management contract for the Puerto de Santa María City Council's Environmental Resource Centre in Cadiz	10 years
Management of street lighting in Baza, Granada	15 years
Management of street lighting in Macarena, Granada	18 years
Management of waste collection services in the municipalities of the Consortium for the Development of Vega Sierra Elvira, Granada	25 years
Collection and management of light packaging for the Municipal Solid Waste Consortium in Málaga	15 years
Selective collection of paper, cardboard and light packaging in Utrera, Seville	8 years
Street cleaning in the city of Huesca	4 years
Renewal of the conservation and maintenance of green areas in Zaragoza (Sector I)	4 years
Cleaning of wastewater treatment plants and the sewage network in the province of Salamanca	3 years and 1 month
Renewal of the cleaning and inspection of the sewage network in Sabadell, Barcelona	8 months
Cleaning and maintenance services for the sewage network in Santa Coloma, Barcelona	2 years
Renewal of the cleaning and maintenance services for parks and gardens in Santa Coloma, Barcelona	2 years
Renewal of the cleaning service for buildings in El Prat, Barcelona	2 years
Maintenance of the street lighting system in Santa Susanna, Barcelona	12 years
Renewal of the cleaning service and collection of municipal solid waste in Sant Feliu, Barcelona	10 years
Street cleaning and waste collection service in Barberà del Vallés, Barcelona	5 years
Renewal of waste collection and street cleaning for the Port of Tarragona	2 years
Renewal of the street cleaning and municipal solid waste collection service in Alicante	8 years
Renewal of the management of street cleaning and the conservation of green areas (Lot 5) in Madrid	8 years
Renewal of the management of street cleaning and the conservation of green areas (Lot 6) in Madrid	8 years
Renewal of the management of municipal solid waste, street cleaning and maintenance of green areas in Navalcarnero, Madrid	10 years
Renewal of the collection and transport of the municipal solid waste service in Marratxí, Balearic Islands	3 years
Renewal of the collection and cleaning of the municipal solid waste service in Felanitx, Balearic Islands	8 years
Renewal of the beach and spa cleaning service in Las Palmas, Gran Canaria	4 years
Management of municipal solid waste, beach cleaning and management of parks and gardens in Tías, Lanzarote	10 years
Renewal of the cleaning and maintenance of the sewage network in Logroño	8 years
Closure of the San Marcos landfill, Guipúzcoa	8 months
Cleaning of parks and gardens in Doností, Guipúzcoa	4 years
Maintenance of state schools in Bilbao	2 years
Pilot project for the implementation of a 5th container for the selective collection of the organic fraction of waste for the Association of Left Bank Municipalities of the Nervión Estuary	1 year

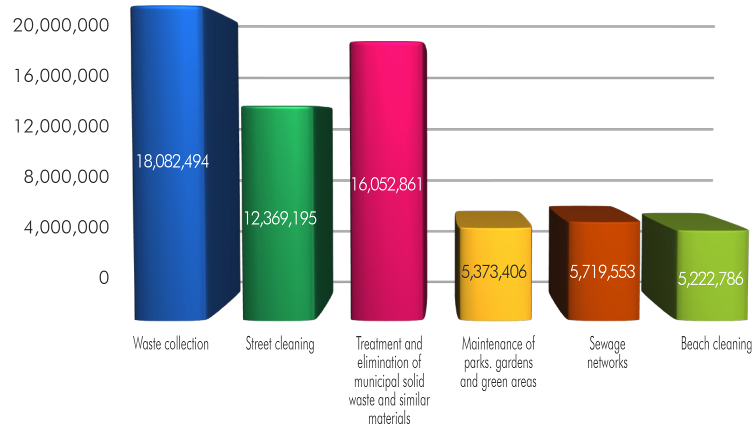
Municipalities being served



Summary of municipalities being served* 3,384

* If several services are performed in the same municipality, the municipality is only counted once.

Population being served by services



Summary of the population being served (total inhabitants)* 26,962,114

* If several services are performed in the same municipality, the population being served is only counted once.

INTERNATIONAL ENVIRONMENT DIVISION

Turnover: 1,179.2 million euro.
(1.37% decrease compared to 2012)

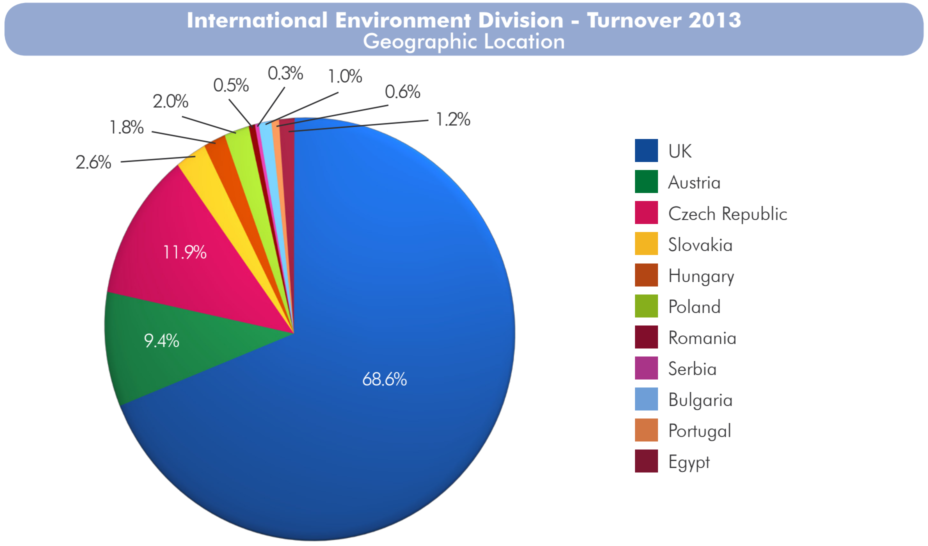
The International Environment Division is one of the leading companies in municipal solid wastes and energy recovery in the United Kingdom, Central and Eastern Europe and North Africa. It has a presence in 11 countries (United Kingdom, Austria, Czech Republic, Slovakia, Hungary, Poland, Rumania, Bulgaria, Serbia, Portugal and Egypt).

During the year 2013, the International Environment Division was awarded 55 tenders in total for refuge collection, transport, treatment, disposal and street cleaning services in the geographical areas detailed below:

Tender contracts awarded abroad			
UNITED KINGDOM (FCC Environment UK)*		CENTRAL AND EASTERN EUROPE (ASA)**	
Tenders awarded:	12	Tenders awarded:	43
Population:	5,267,020 inhabitants	Population:	990,960 inhabitants
Tonnes treated:	956,000 tpa	Tonnes treated:	245,967 tpa
Annual turnover:	86.4 mill/£	Annual turnover:	8.4 mill/ €
Services contracted:	1,017.763 mill/£	Services contracted:	187.5 mill/ €

* Data corresponds to tenders awarded and/or those yet to be signed in 2013

** Data corresponds to tenders awarded in 2013



Data corresponds to tenders awarded and/or those yet to be signed in 2013:

FCC ENVIRONMENT UK

- **Recycling, Refuse Collection, Highways and other Cleansing Contract (Wychavon District Council)**
  Service tendered: Negotiated extension to FCCE's existing contract with Wychavon District Council for the provision of recycling, refuse collection, highways and other cleansing services.
  Contract term: 2 year contract extension with potential opportunity to extend for a further 5 years retained.
  Population: 117,100

- **Barnsley Metropolitan Borough Council Residual Waste Treatment Project**

  Service tendered: To bulk & haul Barnsley Metropolitan Borough Council's (BMBC) kerbside residual waste for onward treatment at Transwaste in East Yorkshire. Here the MSW is processed in to RDF and organic-rich fines. FCC utilised the Barnsley TS to achieve the best Delivery Point for BMBC.

  Contract term: 2 years and 3 months contract.

  Population: 220,000

- **Framework Agreement for Bulking, Transfer and Transport, Treatment and Disposal Services for Source Segregated Municipal Bio-Wastes and/or Municipal Solid Waste Arising In Essex and Southend**

  Service tendered: Tender for the award onto a framework agreement for the bulking, haulage and disposal of biowaste. Biowaste includes green waste, food waste and mixed food & green. Services are broken down into Lots and FCC was successful for three Lots, treatment of green waste, bulking & haulage of food waste and transfer of biowaste. Green waste will be bulked at Haverhill TS and treated at Red Lodge, food waste will be transfered at Haverhill and treated at a third party site.

  Contract term: 4 years contract.

  Population: 1,729,200

- **Contract for the Operation of Household Waste Recycling Centres (Staffordshire County Council)**

  Service tendered: Tender for the operation and management of 14 Household Waste Recycling Centres (HWRCs) and a single Waste Transfer Station (WTS) for Staffordshire County Council (SCC) handling around 109,000 tonnes per annum. The WTS is a facility already operated by FCC and now falls under this contract. FCC is responsible for the haulage and offtake of all materials.

  Contract term: 15 year contract.

  Population: 828,900

Buckinghamshire County Council Residual Waste Treatment Project
Service tendered: Tender for a residual waste treatment contract for Buckinghamshire County Council (Buckinghamshire CC). Construction of a 300,000 tonnes per annum (tpa) Energy from Waste (EfW) facility in the north of the County supported by (up to) two transfer stations to the south of the county, including haulage between sites.
Contract term: 30 year contract with possible 5 year extension.
Population: 478,000

Lincolnshire: EFW plant already commissioned and the full service is planned for March 2014

Glasgow City Council – Tender for the Provision of Landfill Capacity
Service tendered: Tender for the provision of landfill capacity to receive MSW from Glasgow City Council (delivered to site). Dispose of 240,000 tpa.
Contract term: Five year contract with possible one year extension.
Population: 598,830

Warrington Municipal Waste Treatment and Disposal
Service tendered: Tender for a residual waste treatment contract for Warrington Borough Council (WBC). Treatment of 50,000 tonnes per annum of Kerbside and HWRC residual, street cleansing waste and Gully waste.
Contract term: 5 year contract with possible 2 year extension.
Population: 203,000

Cheshire West and Chester Residual Waste Treatment and Disposal Services
Service tendered: Tender for a residual waste treatment and disposal contract for Cheshire West and Chester Council. Receipt, bulk and haul of residual waste to an FCC nominated Energy from Waste facility.
Contract term: 8 year contract with possible 2 year extension.
Population: 329,500

- **Framework Agreement Contract for Interim Waste Management Services**
  Service tendered: Pricing exercise for the third year of a four year framework agreement for disposal / treatment of kerbside residual waste from Merseyside.
  Contract term: One year.
  Population: 1,381,200

- **Wiltshire Council – West Wiltshire Waste Collection Contract**
  Service tendered: Negotiated extension to FCCE's existing contract with Wiltshire Council (formerly West Wiltshire District Council) for the provision of refuse, recycling and garden waste collections plus ancilliary services.
  Contract term: Fixed 2 year, 4 month contract extension with no opportunity to extend further.
  Population (West Wiltshire): 111,000
  Households (West Wiltshire): 57,500

- **East Renfrewshire Council Residual Waste Treatment Project**
  Service tendered: Tender for a residual waste disposal contract for East Renfrewshire Council (East Renfreshire CC). Potential for the receipt transfer, using the Councils waste transfer facility, and disposal of 25,000 tonnes per annum (tpa) to landfill at FCC Greengairs together with the management of the HWRC facility.
  Contract term: 2 years and 3 months contract.
  Population: 89,890.

- **North Lanarkshire – Tender for the Waste Disposal / Treatment of Mixed Municipal Waste**
  Service tendered: Tender for a residual waste treatment / disposal contract for North Lanarkshire Council.
  Contract term: One year contract with possible one year extension.
  Population: 340,000

FCC CENTRAL AND EASTERN EUROPE (.A.S.A.)

Renewal of contract for complex waste management solutions
Service provided for 4 stores & 3 warehouses – Company IKEA, Czech Republic

Services tendered: Collection and transport of mixed commercial waste. Collection, transport and sales of secondary raw materials. Other services: renting of waste treatment equipment.
Contract term: 2 years contract.
Population: Under the current contract the service is provided for all IKEA stores in the Czech Republic which are located in the cities Prague (2 stores), Ostrava and Brno and the corresponding warehouses located in the same cities.

Renewal of contract for complex waste management – Company OBI
Service provided for all stores in Czech Republic

Services tendered: Collection and transport of mixed communal waste, collection of secondary raw materials.
Contract term: 3 years contract.
Population: The 28 stores in the Czech Republic.

Renewal of municipal solid waste services contract - Awarding for street cleaning & other services in Dunajská Streda, Slovakia.

Services tendered: Municipal solid waste collection, separate waste collection, disposal of municipal solid waste, summer and winter street cleaning.
Contract term: 4 years.
Population: 23,433 inhabitants.

Renewal of contract for complex waste management services for all Austrian bauMax locations

Services tendered: Non-hazardous waste management (collection, transport, treatment, disposal), hazardous waste management (collection, transport, treatment, disposal), secondary raw material services.
Contract term: 2 years.
Population: all Austrian bauMax locations.

Implementation of an integrated waste management system for South-East Macedonia

Services tendered: Provision of collection and transport of municipal solid waste, cleaning-up of the existing landfill, construction & operation of a new sanitary landfill, treatment of waste (sorting, composting) in a later stage.
Contract term: 30 years.
Population: 180,000 inhabitants.

TECHNOLOGICAL INNOVATIONS

NEW TECHNOLOGIES IN ELECTRIC VEHICLES

Despite the fact that, in terms of environmental improvements, natural gas has been and remains a vital asset in the technological strategy, dependence on petroleum-based fuels remains high. The cost of this energy continues to grow and is particularly important in the services provided by FCC Medio Ambiente, where the vehicles used are energy-intensive; this means carrying out ongoing research and development for vehicles that can optimise their energy efficiency and, in turn, when doing so, their contaminating emissions are reduced. This will position FCC Medio Ambiente's equipment and machines to gradually be weaned from their dependence on oil, which has already been partly achieved with natural gas, but the way forward must necessarily be based on electric vehicles, as it has been for years.

Technological development in the field of electric vehicles is a reality in FCC's services; today, FCC has a fleet of more than three hundred units. The goal is to be able to carry out all services with this type of vehicle. This means creating and having at least four scales, or groups, of vehicles based on their total weight and only in reference to their chassis-cabs. Currently, there are light vehicles (those weighing up to six tonnes), medium-tonnage (up to fifteen tonnes, including both collection and cleaning versions) and 2012 started with heavy vehicles.

The latest development, which is now being tested in different collection contracts, has a side-loading body with electric drive and a three-axle chassis. The chassis has two steering axles; this is a concept evolved from the ones the company already has in service with natural gas and diesel engines, but with a maximum allowable tonnage of 26 tonnes. This limits the load available for collection and street cleaning services due to the excess weight of the electrical equipment with the increased total maximum authorised mass for road use, which actually means increasing it by two tonnes. A total of 29 tonnes of maximum allowable tonnage has been successfully certified and registered, which would allow more payload.

The vehicle uses the same technology successfully applied in the concept of a totally electric urban service lorry, equipped with a natural gas-based combustion engine used exclusively for recharging its own battery which only works in transport mode.

Following the conviction of this being the only configuration with which it is currently possible to meet FCC Medio Ambiente's requirements, the vehicle is equipped with continuous electric traction systems and batteries with a new, exclusive design based on lithium technology. These are high-power batteries with an energy capacity of 150 kWh that can also be recharged with an external power supply. This vehicle is probably the only one of its kind operating in Europe.

This is a 20-cubic-metre, side-loading compactor/collector, with the same performance as the equivalent gas or diesel vehicle, although acceleration is faster and it cover the routes in less time than those equipped with combustion engines.

Like all hybrid electrical vehicles developed by FCC, they carry out the collection services with a pure electric drive (zero emissions and a virtually zero noise level), recharging their batteries during the journey and the waste discharge process. This is the only possible characteristic that allows work to be performed in urban areas in electric mode, as it can recharge its own batteries during the transport process and thus have the batteries sufficiently charged for the following route, i.e., its work capacity in electric mode can be very extensive and it can do two or more routes in a row in electric mode. Otherwise, the battery size needed would make the project totally unviable.

The body, in turn, is driven by a hydraulic pump which is also driven by an electric motor. This motor only comes into operation when there is a demand for power during the automatic loading of containers and the compacting process. This makes energy consumption as low as possible, while reducing noise emissions to the point that they are virtually confused with the noise of the surroundings.

The outcome obtained during the assessment of the prototype provides very interesting results: energy optimisation is very important, as it is possible to reduce energy consumption while obtaining the same performance of between 35 and 45% compared to conventional lorries with natural gas heat combustion engines. Until now this goal was unreachable and it means lower costs and a significant reduction in emissions.

The side-loading lorry project has been recognised outside our company and it has recently obtained the following awards:

- Smart City Expo 2013 in Barcelona: it was one of six finalists in the World Smart City Awards from among the more than 250 projects submitted. It received a special mention.
- Expansión newspaper: winner at the Innovation + Sustainability + Network Awards in the Large Sustainable Business category.

In recent months, FCC has focused explicitly on adapting, adjusting and improving the specific control and power electronics, constantly trying to optimise energy consumption and the energy recovered when the machine brakes to a stop and when it brakes during steep descents. This is a decisive factor for the services it provides, because the number of stops and starts in the collection reach an average of over fifteen per kilometre covered and provides a significant generation of power that goes directly to the special batteries created for this purpose.

There may be so much energy generated when stopping and braking during steep descents that there are occasions for which the protective devices on the batteries do not allow the batteries to absorb 100% of this energy in order to prevent them from being damaged. Despite the development and subsequent results of creating batteries capable of storing a large amount of energy in a small space and with an acceptable weight, in coming years (and in the very near future), it is expected that the evolution of this technology, on which Medio Ambiente's Machinery Department is working constantly, could be used in conjunction with the technology for batteries with ultra-capacitor systems that are able to take advantage of all the inertial energy from using the brakes to stop and slow down on steep descents, which is unthinkable today only using batteries. In fact, at FCC, we are waiting for the approval of government programmes that support the development of these technologies for the development of new electric vehicles.

TECHNOLOGICAL INNOVATIONS IN PERMANENT FACILITIES

This year again, FCC is continuing with renewed concern its work aimed at achieving the highest levels of energy efficiency and reduced water consumption in our facilities, resulting in increased savings and lower emissions.

For example, a set of measures has been applied to the machine depot belonging to the Salamanca contract, aimed at attaining the "A" energy rating, not only globally, but in each of the parties involved: envelope, thermal installations and lighting.

The building was designed taking its orientation into account, and the most suitable materials and systems to attain the maximum level of energy efficiency in the envelope were chosen, thereby minimising energy losses from the building itself.

To this end, an innovative HVAC system was installed which combines the harnessing of external weather conditions (sun and wind that affect the building), the most-efficient and least-power-consuming equipment in the market (water-to-water heat pumps and natural gas condensing boilers) to heat the various rooms in the depot, the distribution of heating and cooling via low-temperature and high-thermal-inertia systems and displacement ventilation in order to ensure conditions of maximum comfort for personnel, obtaining the highest energy rating "A" in its thermal installations.

The installation's water-water equipment is cooled using the sun and wind affecting the building itself, dissipating or collecting energy depending on the heating or cooling needs, by means of hydro-solar modules and auxiliary energy collection units.

The installation's natural-gas-powered boilers act as auxiliary equipment for heating and generating sanitary hot water, providing back-up support for the water-to-water machines at times of peak demand.

In summer, the thermal energy absorbed by the radiant floor is transferred to a low-consumption water-to-water heat pump which, in turn, transfers this thermal energy to the hydro-solar modules. These modules use solar energy to create a stream of hot air and, through an adiabatic evaporation process, cools the hot water from the heat pump. The heat pump channels the cooled water to radiant/cold flooring, thereby cooling the building.

In winter, the cycle is reversed. Using solar energy, the hydro-solar modules and auxiliary collection units heat the water and the water pump is responsible for transferring this thermal energy to the radiant floor, thereby heating the building.

Throughout the year, the system generates sanitary hot water using the hydro-solar modules and auxiliary collection units, taking advantage of the water-to-water machines to provide sanitary hot water, supported by the natural gas condensing boiler for peak demand periods.

With regard to lighting, LED-based equipment has been installed in order to improve the energy efficiency levels required by the various standards on efficiency. For example, for outdoor lighting, the Energy Consumption Indices (ECI) obtained were in the region of 0.5, while the Energy Efficiency Indices (Iε) were in the region of 1.83. The maximum energy rating "A" is obtained with ECI values of <0.91 and Iε values of > 1.1, which we substantially improved.

All of this has been complemented with high-efficiency electrical equipment and a metering and monitoring system for the electrical installation so that the way we consume energy can be known at all times and thus strategies can be devised to reduce consumption and improve efficiency, and are able to analyse in detail the degree to which the objectives have been met. The installation of the metering and monitoring system greatly facilitates the implementation of the Energy Management System in accordance with the ISO 50001 standard.

VISIÓN PROJECT

Part of FCC Citizen Services' commitment to technological innovation includes the definition, design and development of a comprehensive software tool that will offer a solution for the control and management of services and for all agents involved, thus improving the efficiency of these services and saving costs. The "Advanced Solution for the Comprehensive Management of all the Processes in Medio Ambiente contracts: VISION PROJECT" has arisen as a result of this need.

The solution implemented is based on the combination of hardware and software that enable the information system required by FCC Medio Ambiente and its services to be supported. This will make a tool available with centralised resources that is secure in terms of access levels and data protection and that offers a high level of service availability.

OBJECTIVES

The development of this new solution intends to meet the following objectives:

1. To establish which computer tool enables the management of the processes that are involved in Medio Ambiente's contracts, as well as to regulate access to those involved in these processes (company or municipal inspectors, workers involved, etc.).
2. A quick response in the design, implementation and deployment to new needs arising from the management of the business.
3. To offer the best way to access the tool for each agent based on their needs.
4. Manage geo-referenced and telematic information with a wide range of computer tools: to know not only *what* is happening, but also *where*.
5. To have mobile application to facilitate managing personnel working in the street.
6. The creation of a communication platform that enables the different devices to be interconnected and thus manage their security and connectivity.
7. The creation of protocols for the homogenisation of information obtained from different sources.
8. To design communication and data collection devices for managing the fleet of vehicles, its operation and costs, as well as managing operators and containers, fully integrated into the application.
9. Dynamic language management.
10. Document management fully integrated into the system.

NEW DEVELOPMENTS

The approach undertaken entails some new developments when compared to existing platforms. These novelties include:

1. Completeness: The application is seen as a single data manager for all parties involved. It integrates all the functionalities and modules into a single database structure and into a single version of the software application; each involved party accesses only what they need.
2. Dynamic management of the data model: automatic generation of database structures and data conversion processes in response to any change that may be introduced.
3. Real-time dynamic definition of application menus, input screens and data queries.
4. Efficient data migration and transformation of information received.

5. Communication is integrated into the platform without relying on external systems.
6. Real GIS (Geographical Information System) management with the information entered into the system without any reliance on external software.

ADVANTAGES

1. Unification of the software tools used in managing the service.
2. Leveraging functionalities for any application module.
3. Simplification of accessing and handling for service staff.
4. Have reliable and related information available as there is a single database.
5. Have information on locations available and an integrated inventory.
6. Automate the capture and processing of information.
7. Reduced the information generation costs.
8. Reduced infrastructure costs resulting from centralising them.
9. Ease of sharing new solutions among all contracts.

The most significant features currently implemented are:

2012

- Automatic capture of data and management of the production and consumption data provided by the electric vehicles' control units.
- Design and development of a device that remotely determines to what level the containers are filled, by improving and lowering the cost of the existing equivalent devices on the market.
- Creating protocols for the homogenisation of information obtained from different sources.
- Information integration with graphics files (AutoCAD, Microstation).

2013

- Optimisation of the deployment of the mobile device management platform.
- Integrating workshop and vehicle management.
- Generation of a WEB WMS map server to provide processed geographical information to different parties (from the company itself, municipal, etc.).
- Integrating Medio Ambiente's computer platform with the management of human resources in SAP (INCORPORA).
- Creation of tools to analyse and correlate the considerable amount of data available (geo-location, dates, concepts, etc.) in order to increase the capacity for global analysis.
- Smart scan of service documentation with automatic information extraction.

The most significant milestones outlined for the next two years are:

2014

- Data management for an efficient driving analysis.
- Module to optimise the service programming (allocation of personnel, machinery, frequencies, etc.).
- Integration of image recognition (number plates, despatch notes, etc.).

2015

- Capture of landfill data.
- Environmental sensors integrated into devices.
- Integration of the CAN-OPEN data communication system among chassis, vehicle bodies and tools, thereby unifying the systems.

SUSTAINABILITY

As outlined below, in 2013 initiatives and lines of work were developed in order to identify how to address the risks and opportunities that may affect the efficient and sustainable environmental management of the services rendered up until the 2020 period:

Standardize in order to compare: respect and implement the standards recognised, which offer credibility and reliability when dealing with third parties.

Define and establish the intensity indicator "markers" of the continuous improvement process (energy, emissions, water and recovery of materials).

Test the functional pilot project developed to automatically calculate the intensity indicators for urban services.

Identify our competitive edge (environmental efficiency, technological advances and best practices). Continuous improvement process (in response to the reduction of cost-generating negative external factors).

Designing a common reference framework (an internal reference when dealing with our stakeholders).

In addition, the many recent updates in the Spanish regulatory framework resulting from the transposition of European directives or due to internal policy decisions (energy taxes), the ongoing review of certain regulations as well as some radical changes promoted by third parties that will have short- and medium-term effects on FCC Medio Ambiente's activities, have incited strong mobilization among companies in the sector, to which FCC has contributed through ASELIP, in favour of adopting a common position and resume the path of dialogue and consultation with the representatives of our supervisory institutions and, more particularly, with the various directorates and sub-directorate of the Ministry of Agriculture, Food and the Environment (MAGRAMA).

Eyes on Horizon 2020:

What to measure, how and why?

Progress in the development of the methodology and functional pilot project to calculate the intensity indicators for the sustainable environmental performance of urban services (energy impact, GHG emissions, water impact)

Contribute **added value in the tenders, meet expectations and contractual requirements** and establish the basis for smart services:

The methodology and the functional calculation pilot project designed and developed with scientific collaboration for a case study (Madrid contract), and certified by DNV Consulting in 2012, have formed the basis for the second phase of the work. This consists of testing the reliability of the results reached by calculating the intensity indicators (energy impact, GHG emissions and water impact per reference unit established for each activity, tonnes of solid urban waste, kilometres per street, and equivalent square metres of garden).

To this end, **a steering group** has been set up to extend the application of these tools to the calculation of the intensity indicators of collection, street cleaning and parks and gardens maintenance services in eight representative contracts, distributed in various commercial offices where we render all or part of these services **(Arucas, Ávila, L´Hospitalet de Llobregat, Valencia, Oviedo, Albacete, Bilbao, Santa Coloma)**.

In late December 2013, an initial analysis, though only partial, of the work performed showed that the results obtained confirmed that the calculation tool is valid for its purpose, as the results obtained in all the contracts are within the same range of values.

Pending the latest findings, by carrying out some adjustments to the systems implemented in the organisation, the Medio Ambiente division would be in the position of being able to offer the customers who so require, a certified method to show the traceability of the environmental performance of the services provided and to demonstrate how efficient sustainably managing them is, from monitoring the intensity indicators whose calculation is based on recognised standards. Thus, the following could be provided for each of the services being considered: energy impact indicators: Gj/T MUW collected; GJ/km of street swept; GHG emissions: Teq CO_2/T MUW collected; Teq CO_2/km street swept; water impact: m^3 water/m^2 eq, m^3 water/km of street hosed down).

It is also important to note that the work carried out by the steering committee counts on the direct involvement of operations personnel, which allows it to address issues and concepts which, although closely related to the daily management of the services, are still outside their immediate concerns.

Assessment and evolution of our external environmental factors: calculation of key figures for environmental performance and the carbon footprint (2013)

To date and since 2012, FCC Medio Ambiente has been the first and only company in the sector that has published and certified the C footprint of its organization.

Although the decrease observed in our external environmental factors in terms of energy and water consumption, GHG emissions and waste generation during 2012 is primarily the result of a reduction in the services rendered, we must take into consideration that some best practices carried out in facilities or services within the organisation' scope of operational have helped to improve our energy efficiency, reduce greenhouse gas emissions, optimise water consumption and the recovery of materials. Moreover, these initiatives will maintain their favourable effects in the medium term and will form part of a policy of continuous improvement.

For circumstantial reasons, and as is clear from the analysis of environmental indicators, it seems risky to propose a low-carbon policy strategy that would be applied without distinction to all the organisation's activities. In a situation of such poor visibility, FCC is geared towards prioritising and emphasising the relevant industry-related issues and facts that, locally, stigmatise the organisation's efficient, sustainable management and will, over the long term and as permitted by the changing context, pose the most ambitious future strategic objectives. Thus, we are also preparing to better support FCC Group's commitment to the GR4.

Dialogue with our stakeholders: opinion leaders, competition, institution and employees.

Interprofessional Mobilisation (ASELIP): "do more with less"

The turbulence of the 2010-2020 decade that will affect FCC Medio Ambiente's activities over the medium term will have something to do with: the transposition of European directives already launched and those being prepared within the regulatory regimes of the member states; the emergence of new models, rules and recommendation yet to come, which – for Spain – are added to the obligations to have to adopt measures in the short term for failing to comply with its commitments on waste management.

In such a context, the companies within the sector, through ASELIP, have mobilised and come together to define common positions, defend their interests and to be able to dialogue with the ministerial directorates at the Ministry of Agriculture, Food and the Environment, local authorities and other agencies such as, for example, FEMP, Ecoembes, etc.

The issues of particular interest in which FCC is collaborating and which have been the subject of reports to the Ministry in order to set up meetings, are related to: The Waste Act 22/2011 (fifth hierarchy of waste, collection and recovery of biowaste); new regulations on Integrated Pollution Prevention and Control; the PRTR registry, the review of BREF documents and of the Best Available Techniques; the calculation of the carbon footprint of organisations and services as well as changes in the current waste management framework introduced unilaterally by Ecoembes.

All information handled (technical reports, exchanges with the competent authorities, meeting minutes, etc.) that might be of interest to the regional offices is available for consultation on the SEDRUS® platform.

First contacts with the Spanish Office for Climate Change (OECC)

The first meetings have taken place with the OECC's general sub-directorate for coordinating actions on climate change in order to show how FCC is addressing these issues and also offering our willingness to collaborate on preparing the industry's methodological guidelines on the carbon footprint that will be approved by the Climate Change Policy Coordination Committee as indicated in Article 5 of the Royal Decree on the carbon footprint.

Sustainability and public tenders

While it must be recognised that sustainability criteria become less important at the time of the awarding of contracts, some calls to tender that FCC Medio Ambiente has presented bids for, have positively valued the contribution of FCC's commitments to social and

During 2013, the calls to tender listed below included sustainability criteria in the assessment of bids:

Client	Services	Bid
Zaragoza City Council	Maintenance and upkeep of parks and green areas (Sector I) in Zaragoza	SUSTAINABLE ENVIRONMENTAL SERVICES MANAGEMENT PLAN
Inter-municipality of San Marcos	Collection of wastes from industrial parks in the inter-municipality of San Marcos	SUSTAINABLE ENVIRONMENTAL SERVICES MANAGEMENT PLAN
Huesca City Council	Street cleaning in Huesca	THE SOCIAL RESPONSIBILITY OF FCC's MEDIO AMBIENTE DIVISION
Guadalajara City Council	Waste collection, street cleaning, parks and gardens, sewers, bicycles, lighting, traffic, etc.	METHOD FOR ASSESSING SUSTAINABLE BEHAVIOUR
Castrillón City Council	Maintenance of Castrillón parks and gardens	MANAGEMENT OF SOCIAL RESPONSIBILITY IN THE ORGANISATION
Barcelona Metropolitan Area	Beach cleaning	CERTIFICATES AND EVIDENCE OF THE ORGANISATION'S SOCIAL RESPONSIBILITY

environmental sustainability. In some cases, such as the Zaragoza and Guadalajara calls to tender, there was a contractual requirement imposed that the manager must make means available to the customer that will enable them to calculate and report on the results achieved during the contract in terms of the efficient management of energy and water resources, the reduction in greenhouse gas emissions and in waste production.

The methodology of Ce2d®, the functional pilot project for calculating the carbon footprint of services, is a reliable support tool that can offer this feature to the customer.

Cross-cutting collaborations to share knowledge and experience: "we're doing it together"

Within FCC Group

Within the IISIS project, today and based on the progress of the work done in collaboration with the Office of Research Results Transfers (at the University of Huelva) and the International Institute of Agricultural Research, we continue to meet our commitments. We have patentable prototype solutions (confirmation of the patent registration request is still pending) consistent with the goal of self-sufficiency that underpins the IISIS project.

Within the Environment area

The **SEDRUS ® Platform** is becoming the **exclusive means of disclosure of all relevant aspects of sustainability.** Significantly, in July 2013 the initiative received the International Awards diploma of merit for Eco-Efficiency awarded by FCC Group.

The launch of **steering groups to establish the relevant issues that set apart our experience and competitive edge in the area of efficient environmental management of the services rendered to our clients is an opportunity for those involved to share and exchange experiences and knowledge.**

QUALITY, PREVENTION OF OCCUPATIONAL RISKS AND TRAINING

Quality and Environmental Management

The external audit of the Management System (into which the quality requirements and environmental standards required by the respective reference standards are integrated) in FCC Medio Ambiente, was conducted by AENOR in the period from 22/04/2013 to 24/05/2013. During this period, AENOR audited five of the Central Services Departments and various contracts at nine branch offices. In Central Services, audits were conducted of management, quality management and environmental management, procurement, machinery and design processes as well as training, legal requirements and compliance assessment processes. In contracts at branch office, audits were conducted of operational and service delivery processes as well as of the operational control and the monitoring and measurement of environmental aspects.

The most relevant events in this management area during 2013 are listed below:

- Maintenance of the certificates already earned in accordance with ISO 9001 and ISO 14001 for the following companies:
    - FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.
    - FCC MEDIO AMBIENTE, S.A.
    - ALFONSO BENÍTEZ, S.A.
    - SERVICIOS DE LEVANTE, S.A. for ISO 9001
    - SERVICIOS ESPECIALES DE LIMPIEZA, S.A.
    - VIGO RECICLA, UTE.
    - CASTELLANA-P.O., UTE.
    - EMPRESA COMARCAL DE SERVICIOS MEDIOAMBIENTALES DEL BAIX PENEDÉS, S.L. (ECOBP) for ISO 9001.
    - SERVEIS MUNICIPALS DE NETEJA DE GIRONA S.A.
    - SOCIETAT MUNICIPAL MEDIAMBIENTAL D'IGUALADA, S.L.
- Maintenance of ISO 14001 and Q Tourist Certificates (in accordance with the requirements of UNE 187004) for the Palacio de Exposiciones y Congresos de Granada S.A., with certificate numbers: ES11/10261 and 00861/13, respectively.
- The ISO 9001 and ISO 14001 certificates for Castellana de Servicios, S.A. have been held in abeyance, as there are currently no active contracts in this company's name.
- ISO 14001 Certification of the company Servicios de Levante, S.A. (Certificate GE 2013/0274).
- An ISO 14001 certification audit was conducted on 17 and 18 December 2013 of the Empresa Comarcal de Servicios Medioambientales del Baix Penedés, S.L. (ECOBP); this awarding of the certificate is pending.
- The "Energy Management" (certificate GE-0022/2013), consistent with the requirements of UNE-EN ISO 50001 "Energy Management Systems", was obtained for all mainland contracts in the Barcelona and the Balearic Islands branch offices.
- Validation of Environmental Statements and maintenance of the EMAS records of the branch offices:
    - Madrid (ES-MD-000146) file 1998/0064/VM/01), in the name of Alfonso Benítez S.A.
    - Madrid (ES-MD-000147) file 1994/0241/VM/01), in the name of Fomento de Construcciones y Contratas, S.A.

- Barcelona, capital city (ES-CAT 000280) file 1994/0241/VM/02), in the name of Fomento de Construcciones y Contratas S.A.
- Barcelona, outskirts (ES-CAT 000315) file 1994/0241/VM/03), in the name of Fomento de Construcciones y Contratas S.A.
- Levante I (ES-CV-000052) file 1994/0241/VM/04), in the name of Fomento de Construcciones y Contratas, S.A. This scope of the registration at this branch office has been broadened to cover the Quart de Poblet central park.
- Levante II (file 1994/0241/VM/06) is still waiting for the registration of the declaration in the Ministry of the Environment of the Valencian Regional Government.

- Validation of the EMAS Register and Environmental Statement of the Reus urban waste collection and street cleaning contract belonging to the Catalonia II branch (CAT-ES-000415).
- There has been a new revision of the general documentation of the Management System into which the Management Manual and several General Procedures (those related to audits, procurement, training and management processes) were integrated. This also includes the requirements of the UNE 187004 "Conference Centres. Requirements for Service Provision" standard.

Occupational health and safety system management

FCC Medio Ambiente's Joint Prevention Service, was which established on 23 March 2011, has been consolidated. It currently groups together 55 companies and has 40 full-time technicians plus 12 coordinators per branch office.

During fiscal 2013, the Occupational Health and Safety Management System of the 55 companies included in the SPM FCC Medio Ambiente (SPRL-084/2008) was renewed through AUDELCO as required by the OHSAS 18001:2007 specification.

- Regulatory (legal) audits of the following companies have been performed:
  - UTE LEKEITIOKO MANTENIMENDUA (AR-1757/2013).
  - Palacio de Exposiciones y Congresos de Granada, S.A. (AR-1756/2013).
  - UTE Melilla (AR-1755/2013).
  - UTE Zurita II (AR-1754/2013).
  - Gandía Serveis Urbans, S.A. (AR-1758/2013).

- The "AENOR Certificate No. ES-2013/002" has been obtained in accordance with the "Healthy Workplace Model" at the Catalonia II branch.
- Development of a software tool to manage different prevention modules on occupational health and safety:
  - Occupational health and safety representatives module: Used for monitoring union representation on Health and Safety Committees.
  - Work centre module: This includes information on the work centres, such as their type, facilities, risk monitoring in the facility and of the jobs.
  - Module for mutual societies and health monitoring: This monitors relations with the mutual societies and health monitoring with company or third-party resources.
  - ORP statistics module: To manage absenteeism data, calculating ORP indicators.
  - Accident investigation module: Used to investigate any accident, with and without sick leave and incidents.

    - This module is used to calculate the costs of accidents. In the process of calculating the overall cost of ORP.
    - Further investigation is done in the event of road accidents to improve road safety.

Training

The most relevant data on FCC Medio Ambiente group's Training Plan in 2013 was as follows:

- 19,014 workers were trained in 2013. 9,371 students were trained in-house and 9,643 off-site.
- 80% of the credit available was able to be used for subsidised training (in the case of FCCSA, it was 94%). This has covered 99% of the costs of the training.
- The most relevant course was the one for Contract Managers; there were two groups of 25 participants each.
- In 2013 the first 180 hour course for middle managers was held at five sites and 84 workers took part.
- A course for HR managers at the 17 Medio Ambiente branch offices was held; it lasted 225 hours and there were 21 participants.

FCC ambito

Analysis of the sector

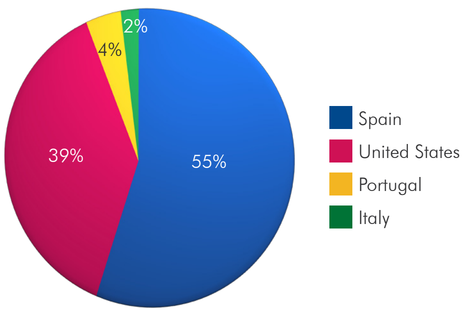
FCC Ámbito operates in the industrial waste treatment and the recovery of by-product sectors and thus its clients are mainly private and closely linked to industrial activity.

FCC Ámbito's activity

For the first time in recent years, in 2013 the volume of waste received in FCC Ámbito facilities located in Spain and Portugal was maintained.

A new treatment facility was opened during the first quarter of the year, IACAN, a non-hazardous waste landfill subsidiary in Cantabria, with a total capacity of 8 million cubic metres, which increased treatment capacity and broadened FCC Ámbito's service offering to the industry.

Geographical scope of action 2013

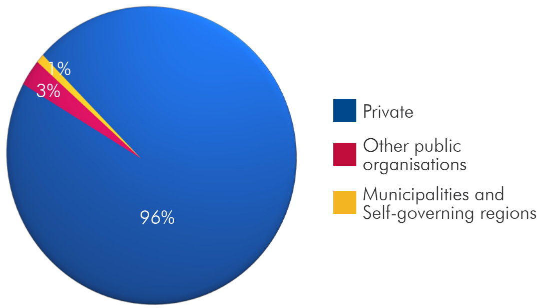


Along the same lines, of note are the works carried out in 2013 to expand the waste treatment plant in Getafe (Madrid) to adapt it to local conditions. Initially conceived as a facility for transferring/blending industrial wastes for energy recovery, equipment for treating other types of liquid waste has been integrated into the facility. Treatment capacity amounts to 50,000 t/year for the treatment of high organic load waste, the treatment of which is highly in demand within its entire scope of influence. The reopening, scheduled for the first quarter of 2014, improves FCC Ámbito's service offering in the central area and is yet another step in the strategy to reduce transfer facilities and to commit to higher added-value services such as final treatment facilities.

Notably, due to its network of facilities, FCC Ámbito remains the manager of reference for companies with waste production centres scattered around the country that want to simplify management and save costs by hiring one single manager. Important contracts were awarded in this sector in 2013, including:

- Abertis Telecom, a telecommunications infrastructure company
- Saint Gobain, management of hazardous and non-hazardous waste from its group of factories in Catalonia, Aragón and La Rioja
- REE, transformer substations waste management located in Andalusia, Extremadura and Castile-La Mancha
- Ecopilas (integrated battery management system)
- Repsol Butano
- Asea Brown Boveri Group (ABB), with factories and facilities in the Basque Country, Catalonia, Aragón, Andalusia, Madrid and the Canary Islands
- Air Liquide Medicinal, with centres in the Basque Country, Castile and Leon, Asturias, Galicia, Madrid, Andalusia, Murcia, Extremadura, Catalonia and Valencia

Distribution by client type 2013



Also noteworthy is the good progress of the contracts with SIGFITO (Integrated Phytosanitary Waste Management System), which have generated a business volume of over 4,500 services across all the 12 self-governing regions where FCC Ámbito is the chosen contractor.

On the other hand, in the soil decontamination sector, it is worth mentioning the contract awarded by the Government of Aragón to carry out the environmental cleanup of the former lindane (a toxic and persistent organochlorine pesticide) waste landfill located in Sabiñánigo and to transfer it to a new waste cell. The work requires the removal and treatment of more than 350,000 tonnes of pesticide residues. Work began in the last quarter of 2013 and will continue until the third quarter of 2014.

This project, as well as the one to remove and treat sludge deposited in the Flix reservoir, are the two largest projects that have been put out to tender as public works in the soil remediation sector in recent years, ensuring FCC Ámbito remains the leader in this sector.

With regard to the Flix reservoir works, a total of 340,000 tonnes of sediment were extracted and treated in 2013. Extraction is expected to continue until late 2015.

Internationally, in the same soil decontamination sector, FCC Ámbito has prequalified to work with the Kuwait Oil Company (KOC) to carry out decontamination work on soils affected by the oil spillage from the Iraq invasion (26 million cubic metres).

Similarly, the operations related to environmental liabilities awarded to the Ecodeal subsidiary (Portugal), have led to an additional 350,000 tonnes of incoming waste, allowing it to sustain its good results yet another year. This work has consisted mainly of two operations involving the removal of waste from an old steel mill located in the vicinity of Lisbon.

In addition, 2013 saw the end of the sludge management activities in Syracuse (Italy) that began in 2011, with a total of 270,000 tonnes managed.

In the U.S., worthy of note was the granting in May 2013 of the environmental permits for the construction and operation of the used oil regeneration plant in the city of Baltimore (Maryland), which are essential to ensure the continuity of the project. After obtaining these environmental permits, the only licenses or permits still pending are those related to the construction work, which will be obtained in 2014.

Innovation at FCC Ámbito

As for R+D+I, work on the CEMESMER project continues, aiming to develop a new range of products that will enable the effective stabilisation of mercury present as a contaminant in soil and water.

In addition, an FEDER INNTERCONNECTA project called $RECO_2VAL$ was awarded, aimed at using waste with high calcium content to capture the CO_2 emitted in fertiliser manufacturing facilities.

Also noteworthy is the project being carried out in partnership with Tecnalia to study the technical and economic feasibility of the use of high-protein organic by-products in the manufacture of pet food.

FCC Aqualia

SECTOR ANALYSIS

The water management sector continues to be an important issue to public opinion for various reasons. In the majority of the world, the lack of adequate hydraulic infrastructure to ensure quality supplies to the population as a whole remains evident, and this is prompting significant activity by national and regional governments aimed at improving water supply and sanitation systems, especially through the construction and operation of infrastructure.

At national and European levels, and especially in Southern and Eastern Europe, there continues to be a tendency to indirect management, to a greater or lesser degree, of the integrated water cycle services. This is primarily for reasons relating to economic efficiency and service quality, issues that increasingly focus on the traditional debate in public opinion regarding public or private management services.

Domestically, it is important to highlight three new statutory regulations that could positively impact the sector: Act 27/2013 of 27 December on the rationalisation and sustainability of local government, the bill on the de-indexing of the Spanish economy and the law on the integrated water cycle for urban use, which is being developed by the Ministry of Agriculture, Food and the Environment (MAGRAMA).

When they come into force, these new regulations will result in significant benefits for the sector from the standpoint of quality, service self-sustainability and the homogenisation of the rate structure.

FCC AQUALIA'S ACTIVITY

Despite what is mentioned above and the fact that the market for indirect water management has been less dynamic than expected, FCC Aqualia increased its consolidated turnover by over 3%. This was possible due to the active management of rate revisions that adequately reflect the cost of the resources and the expansion of the scope of contracts concluded. Thus, at the end of 2013 a profit of 930 million euros was accomplished with an EBITDA of 191.7 million, resulting in a 20.6% margin on turnover.

FCC Aqualia ended 2013 with new contracts worth 1,573 million euros, 22.4% more than in 2012. FCC Aqualia's leading position was strengthened in 2013 as it was awarded the management of water services in Jerez (Cádiz), Cartaya (Huelva), Candeleda (Ávila), Pobla de Montornès and Roda de Ter in Tarragona among others, and the concession contract with the Municipalities of the Tropical Coast of Granada Consortium was extended a further 25 years. All this has helped position the business portfolio at a record amount of 14,373 million euros.

Some of these contracts have been funded without recourse to the shareholders through a framework agreement with an international investment fund. This represents a great change in the Spanish water market and opens up significant opportunities to embark on new projects in the future.

On an international level, in 2013 FCC Aqualia added Uruguay to its portfolio of countries when it was awarded the final design and construction of the Punta Yeguas underwater sewage pipe, part of the second stage of Montevideo's Urban Sanitation Plan. This contract in the Uruguayan capital is valued at 37 million euros. Also worth mentioning is the expansion of the third line of Cutzamala's water supply system in Mexico, which provides water to more than five million people in Mexico DF and in the State of Mexico, estimated at over 52 million euros. Furthermore, in Europe FCC Aqualia has also expanded its area of activity in the Balkans: in 2014 it will build the Pljevlja waste water treatment plant in Montenegro and the plant in Konjic, Bosnia, for a total amount of over 8 million euros.

In the international market, the commissioning of the NEW Cairo waste water treatment plant, which will treat the water of more than one million inhabitants, is also worthy of note. The NEW Cairo WWTP was the first public-private partnership project to be awarded in Egypt.

In short, 2013 has been a year of moderate growth in turnover in an unfavourable economic and financial environment, accompanied by an improvement in operational efficiency. This was the outcome of actions started in the second half of the previous year, which has enabled the company to maintain operating margins similar to those of previous years.

Eco-efficiency, another pillar of company management.

FCC Aqualia's business is directly linked to protecting the environment. In partnership with various Public Administrations, the company efficiently manages the integrated water cycle as it seeks guarantees for the provision of water resources that enable populations to enjoy sustainable growth where it provides services. A number of efficiency-promoting activities are carried out that enable greater environmental protection within the scope of its business as a public services manager, including the following:

1. The management of all contracts under an ISO 14001 certified environmental management system aims to establish specific plans in each of these contracts to identify the environmental impacts of the worksites, to reduce the consumption of natural resources and waste generation, and to establish management systems that encourage the segregation and recycling of materials. In order to optimise environmental management, the company has provided specific indicators to measure environmental performance as part of its management system. These indicators measure electrical energy consumption per cubic metre of treated water, the reagents consumed in different stages of treatment, the production of sludge during treatment processes and the reduction of pollution in the treated water. This process has been expanded with the UNE-EN-ISO 50001:2011 energy efficiency standard certification of its facilities. In addition, the calculation and verification of the carbon footprint has been carried out in accordance with the UNE-EN ISO14064-1:2012 Standard.

In 2013, FCC Aqualia, through the services provided to Lerida, became the first Spanish company along with AENOR to calculate and certify its carbon footprint (greenhouse gas "GHG" emissions) in a comprehensive water management service. This certification substantiates the accuracy of the calculation of Aigües de Lleida's greenhouse gas emissions.

2. Optimising energy consumption, not only because it is one of the most significant costs in water management, but also because less consumption means less CO_2 production, which means slowing down climate change. To that end, work is being done to certify the energy efficiency of the services. In this sense, the goal is to implement

renewable energies, mainly biomass and photovoltaic, in the contracts where FCC Aqualia provides services.

3. **Control of water quality, in both uptake and distribution.** To do this, the technical and human capabilities of the laboratory network used to control the quality of drinking water have been improved. The huge network of laboratories that collaborate with the company includes laboratories accredited by ENAC in Jerez de la Frontera, Lleida, Ávila, Oviedo and Tenerife.

4. **The inclusion of courses related to environmental issues as part of in-house training programmes**: environmental liability laws, how the environmental management system works, energy efficiency programmes, etc., which will improve the training of FCC Aqualia's employees to address this type of problem in their daily activities.

The scope of the management system at the end of the year 2013 was as follows:

ISO 9001:2008.	Quality assurance system
ISO 14001:2004.	Environmental management systems
UNE 166002:2006.	Innovation management
UNE-EN ISO 50001:2011.	Energy management systems
UNE-EN ISO 14064:2012.	Greenhouse gases
UNE-ISO/IEC 27001:2007.	Information security management systems
ISO/IEC 17025:2005.	Competence of testing laboratories

Innovation at FCC Aqualia

The objectives of R+D+I and its projects are defined through an ongoing dialogue with stakeholders and they focus on the areas of quality, sustainability and intelligent management. In order to provide the projects with the best resources, the company participates in the main European, national and regional R+D+I programmes (FP7, LIfe, Innpronta, Innpacto and Innpulsa, among others).

While research is being carried out, FCC Aqualia maintains relationships with key players in national and international R+D+I systems. As a result, more than twenty universities and technology centres are involved as partners or collaborators in company projects.

The ELAN Vigo project ("Sustainable elimination of nutrients for reuse of effluents and wastes"), with a budget of 580,000 euros, ended in 2013. This line of research will continue in 2014 with the construction and operation of two real facilities, currently in the design stage, for the Friscos canning plant and the Guillarei water treatment plant (Pontevedra).

Three projects were started last year:

SMARTIC. The SMARTIC (Water Monitoring System with Real-Time Intelligent Technology) project is located in Badajoz. The aim of the project, which may be implemented in several FCC Aqualia plants, is to fine-tune an automated system to manage the quality of the drinking water treatment based on the quality of the incoming waste water.

ALEGRIA ("ALgae and EnerGy to recover waste from the Galician agrifoods industry"). This research project seeks to recover industrial waste by combining the different systems FCC Aqualia has in operation.

INNOVA CANTABRIA. This is a proposal for a new configuration of waste water treatment plants that includes the biological elimination of phosphorus in a single tank.

Regarding patents obtained as a result of research, last year FCC Aqualia applied for the European patents for carbonatation and the ELAN Anammox process.

Health and safety at FCC Aqualia

In 2013, the Company received awards for occupational risk prevention as a result of significant work done to implement novel and effective systems that greatly enhance occupational health and safety conditions.

During this period, the company has strengthened its corporate culture based on respect, the integration of diversity and equal opportunities for men and women. This commitment was certified with the "Equality in the Company" seal from the Ministry of Health, Social Services and Equality in 2010. Other noteworthy aspects include the awareness-raising campaigns carried out in 2013 against gender violence, employing people with disabilities and gender equality.

Customer services, the backbone of our business

Customer services, available 24 hours a day, 365 days a year, through the Customer Services Centre (aqualia Contact), enables fast response times to resolve malfunctions in distribution systems, thereby saving water. Customers can report a malfunction very quickly, (with only a 19 second waiting time) which enables a flexible and effective protocol to be put into practice to resolve any incidents in the system, resulting in improved water distribution performance. This level of customer services has led to a customer complaint rate of under one per thousand, with an attention level of 92%.

Interactive communication channels with customers: Currently, the company has a corporate website available in five languages that offers an overview of the company, and various local websites for specific municipalities where FCC Aqualia is a service provider, that offer more local and personalised information related to FCC Aqualia's presence in the municipality concerned.

In addition, FCC Aqualias' corporate and local web pages provide easy access to the virtual office, aqualiaOnline, which can be used to manage main business issues related to services.

Awareness-raising programmes are also performed in collaboration with Public Administrations so that users served by FCC Aqualia can know the exact environmental implications associated with the integrated water cycle management business. In this area it is worth mentioning the annual children's drawing contest, the purpose of which is to raise awareness among young people about water-related issues. 36,500 students from 1,000 schools in Spain and Portugal participated in 2013.

INFRASTRUCTURES

SITUATION ANALYSIS AND FORECASTS FOR 2014

Current scenario

According to the IMF, global economic activity was strengthened during the last quarter of 2013, and has estimated a growth forecast of **3.7%** for the global economy in 2014 that will reach 3.9% by 2015. These positive forecasts are due to the increase in exports from emerging countries and, in part, to the recovery of the advanced economies, even though many of them, which is the case of the Euro zone and, more specifically, the Mediterranean countries, are still showing some internal weaknesses as a result of structural factors.

By **areas**, the forecast for the U.S. is 2.8% growth in 2014 that will reach 3% in 2015, despite the Fed's announcement at the end of 2013 on the withdrawal of stimulus measures. The **Latin American and Caribbean** economies have a 3% growth forecast for 2014, and the economies of the **Middle East** and **North Africa** present a 3.3% forecast for 2014 that will reach 4.8% in 2015.

Extension of Vigo port (Spain)

In the euro zone, in terms of forecasts and GDP, economic recovery will continue in most of the Member States and in the EU as a whole. After emerging from recession in spring 2013, and after three consecutive quarters of recovery, the forecasts point to a moderate increase in economic growth. After a real **GDP growth** of **1.5%** in the EU and **1.2%** in the euro zone in **2013**, activity is expected to accelerate in 2014 to 2.0% in the EU and 1.8% in the euro zone.

The IMF offers a growth forecast of **0.6% in 2014** for Spain, thus ending nine quarters of recession. The issue still pending in our country continues to be the unemployment rate, despite the fact that 2013 ended with the first reduction in the number of unemployed since 2007, with an **unemployment rate of 26.4%.**

For Spain, 2014 will be the year of consolidation of the major reforms: **the financial reform, fiscal consolidation through the Budgetary Stability Law, labour reform and the adjustment of the current account deficit.** 2013 closed with an increase in both capital goods investments and private consumption, with a decrease in the unemployment rate; these trends will be reinforced throughout 2014. Nevertheless, Spain will continue to grow this year and next below the average for the euro zone and the EU. According to forecasts by the European Commission (EC), the recovery of the Spanish economy will no longer be based solely on the export sector; there will also be stronger domestic demand.

The final **budget deficit** at the end of 2013 stood at **7.2%** of GDP, which is above the target of 6.5% set by the EC. **Forecasts** for 2014 predict a **deficit** of **5.8%**; however, the EC insists that this forecast could be even worse if the austerity measures are not prolonged.

Despite efforts, the **regional governments' public debt in 2013 closed at 960,640 million euros, equivalent to 93.9% of GDP,** a record high but below the target set by the central government for the whole year (94.21% of GDP)[1] . Public debt will continue to rise in the coming years and is expected to reach **98.9% of GDP in 2014**.

[1] Source: www.bde.es

F1 Circuit of Wales (Infography)

THE CONSTRUCTION INDUSTRY

The construction industry faces the **seventh consecutive year of decline in production** affecting four traditional sub-sectors (residential, non-residential, refurbishment and civil works), with a total production of **93,096 million euros** and a **negative variation of 10.3%** in real terms compared to 2012 (-5.6% in construction and -23.0% in civil engineering). Production by subsectors in real terms has fallen below the levels of the mid-90s.

In 2013, the **apparent consumption of cement**, a classic indicator of the situation of the construction business, recorded a significant **decrease of 19.3%** compared to that of 2012, with a consumption of 10.9 million tons compared to 13.5 in 2012, which has been falling for the last six years.

In 2013, construction investment (CGV) as a percentage of the Spanish economy's GDP was 10%, which is a decrease of 1.8 percentage points compared to 2012. The last four years figures show a steady constant decline: from 15.5% in 2010 and 13.6% in 2011, to 11.8% in 2012 and 10% in 2013.

Effects of the Budgetary Stability Plan on public investment in the construction sector

Regarding the evolution of public investment in construction, the figures for public investment planned for the 2014-2016 period exceeded the **previous record low, according to statistics dating back to 1964**, which was reached in 1979 (1.7%).

One effect of the Budgetary Stability Plan is that, according to current predictions, Spanish public investment **will continue in 2014 and will be reduced by 14.2% in 2015 and 8.3% in 2016**.

Comparing Spain with other EU countries, over the last 19 years (1995 to 2013) the **Spanish public investment ratio** in real terms of euros invested per km² and millions of inhabitants, was lower than in Germany (-10%), France (-16%) and much lower than in the UK and Italy (-48% and -58%, respectively).

Major indicators

Indicators	2013	2012	13/12
Production (millions €/real variation)	93,096	108,839	14.5%
GFCF Construction (millions €/real variation)	102,150	118,598	13.9%
Investment as a % of GDP	10.0%	11.5%	-1.5 p.p.
Employment (thousands)	1,016	1,148	-11.4%
Employment over total	6.1%	6.6%	-0.6 p.p.
Public tenders (millions €)	9,142	7,441	22.9%
Work concession tenders (millions €)	322	621	-48.2%
Cement consumption (millions T.)	10,960	13,582	-19.3%
New housing started	34,000	44,200	-23.1 %

Public tenders

As a percentage of **GDP**, in 2013 public tenders increased by **two tenths** of a percent, standing at 0.9%. However, it is 1.5 points lower than the average (2.4%) of available historical data (1980-2013).

Distribution by ministry compared to 2008:

- Central government: 3,670 million euros (Public Works and the Environment), resulting in a decrease of **-72%** compared to 2008 (13,528 million euros).
- Regional governments: 2,455 million euros, **-77%** compared to 2008 (11,061 million euros).
- Local governments: 2,706 million euros, **-25%** compared to 2008 (3,615 million euros).

Investments for the two main ministries making investments:

Ministry of Public Works			
Programme	2013	2014	(%) 14/13
453B Road infrastructure created	1,434.54	828.67	-42.2
453C Road conservation and operation	942.28	818.20	-13.2
453A Rail transport infrastructure	112.12	107.37	-4.2
Other programmes	27.42	27.27	-0.5
Other programmes of former Ministry of Housing	22.76	21.97	-3.5
Ministry of Public Works	2,539.12	1,803.48	-29.0
Public companies	2013	2014	(%) 14/13
ADIF	3,372.47	3,372.47	0.0
AENA	840.27	550.31	-34.5
PUERTOS DEL ESTADO	733.02	776.50	5.9
RENFE OPERADORA	236.21	240.18	1.7
Ministry of Public Works' companies	5,181.96	4,939.46	-4.7
Company	2013	2014	(%) 14/13
SEITT	518.80	563.86	8.7
Ministry of Public Works' company	518.80	563.86	8.7
Total Ministry of Public Works	8,239.88	7,306.80	-11.3

Ministry of Agriculture, Food and the Environment			
Programme	2013	2014	(%) 14/13
452A Water management and infrastructure	138.82	245.00	76.5
456A Water quality	51.01	58.70	15.1
456D Actions along the coast	48.75	40.88	-16.1
Other programmes of former Ministry of the Environment	129.82	104.71	-19.3
Other programmes	142.52	140.46	-1.4
Ministry of Agriculture, Food and the Environment	510.92	589.75	15.4
	2013	2014	(%) 14/13
Regional bodies (Hydrographic confederations)	433.09	503.20	16.2
Water companies	824.06	660.66	-19.8
Regional bodies and Ministry of Agriculture, Food and the Environment's companies	1,257.15	1,163.86	-7.4
Total Ministry of Agriculture, Food and the Environment	1,768.07	1,753.61	-0.8
Total Ministry of Public Works and Ministry of Agriculture, Food and the Environment	10,007.95	9,060.41	-9.5

In 2013, the volume of tenders through the concession model, the model that the government considers to be fundamental for new infrastructure, amounted to 322 million euros, which is 45% lower than the amount put out to tender the previous year. There has been a major fall in tenders for concessions in the three administrations for the period between 2010 and 2013, accumulating a 97% decrease.

The labour market

For the 2008-2013 period, job losses in the building-related construction sector totalled 1,367,000 jobs, while there was a loss of 369,000 jobs in civil works for the same period.

Forecasts for 2014 (General State Budget)

According to the 2014 General State Budget, investments planned by ministries (Ministry of Public Works and Ministry of the Environment) for 2014 will total 8,658 million euros, which will result in a 61% decrease from the historical peak reached in 2009.

In terms of the variation in construction investments and its effect on the GDP, the construction sector will subtract 0.6 percentage points from the GDP growth in 2014. However, the remaining items (consumption, other investment and external demand) will contribute 1.6 points of growth.

Regarding job creation, again in the construction sector, the current estimate anticipates the loss of 75,000 jobs, compared to the 92,000 jobs created in other sectors, resulting in a total increase in employment of 17,000.

In 2014, the total activity of the construction sector will be reduced by between 4% and 6% compared to activity in 2013. By type of work:

Type of work	Variation 2014	2013
Building	-1%	-3%
Residential	-4%	-6%
Non-residential	-3%	-5%
Refurbishment and maintenance	0%	-2%
Civil works	-12%	-16%
Total construction	-4%	-6%

Tax revenue and job creation from activity in the industry

Infrastructure investment is a variable capital in the economic recovery process and plays a dual role: as a stabiliser due to its effect on business and employment in the short term, and in terms of productivity and growth in the medium term.

Creating infrastructure in a country generates wealth and progress; it improves citizens' quality of life and makes a country more competitive. It also has an important knock-on effect, since over 20 sub-sectors are directly linked to the construction industry.

According to estimates by SEOPAN, (the construction industry's employers' organisation), in Spain **investment in civil works is equivalent to 1% of GDP, approximately 10,000 million euros:**

1. Job Creation:

	Jobs generated Direct	Indirect	Total
Construction of housing	134,500	62,700	197,200
Construction of infrastructure	117,500	63,100	180,600

2. Tax Revenues as a % of GDP:

Direct taxation: VAT	0.21%
Tax increases due to induced production:	
Net taxes on intermediate consumption	0.01%
PIT on employee salaries	0.05%
Social contributions	0.11%
Corporation tax	0.03%
Unemployment benefits	0.21%
Total	0.62%

According to this estimate, **6,200 million euros would end up in the state coffers**, and over **180,000 jobs**, between direct and indirect employment, would be created. These are very compelling figures to be taken into account as an incentive to emerge from the crisis.

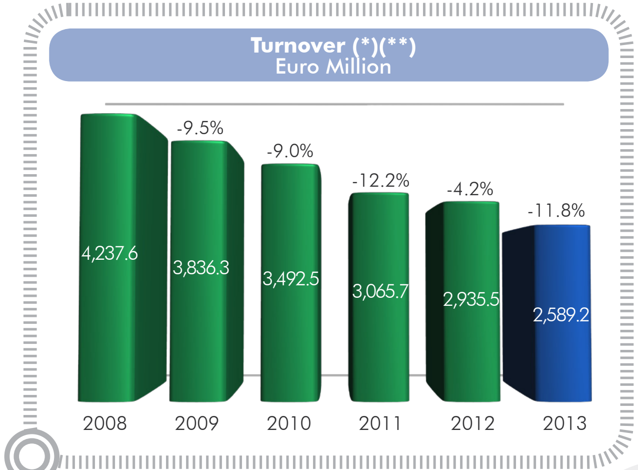
Foreign Markets

Due mainly to the widespread decline in domestic demand for construction, the major Spanish construction companies have consolidated their position in foreign markets, and are being awarded the largest and **most important international construction contracts**, such as the Metro Riyadh project, worth over 6,000 million euros.

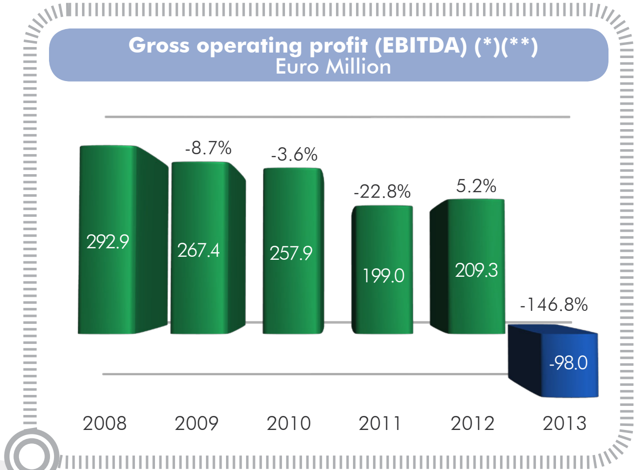
In aggregate values, and for all the leading construction companies, **contracts** rose nearly 4% compared to 2012, reaching a total contracted amount of **17,898 million euros.** However, **invoicing** decreased 13% to over **15,005 million euros.** The primary market remains the **American** continent as a whole with 47% of contracts, followed by the **EU** and the **Middle East** with 20% each.

Today, large Spanish construction companies are **leaders in markets** that were unheard of less than a decade ago and their order-books demonstrate an increasingly significant share of work abroad, where they compete on equal terms with companies from other countries. Therefore, in the area of infrastructure concession management, by number of contracts in construction and operation, **8 of the 37 largest operators** in the world, in terms of transport infrastructure, are Spanish and **4** of them are **in the top 10** in the world by number of concessions, according to the PWF (Public Works Financing) journal.

FCC CONSTRUCCION´S MAIN FIGURES



(*) Alpine not included
(**) Note: The figures correspond to data published at the end of each year specified. Subsequent restatements are not included.



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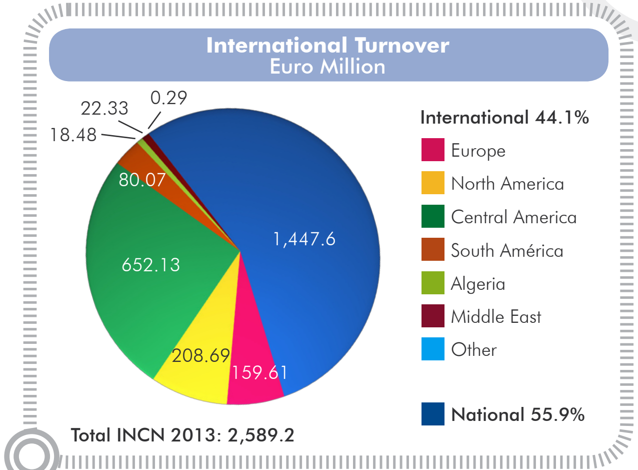
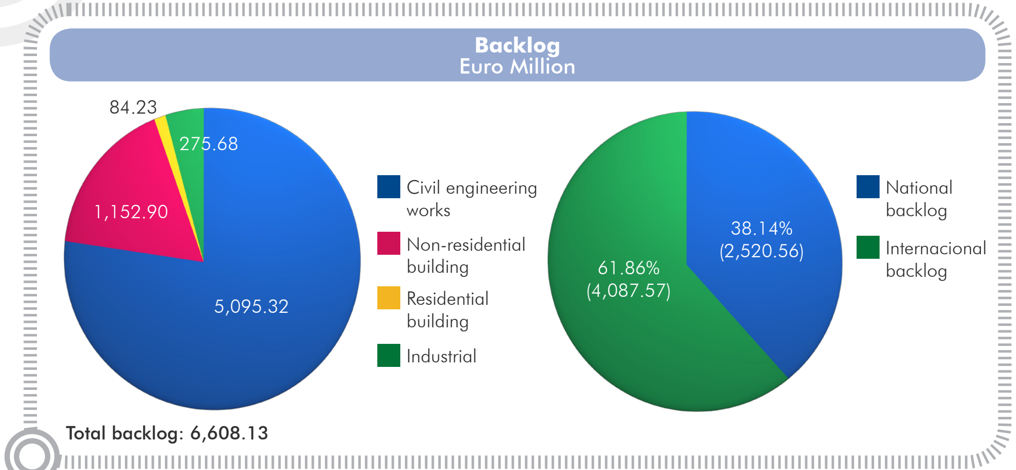




FCC CONSTRUCCIÓN'S BUSINESS

All FCC's construction activity is tied to the company FCC Construcción, S.A. which had a turnover of 2,589.2 million euros in 2013, 11.8% less than in the previous year. Of the total turnover, 44.1% was generated outside Spain. Infrastructures is the second area with the greatest quantitative weight in the Group's overall turnover, with 38.5%.

The gross operating profit amounted to 98.8 million euros, representing an increase of 10.5% compared to 2012. In relation to the Group's total EBITDA, the contribution from the construction business is 13.7%.

During 2013, FCC Construcción was awarded contracts totalling 3,333 million euros and had orders for works pending execution worth 6,608.1 million euros. Foreign contracts comprise 61.9% of this portfolio.

2013 was characterised by winning large contracts in strategic markets. In particular, the highlight of the second half of the year was to win the biggest international contract in the Spanish construction industry: the Riyadh Metro contract, in which FCC is leading the FAST Consortium which is responsible for the design and construction of Lines 4, 5 and 6 of the Riyadh Metro, in Saudi Arabia.

In addition, during the first half of the year, important tenders were awarded: the contract for the Mersey Bridge (Mersey Gateway Project) in the UK and the enlargement of the Peruvian Port of Callao, among many other works awarded listed in the following pages.

Also of great interest are the contracts won in 2013 in strategic markets where FCC Construction operates:

Saudi Arabia:

The Riyadh Metro

- **Description:** Design and construction of Lines 4, 5 and 6 of the metro in the city of Riyadh. A total of 65 kilometres of track will be built, of which 8.2 kilometres run on the surface; 29.8 km of viaducts and the electrical substations and electrification ring.
- **Budget:** 6,070 million euros

United Kingdom

Mersey Bridge (Mersey Gateway Project)

- **Description:** Design, construction, financing, maintenance and operation of a 1,000 metre-long cable-stayed bridge, its approach viaducts and the connection to existing infrastructure.
- **Budget:** 700 million euros

Belgium:

Haren Prison

- **Description:** Design, construction, financing, maintenance and operation of Haren Prison, near Brussels. The area to be built will be 108,000 m^2; the project includes the construction of 18 buildings that will blend into their surroundings.
- **Budget:** 413 million euros

Peru:

Extension of El Callao Port

- **Description:** Extension of Wharfs 5 (560 metres long) and 11 (280 metres long) to increase the berthing capacity and the building of new facilities (an administrative building, car park and leisure centre).
- **Budget:** 150 million euros

FCC Construcción

The most important contracts and works in progress for 2013 are listed by category below.

MOTORWAYS, DUAL CARRIAGEWAYS AND ROADS

This is the most active subsector of civil engineering and generates the most production and orders.

The most significant **contracts awarded** during the past year are listed below:

- **Mersey Bridge.** The Mersey Gateway Project is FCC's largest contract in the United Kingdom; it was awarded in June 2013. It includes the design, construction, financing, maintenance and operation of a 1,000 metre-long cable-stayed bridge, its approach viaducts and the connection to existing infrastructure. The construction includes a structure to cross the river totalling 2,228 metres in length. This comprises a main, 998 metre cable-stayed bridge and multiple-span viaducts measuring 685 metres (north side) and 545 metres (south side). The cable-stayed bridge has four spans of up to 318 metres long, with a 33 metre wide and 4.5 meter thick concrete deck, suitable for three lanes in each direction. It is supported on three pylons, also made of concrete, up to 125 metres high. The bridge's access viaducts have multiple spans (with a typical length of 70 metres), with the same deck section.

- **Design and construction contract for the widening and improvement of the Aguas Santas/Ermesinde section of the A-4 Oporto/Amarante motorway in Portugal.** The works will take place between kilometre points 8+675 and 9+475, doubling the capacity of the motorway from two to four lanes, each 3.5 metres wide, with a total deck of 16.65 metres. A singular element is the new North Tunnel in Aguas Santas, measuring 367 metres long and a 122 m^2 section, with a maximum overlap of 24 metres.

- **A-23 Mudejar Motorway.** The contract with the Directorate General of Roads covers the Arguis-Alto de Monrepós section in the province of Huesca, and includes the connection at the beginning of the section with the Tunnel Control Centre, upgrading the facilities for the Altoaragón Tunnel No. 1 and other complementary work.

- **Construction and refurbishment of the Route T-775 road in Chile.** The project covers 15 kilometres and entails remodelling the geometry of the roadway. To do this, a high volume of earthworks, 250,000 m^3 of embankment, has been included along most of it, as well as the replacement of the 30 metre-long Quillín Bridge and the construction of the 170 metre Rio Bueno Bridge. The latter is over the river of the same name which, due to its volume of flow, means that sheet piling had to be used and peninsulas implemented.

Infography of Mersey Bridge in Liverpool (United Kingdom).

The most relevant recently completed and/or ongoing **projects** abroad are listed **below**:

- **Gerald Desmond Bridge in Los Angeles, United States.** The project includes the design, replacement of the old bridge and construction of the new one in the Port of Long Beach, Los Angeles. The new bridge is cable-stayed with a 305 metre-long main span and is located 61 metres above the Back Channel in the Port of Long Beach.

- **Durango-Mazatlán Road (Section III), in the State of Sinaloa, Mexico.** The road crosses the Sierra Madre Occidental, which has one of Mexico's most rugged topographies, linking the Pacific with the centre of the country. Section III is 17.9 kilometres long and includes the construction of 16 tunnels and 15 bridges.

- **Underwater Tunnel in Coatzacoalcos (Mexico).** Situated between the city of Coatzacoalcos and the urban area of Allende in the state of Veracruz, this is an underwater tunnel measuring a total length of 2,280 metres with four lanes of traffic, two in each direction. Of the 2,280 metres, 1,125 have been designed with a tunnel solution: 690 metres of underwater tunnel and 435 metres of the "cut and cover" system tunnel.

- **Route 5 Motorway, Santiago – Los Vilos section in Chile.** The work consisted of upgrading 4.7 kilometres of the road's cross-section so that it had three ascending lanes and two descending lanes separated by a barrier or guardrail in the middle, reducing slopes to 7% and increasing the radii of the route.

AIRPORT PROJECTS

The following airport works continue in progress outside Spain:

- **Modernisation of Riga airport, Latvia:** The project consists of upgrading Riga airport in order to increase capacity and improve air safety standards. The renovation works for the airport include the reconstruction of the runways' surfaces and the reinforcement of hard shoulders.

- **Control towers at various airports in Algeria:** There are currently three control towers in progress at the airports in Argel, Orán and Constantine, respectively.

Gerald Desmond Bridge in Los Angeles (United States).

- **Construction of the new control tower and management centre for El Dorado Airport in Colombia:** This is a 16,300 m^2 infrastructure located 15 kilometres from the centre of Bogotá; the control tower will be 80 metres high.

HYDRAULIC WORKS

The **most relevant contracts awarded** in the past year were:

- **River Piles drainage pipeline in Asturias:** The works involve the widening of the interception drainage pipeline for the River Piles in the Viesques - Parque Isabel La Católica section. The new pipeline is 1,676 metres long and straightens out the current one. Four sections with a total length of 959 metres will be created from the new pipeline by jacking 1,800 and 2,000 mm diameter pipes with closed-shield horizontal directional drilling.

- **Project design and construction works to improve the treatment capacity of the Torremocha del Jarama WWTP:** The Torremocha de Jarama Wastewater Treatment

Plant is designed to treat wastewater from a design population of 8,476 inhabitants with a planned maximum residential limit of 12,713 inhabitants. The average design flow to be treated is 90.83 m^3/h, with a planned limit of 136.25 m^3/h.

- **Remodelling of the WWTP at the Badajoz Prison:** The main units to be carried out include: execution of new inlet pipe, pre-screening, pumping of raw water, pre-treatment, membrane bioreactor, secondary sedimentation, disinfection, sludge pumping pit, thickener, dewatering and control building, and related infrastructure. The electrical and automation installations will also be executed.

The following large international hydraulic projects are currently continuing at a good pace:

- **The "El Zapotillo" storage dam in Mexico:** Located on the Río Verde in Jalisco. The dam will serve to supply drinking water to Los Altos de Jalisco and the city of León. This gravity dam is constructed with roller compacted concrete (1.6 million m^3), it has a curved ground plan and a length of 320 at its crest. This dam will enclose a 910 hm^3 reservoir.

- **Design and Construction of the El Realito Aquaduct in the State of San Luis Potosí in Mexico:** The project includes the construction and laying of 135 kilometres of various diameter pipes, three pumping plants, a flow-change tank, a water treatment plant, six delivery tanks and a service road. This project is currently underway and completion is expected in 2014.

- **The PAC 4 Dam/ Water input into Miraflores Lake in Panama:** The work includes the construction of a new access channel to the Panama Canal from the Pacific, at the site of the third set of locks in Miraflores Lake. These works consist of the construction of 3.7 kilometres of channels to connect to the Pacific locks (200 metres wide) and include the excavation, transport and disposal of some 27 million cubic metres of rock material.

- **Bajo Frío Dam in Panama:** The project involves the construction of a gravity and embankment dam, 56 metres high and 405 metres long.

Bajo Frío Dam in Panama

MARITIME WORKS

The most significant **contracts** awarded were:

- **Extension of the Peruvian Port of El Callao:** The work comprises the extension of Wharfs 5 (560 metres long) and 11 (280 metres long) aimed at increasing berthing capacity and the building of new facilities (an administrative building, car park and leisure centre). The first of the two wharfs, Number 5, is aimed at managing containers and cargo containing minerals. Wharf 11, meanwhile, is equipped with silos that have a total capacity of 25,000 tonnes for imported agricultural products. During the extension work, FCC will have to do some dredging in order to achieve a depth of 16 metres and create a superstructure supported by steel piles and concrete beams. The execution period is 23 months.

Progress in the construction work at one of the largest ports in Latin America is described below due to its significance:

Port of Açú (Brazil)

- **Port of Açú in Brazil:** The project consists of the construction of the TX-1 terminal for the Brazilian port of Açu located in the municipality of São João Barra. The works involve the construction of a 2,438 metre long caisson dock by manufacturing and submerging 49 reinforced concrete caissons, and the construction of a 600 metre sloping breakwater.

RAILWAY INFRASTRUCTURE

In 2013, rail transport was one of the most dynamic sectors, thanks to the plans for extending the high-speed rail network and the construction of new metro lines in cities in the Middle East, North Africa and America. Undoubtedly, the most important project in 2013 was the awarding of the Riyadh Metro in Saudi Arabia, currently the largest international construction project in the world:

- **The construction of the Riyadh Metro:** The Riyadh Development Authority (RDA) has awarded Package 3 to the FCC-led consortium. Package 3 comprises the design and construction of Lines 4, 5 and 6 consisting of 25 stations, for which a total of 64.6 kilometres of tracks, 29.8 kilometres of viaducts, 26.6 kilometres of underground tracks and 8.2 kilometres of surface track will be required. Three tunnel boring machines (TBMs) measuring nearly 10 metres in diameter will be used to build the three lines. The trains running on these lines will have two carriages and will operate without a driver. The project design includes four types of stations: elevated, surface, underground and intermodal transfer facilities to connect to the different lines.

The most relevant recently completed and/or ongoing projects abroad are listed below:

- **Railway line that will run west of the capital, Algiers, and connect the cities of Relizane, Tiaret and Tissemsilt in Algeria.** The new 185 kilometre line will have a single high-performance track suitable for a maximum speed of 160 km/h.

- **Metro Line 1 in Panama City:** The project is 14 kilometres long and has 11 stations, some of them on the surface.

NON-RESIDENTIAL CONSTRUCTION

The most relevant references in non-residential buildings in 2013 are highlighted below, including: sports centres, schools, industrial buildings and health centres.

Metro Line 1 in Panama City

- **Haren Prison in Belgium:** This is FCC's first contract in Belgium; the project completion time will be 32 months. The prison will serve 1,190 inmates and consists of 18 buildings that blend into the surroundings. The total floor area is 108,000 m² over which the buildings, which have different colours and shapes, are distributed.

- **The Joint Public Services Centre (JPSC) in Northern Ireland:** The project involves the construction of the training and preparation facilities for the police force and fire-fighters in Northern Ireland on a 112 hectare plot yet to be developed; in total 65,000 m² will be built. The project also includes the provision of the infrastructure required, such as roads and car parks. The completion time will be 27 months.

- **Sports complex in Trujillo, Peru:** The project involves the construction of a 5,505 seat athletic stadium with a total surface area of 23,587 m², an enclosed coliseum with a capacity for 2,514 spectators and an area of nearly 4,000 m², the sports centre and complementary infrastructure. The new facilities will have an open-air car park with 235 places and a pedestrian promenade with central gardens serving to connect the coliseum and the sports centre. The project also includes a building to house general services.

- **Healthcare Centre in Lerma, Burgos:** The project involves the demolition of an outbuilding and the construction of a new module. The total surface area built for the resulting building is 1,650 m².

- **Expansion of the LPG facilities in the Peruvian Port of El Callao:** The project will result in an increased capacity for storing LPG (liquefied petroleum gas) in the Port of Callao. This is a turnkey project that includes engineering, procurement, construction and commissioning.

Sports complex in Trujillo (Peru)

- **Construction of sports centres in FC Barcelona's Ciudad Deportiva on Sant Joan Despí:** This rectangular building is designed to house two sports pavilions and ancillary facilities (changing rooms, storage areas, etc.).

- **Construction of Building II of the Instituto Tecnológico Agroalimentario de Extremadura in Badajoz (INATAEX):** This is an administrative building with 3 above-ground floors and one underground floor used to house the numerous infrastructure elements used for research (R+D+I). The building has a surface area of 3,179.90 m².

- **Las Dehesas bio-methane plant:** The project consists of three upgrade actions: 1. The construction of a 398 meters long and 7 meters wide road for accessing the bio-methane plant. 2. The construction of a 146 m² workshop. 3. Miscellaneous activities within the plant: electrical conduit banks, water supply pipes, slope protection mesh.

Port of El Callao (Peru)

HOUSING ESTATES AND PARKING AREAS

The most significant contracts awarded during 2013 were:

- **Lusail City development in Qatar:** This contract is part of the set of development projects for Lusail City: Located 22 kilometres north of Doha, it will feature residential buildings for 195,000 residents, shopping centres, hotels, community services and recreational areas. The works will comprise the construction of twin pedestrian walkways of an identical type of cable-stayed post-tensioned concrete deck measuring 120 meters in total length, with three spans distribution.

- **Remodelling and maintenance in Barcelona:** Works contract under the Comprehensive Public Space Management Plan (PMI) for the 2013-2015 period, Lot 3: the districts of Nou Barris, Sant Andreu and Sant Martí (Districts 8-10): The works consist of implementing the renovation and maintenance plan for thirty-five Barcelona streets, including the renovation of road surfaces, drainage, sewerage, replacing pavements, street furniture, lighting, traffic lights and landscaping maintenance.

- **Land development works in the area around the Sants market in Barcelona**

- **Rehabilitation works for the infrastructure on San Benito Street in Villanueva de la Serena, Extremadura:** This project is divided into three sections and covers a total surface area of 2,546 m². It includes demolishing road surfaces, installing sewers, water supply and lighting in order to build new sewerage and water supply pipelines, carry out a complete renovation of public lighting, installing a drip irrigation network for landscaping and paving with tiles or stones. The works also include road signage, street furniture and urban underground waste containers.

Construction of 86 new homes in the Nuevo Tres Cantos housing estate, Madrid (Spain).

HOUSING

The most significant contracts awarded were:

- **Construction of 86 new homes in the Nuevo Tres Cantos housing estate, Madrid:** on plot 2.3 B in Nuevo Tres Cantos, Madrid. This new housing estate is divided into three five- or six-storey blocks of flats plus a basement and semi-basement for parking and retail premises.

- **Construction of 196 homes in "El Canaveral", Vicálvaro, Madrid:** This housing estate is arranged in four separate blocks, two with six floors and a penthouse, and two with five floors and a penthouse. It also has two basement floors for parking and storage rooms. The ground floor has 12 doorways, retail premises and colonnades, as well as a common interior area. The construction time is 20 months.

Renovation and maintenance

The following maintenance contracts in the Community of Madrid are included among the company's renovation and maintenance projects:

- **Rehabilitation, repair, maintenance and demolition of the Madrid City Council's own buildings:** The contract is a framework agreement for 24 months, that can be extended a further 12 months, to undertake any works that the City Council deems necessary for the rehabilitation or maintenance of its own buildings.

- **Rehabilitation of the "Colegio Mayor Pío XII" university hall of residence on Paseo Juan XXIII in Madrid:** Modification of 112 rooms and toilets, upgrading the electrical, plumbing, drainage and ventilation systems to suit the new layout. The owner is the Pablo VI Foundation.

- **Rehabilitation and restoration of the Capuchin Convent of Jesus de Medinaceli, Madrid:** This six-storey, U-shaped building has a total built surface area of 2,640 m^2. The interior of the building will be demolished, leaving the façades and structure, which will be reinforced. Two vertical communication areas (two staircases and two lifts) will be created.

- **Rehabilitation of the Ríos Rosas Shopping Centre, Madrid:** This project is aimed at rehabilitating three buildings built around a common central courtyard. Two of the buildings are on Ríos Rosas Street (3 and 5); the third is located on Cristóbal Bordiú Street.

MANAGEMENT SYSTEMS

In FCC Construcción's international expansion phase, its Management and Sustainability System has been adapted so it can be reliably implemented in all the company's business units. Thus, processes, procedures, software, formats and records are gradually being updated to meet these new needs that are arising due to the start of international projects. Our priority continues to be customer satisfaction beyond their expectations with the commitment to fulfilling quality assurance requirements that is so characteristic of us.

Information security

Part of our commitment to customers concerns Information Security. FCC Construcción, the only nationally operating Spanish construction company that is certified by AENOR for the ISO 27001 Information Security Management System, is introducing new indicators to measure the suitability of the countermeasures established from the security standpoint. The aim of this is to keep any possible threats to our information assets under control, and to protect our customers' assets.

Risk management

Promoted by Senior Management, the risks and opportunity management was established systematically at FCC Construcción this year. The adoption of procedures based on risk management makes it possible to identify opportunities that are not visible a priori, to transform threats into opportunities, and avoid fully or partially any possible losses, strengthening our business strategy and differentiating ourselves from competitors.

Pac4-Panama

Based on a reliable and internationally recognised methodology, the detection and assessment of risks, and their subsequent control, are an ongoing review process, applicable to all phases of each project. In terms of contracts, it facilitates entry into new markets with very demanding customers, and thus reinforces the company's objective to develop international business.

Environment

FCC Construction believes that, in a culture of responsibility, the achievements and processes developed should be the standard of behaviour and part of the cultural heritage in the construction industry worldwide. Consequently, it participates in and leads a number of national (AEN/CTN 198/SC2 "Sustainability in infrastructure" of which it is Chair) and international technical committees, such as the CEN-TC 165 Wastewater Engineering, CEN/TC 350 "Sustainability of construction works", ISO/TC 59/ SC 17 "Building construction/sustainability in building construction", in which it heads the Sustainability in Civil Works Committee (WG5) and the ISO/TC 207 "Environmental Management" committees, among others. In addition, it participates actively in the technical associations most relevant to its business activity (Scientific/Technical Association of Structural Concrete, Technical Association of Ports and Coasts-PIANC, Committees on Large Dams, chairing the Technical Committee, "Engineering Activities in Planning" for SPANCOLD and being the Spanish representative at ICOLD internationally, etc.).

Occupational risk prevention

In a context of the rapid growth in FCC Construcción's international business, 2013 was marked by intense international activity in occupational risk prevention.

The occupational risks management system under the OHSAS 18001 standard has been implemented and is in the review process. This is done using international audits that, through detailed monitoring and verification processes, verify the proper implementation of the risk prevention management system, especially in Latin America.

Nationally, the occupational risks management system has been fully implemented under OHSAS 18001 certification in the construction division. It is worth highlighting that in

Vidin Bridge (Bulgaria)

2013 external maintenance audits of the OSHAS 18001 Certification were carried out in all the Division companies with excellent results. Moreover, the system has an optimal prevention management tool that incorporates a scorecard to measure performance which streamlines the control and substantially optimises the monitoring of objectives in this division.

The reduction of the accident rate is unquestionably FCC Construcción's top priority. Given that the profiles of accidents in the industry are changing as the activities, personnel and global circumstances change, the information obtained daily from the Accident and Incident Reports received by FCC Construcción is especially valuable, and is a basic work tool for achieving "0 Accidents". By limiting values achieved in the frequency, severity, incidence and absenteeism rates, thanks to the objectives, accident control is further reinforced at the local and global levels of our organisation.

Managing training, as a fundamental resource to achieve FCC Construction's objectives, is a key indicator that satisfactory results were achieved in 2013, such as the "Training in Ergonomics" in the workplace, "Risk Training in Offices" and "Road Safety Training. Equally important was the development of the "Basic Training Guide on Preventing Risks in the Workplace", which provides the necessary training on the subject for all work centres and jobs at the companies in the Infrastructure Division, including training activities as stipulated in the new "Fifth Construction Employment Agreement".

At the same time, the risk prevention campaigns have focused on the health of workers' hearts and backs, in collaboration with Fremap, the mutual health insurance company, with titles like "Listen to your heart" and "Taking care of your back". All this has been a continuation of the campaign initiated in 2012 called "In my job, prevention IS worth it. Yes, it IS." In every work centre, the hard work of distributing posters and leaflets, as well as the results from the awareness-raising of workers who attended educational talks, can be clearly seen.

In the area of Research, Development and Innovation (R+D+i), the company has participated in projects with a significant technological base that help reduce accidents, both in linear infrastructure (PRECOIL Project), buildings and infrastructure with structural defects (SETH and SORTI project) and various areas in the construction industry (SEIRCO Project).

In addition, FCC Construcción actively participates in and collaborates with the most outstanding agencies and platforms in the field of health and safety both nationally and internationally, such as the National Commission on Occupational Health and Safety, the National Institute, the Regional Institute, the European Agency, the ENCORD Platform, culminating in the decision-making process at European level through the chair of the European Construction Industry Federation (IFAC), a social partner officially recognised by the European Commission.

TECHNOLOGICAL DEVELOPMENT (R+D+i)

FCC Construcción promotes an active policy for technological development and is constantly incorporating innovation into its works, as part of their firm commitment to research and development, to sustainability and to contribute to the quality of life of society as a competitive factor.

FCC Construcción develops its own R+D+i projects aimed at improving building processes which, combined with the impetus from the machinery and auxiliary means at its disposal, allow it to offer its customers a range of technical.

Accordingly, it is worth mentioning that the company participates in a large number of European R+D+i organisations, such as the European Construction Technology Platform (ECTP), the E2BA (Energy Efficient Buildings Association), the recent initiative reFINE (Research for Future Infrastructure Networks in Europe) and the Joint Task Force on Transport Infrastructure, both related to the new Horizon 2020 programme and ENCORD (European Network of Construction Companies for Research and Development). It has also entered into a Memorandum of Understanding to participate in the European JTI Shift2Rail initiative aimed at research, development and innovation. Nationally, FCC Construcción participates in the Spanish Construction Technology Platform, and is active in the Spanish Construction Technology Platform Foundation, its standing committee and its working groups, and Seopan's R+D+i committees, whose Chair FCC Construcción has held since 2012.

The goal of all of these organisations is to boost the presence of the building and infrastructure industries in the world of research, development and innovation, serving as a meeting point for companies, universities, technology centres and other R+D+i stakeholders. The company is also active in ADIF's Railway Technology Centre in Málaga.

FCC Construcción and its subsidiaries carry out a large number of R+D+i projects, some of which are in partnership with public administrations, e.g., with ADIF in the European LIFE "Zero Impact" project, awarded in 2013.

Projects started in previous years still continue, such as the IISIS (Integrated Research on Sustainable Islands) project, in collaboration with the majority of FCC Group's business divisions; RS proyect, on the sustainable refurbishment of buildings; NEWCRETE, on new concretes; APANTALLA, to develop new nanostructured materials with improved properties for shielding against electromagnetic radiation; and others.

New projects were started in 2013: SEIRCO, an intelligent expert system for assessing risks in different construction industry settings; BOVETRANS, aimed at developing a system of light-transition vaults in road tunnels to make the most of sunlight; AUSCULTACIÓN CONTINUA, on the design, development and validation of a system for the distributed continuous auscultation of building structures in urban environments.

On a European level, work continues on the following projects: BUILDSMART, energy efficient solutions ready for the market; CETIEB, cost effective tools for better indoor environment in retrofitted energy efficient buildings; and SMARTBLIND, development of an active film for smart windows with inkjet method.

Finally, it is worth mentioning that FCC Construcción structures and organises all the innovation and development performed, within the framework of the Company's ordinary course of business, and its value is enhanced by the corresponding certification processes.

Materials Technology

In terms of materials technology, active participation in R+D projects continues. In collaboration with Cementos Portland Valderrivas, it has participated in the CEMESMER, CEMESFERAS and NANOMICRO projects, among others. In addition to participating in the materials-related aspects of almost all the projects underway at FCC Construcción, such as IISIS, APANTALLA, DEPOSITS, etc.

FCC Concesiones

INFRASTRUCTURE CONCESSIONS

The Concessions Department has carried out its activity in 2013 along the lines of actions set out in the Group's Strategic Plan in relation to:

A) Generating enough cash to be able to reduce the Group's net debt. To this end, special emphasis has been placed on the divestment of existing contracts and appropriate actions to sell the assets in the portfolio have been taken.

In 2013, the following divestments took place, generating capital gains for FCC:

1. **Enniskillen Hospital -"New Acute Hospital for the South West", Northern Ireland:** The 39% holding was sold. The contract was signed in May 2009 and the works were finished in May 2012. The visit of Queen Elizabeth II and the Duke of Edinburgh on 26 June 2012 marked the official opening of the facility. This hospital was the first to be developed through a private finance initiative (PFI) in Northern Ireland and is considered an icon for hospitals in Europe, with single rooms and sustainable energy generation.
2. **San Jose – San Ramon Motorway (Costa Rica):** The holding was 48% (35% directly and the rest through M&S Concesiones). The Concession Agreement dated from 2004. The transfer and sale agreement was concluded in 2012, taking effect in 2013 with the signing of the fourth "Addendum" and the receipt of the total amount of the sale.
3. **Tramways in Barcelona:** in mid-2013, almost all the shares in Tramvia Metropolitá S.A. were sold to Globalvía (17%) and Tramvia Metropolità del Besòs, S.A. (18%); concessionaires for the construction and 25-year operation of the transport infrastructure linking south Barcelona with towns in Baix Llobregat (15.1 kilometres) (Tramvia Metropolità S.A); and the tramway that links the Olympic Village in Barcelona to Sant Adrià del Besòs and Badalona (14 kilometres) for 27 years (Tramvia Metropolità del Besòs, S.A.). FCC Construcción maintains a 1% stake in each company.

B) Managing existing contracts in order to generate recurring EBITDA and/or minimise contributions from shareholders. To achieve this goal, negotiations aimed at improving (rebalancing) the contracts for several concessions are underway with the public administration that awarded them. For the remaining contracts, the actions taken are aimed at improving the project cash flows, in order to restructure them and optimise their value in terms of divestment.

C) Bidding for international projects in solvent and safe markets with medium-term growth perspectives. This goal is in line with the strategy set out in general terms by FCC Group. Likewise, to bid for contracts with solvent partners and to make offers that are more solid and can be financed, under the premise of bringing investors (investment funds, public pension funds) into the consortium through the sale of our stake (or part thereof) so that the overall cash flow for the Group is not negative.

CONCESSION ACTIVITY

The following are the concession companies in which FCC has holdings along with the most important events in 2013:

FCC Construcción, S.A (Concessions Department)

- **National**
  - **Tranvía de Murcia (50%):**
    The tram operated normally in 2013, consolidating demand. The Murcia City Council has begun to prepare the feasibility study to extend the line to the El Carmen district.
  - **Tranvía de Zaragoza (16.62%):**
    In 2013, all the works for Line 1 were completed and it became fully operational. The number of users on a working day was around 90,000 passengers.
  - **Urbicsa (29%):**
    The main management activities in 2013 for the maintenance of the "City of Justice Complex in Barcelona and l'Hospitalet de Llobregat" focused on the development of information tools to support the services, as well as activities to save energy, improve comfort and re-organise maintenance services.
  - **Autovía Conquense (100%):**
    By the end of 2013, about 70% of the works had been completed and they are expected to be finished in the last quarter of 2014. The concessionaire continues to operate smoothly and maintain the motorway as it executes the planned works.

In 2013, negotiations began to refinance the concession with a loan from the E.I.B. (European Investment Bank) and it is expected that this will be successfully concluded in the first quarter of 2014.
In addition, the request for an economic and financial balance of the contract was submitted to the Ministry of Public Works.

- **Hospital de Torrejón de Ardoz (5%):**
  In August 2009, the Community of Madrid awarded the 30 year contract for the total management of Torrejón Hospital. It is the second hospital in the Community in which both healthcare and non-healthcare services are included in the Agreement. It will have a surface area of 62,000 m^2, 240 beds and will provide services for 133,144 people. The total investment amounts to 101 million euros, 63.5 million euros of which correspond to the construction work. FCC represents 66.67% of the construction company and has a 5% holding in the capital.
- **Centros de Salud en Mallorca (33%):**
  At the end of 2009, the Healthcare Services in the Autonomous Community of the Balearic Islands provisionally awarded the public works concession contract for the construction, conservation and operation of 5 healthcare centres and 5 basic healthcare units to the consortium, in which FCC Construcción participated.
  The service levels required have been successfully met since operations began, which shows that the management of the work defined in the contract and the resolution of incidents raised have been a success.
- **Cedinsa Eix Llobregat (27.2%):**
  In November 2003, the concession was awarded for the construction and operation of the shadow toll road between Puig-Reig and Berga, and the conservation and maintenance of the Sant Fruitós Bages - Puig-Reig section, all along the C-16 road (Llobregat Intersection). 2013 is the sixth full year of operation, with an average daily traffic intensity of 18,568 vehicles.
- **Cedinsa d'Aro (27.2%):**
  In December 2005, Cedinsa was awarded the 33 year concession for 27.7 kilometres of the Maçanet-Platja d'Aro shadow toll motorway. The concession comprises the design, construction and operation of stretches of the C-35 between Vidreres and Alou and Maçanet and Vidreres, the Alou-Santa Cristina d'Aro stretch of the C-65 and the Santa Cristina d'Aro-Platja d'Aro stretch of the C-31. 2013 was the fifth full year of operation, reaching an average daily traffic intensity of 23,912 vehicles.

Málaga Metro

- **Cedinsa Ter (27.2%):**
  In 2006, Cedinsa was awarded the shadow toll motorway concession for the 48.6 km Centellles – Vic – Ripoll section, of which 25.2 km are new, between the towns of Centelles and Ripoll. The concession is for 33 years, with a 3 year construction period and a 30 year operation period. On 30 July 2011, the 3B stretch (the section of the C-17 main road, between Sora and Ripoll) was inaugurated and fully opened to traffic. The average daily traffic intensity in 2013 was 22,471 vehicles.
- **Cedinsa Eix Transversal (27.2%):**
  In June 2007, the 33 year concession was awarded for 150 kilometres of the shadow toll motorway intersection, for an investment of 838 million euros. The contract consists of the definition of the design, construction and operation of the Cervera – Caldes de Malavella (C-25) section, and most of the work is related to the widening of the current C-25.
  The motorway began operating in February 2013 with a traffic forecast of 11,159 vehicles (average daily traffic).
- **Línea 9 del Metropolitano de Barcelona (49%):**
  In late 2008, IFERCAT (Catalonian Railway Infrastructure) awarded the 32 year contract for the construction, maintenance and conservation of 13 stations and the associated ventilation shafts on section I of Line 9 of the Barcelona Metro. The total investment amounts to 1,000 million euros, of which 876 million are for construction works. Of this latter amount, already-contracted work has been carried out for about 628 million euros. FCC has a 33% interest in the construction joint venture, and the rest will be under new contracts (which will include modifications of the first contract). The concessionaire will be remunerated with an annual fee.
  The construction work was completed in 2012 and all the stations of this public works concession are now in operation. During 2013, negotiations were held with IFERCAT on the new economic conditions it proposed, which will allow the public entity to be funded and the remaining construction works will be performed (outside the scope of the contract) so that the entire line will be operational.
- **World Trade Center Barcelona, S.A. (16.52%):**
  The concessionaire will manage the World Trade Centre building in the Port of Barcelona for 50 years. The port has a 36,000 m^2 area of office and retail space, 6,000 m^2 of conference and meeting rooms and a 280 bed hotel.
- **Parc Tecnologic World Trade Center Cornellà, S.A. (12.5%):**
  This company is building a complex that includes seven office buildings, a shopping area and a 27 storey apartment-hotel. The first phase building work has been completed and consists of three buildings with a built surface area of 37,500 m^2, an underground car park for 500 cars and a 10,000 m^2 landscaped square.
- **Metro de Málaga (24.50%):**
  Concessionaire responsible for the design, construction and operation of Lines 1 and 2 of the Málaga Metro. The length of the tracks is 16.5 km, of which 71% are underground with 19 stations along the route. The contract works were completed in 2013. To finish the entire project that covers the whole line, one section still has to be done and is being charged to the regional government's budget. Partial operation is expected to begin in 2014.
- **Autovía Ibiza-San Antonio (50%):**
  Construction and shadow-toll operation of the Ibiza-San Antonio widened road. One unique feature of the project is the burial of 1.3 kilometres of the motorway in the San Rafael area. The road is 14 kilometres long and the concession is for 25 years. The average daily traffic intensity in 2013 was 32,500 vehicles.

International

- **Túnel Sumergido de Coatzacolacos (México):**
  In 2004, the concession contract was signed for the construction, financing, maintenance and operation of the underwater toll tunnel in Coatzacoalcos in the state of Veracruz (Mexico), which connects the city of Coatzacoalcos to the Allende greater urban area. The tunnel is 2,200 metres long, of which 1,200 metres are underwater. The concession is for 37 years and the works began in 2007.
  The process of submerging the caissons used to make the underwater tunnel, the most complex milestone, was successfully completed in 2013.

GLOBALVIA

The 2013 milestone for Globalvia Group was the completion in December 2013 of its fundraising process to enable the development of its existing portfolio of concessions, as well as making future investments, USS has made a commitment to contribute 150 million euros. This gives continuity to the agreement signed two years ago with the PGGM (Netherlands) and OPTrust (Canada) pension funds, which enables Globalvia to reach its goal to raise the 750 million euros planned.

As an important event that took place after the end of the year worthy of mention is the approval on the 29 January 2014 obtained from European Union competition authorities to allow Globalvia to include USS in the convertible bond transaction already entered into by PGGM and OPTrust in 2011.

The following transactions took place during the year 2013:

- Globalvia bought a **35% stake** from Sacyr in **Autopista del Sol** (concessionaire of the road connecting San José with Caldera in **Costa Rica**). For Globalvia, the purchase of 100% of the shares in Autopista del Sol represents a further step to ensure its leading position worldwide in the management of transport infrastructure, consolidating once again its portfolio in the Latin American market. In this market, in addition to Costa Rica, it operates toll roads in Chile and Mexico.
  The 76.8 kilometre long motorway is a direct corridor that reduces travel time from the Port of Caldera (40% of the country's goods enter via this port) to San José, the capital of Costa Rica. The motorway began operation in January 2010 and in 2013 the average daily traffic intensity was 35,126 vehicles.
- Globalvia purchased almost all the shares owned by FCC Construcción in the companies operating the two tram lines in Barcelona: **Tramvia Metropolità, S.A. (17%) and Tramvia Metropolità del Bèsos S.A. (18%)**. For Globalvia, this transaction represents the consolidation of its portfolio as well as a new step forward towards a leading position, both nationally and globally, in the management of transport infrastructure. In Spain, Globalvia already manages rail infrastructure such as the Parla Tram (Madrid), the Sanchinarro Light Railway (Madrid), the Barajas Metro (Line 8 of the Madrid Metro) and rail transport in Madrid (Line 9B of the Madrid Metro).
  The Baix Llobregat line runs along Avenida Diagonal, passing through Sant Feliú de Llobregat to Cornellá. The project was awarded in 2000 by the Barcelona Autoritat del Transport Metropolità (ATM) and began operating in 2004. This infrastructure has 29 stops, 3 modal interchanges with the underground metro system and 1 with Renfe railways and a total length of 15.1 kilometres.
  The second tramway line in Barcelona, Tramvia Metropolità del Besós, links the north-eastern part of Barcelona with the neighbouring cities of Sant Adrià del Besòs and Badalona. The concession was awarded by the MTA in 2002. The first phase began operation in May 2004 and the complete system in 2008. It has 27 stops, 8 modal interchanges with the underground metro system and 1 with Renfe railways and is 14.1 kilometres long. The annual number of passengers on both lines exceeds 24 million.
- Globalvia was awarded the contract for the operation and maintenance of the toll-free radial motorways in the Dublin metropolitan area. The 35 million euro contract has an initial term of five years, with the possibility of a further two-year extension. Globalvia will be responsible for winter road maintenance, response to incidents and motorway maintenance. In addition to the 161 miles of radial motorways, the contract includes 109 additional kilometres of access and service roads. Currently, Globalvia operates the M-50 Dublin ring road, which is the starting point for all these radial motorways, and the N-6 Galway-to-Ballinasloe toll motorway in the west of Ireland. This contract consolidates Globalvia position in Ireland as the main operator of the road network that carries most of the country's traffic, with sections that are used by over 100,000 vehicles per day.
- **Autopista Central Gallega (ACEGA)**, the concessionaire for the AP-53 toll motorway, last July was able to refinance its total bank debt of 169 million euros for a period of three years with a syndicate made up of seven Spanish financial institutions.
  ACEGA, whose majority shareholder Globalvia Group, has thus overcome in the medium term the difficult times that the motorway industry is experiencing in Spain, pending the improvement of the macroeconomic scenario and the final implementation of structural measures regulated by the awarding authority.
  ACEGA is the concessionaire responsible for the construction and operation of the Santiago de Compostela - Alto de Santo Domingo toll motorway. The road is 56.8

Tramvia Metropolità del Besòs

kilometres long and the first 34 kilometres (Santiago de Compostela - Silleda) began operating in 2002 and the remainder in 2005. Globalvia's has a 61.39% holding in this concession. The Santiago de Compostela-Orense toll motorway is a high-capacity road that is the main connection between Santiago and Orense, facilitating travel between the main population centres in the area it crosses.

- **Terminal Polivalente de Castellón, S.A.** managed to conclude the restructuring of its entire bank debt in July, so it could adapt to changes in the business and activity. The process consisted of reducing the amount of the senior debt repayment instalments for the next four years and to postpone the final maturity of the stand-by loan from 2013 to mid-2015. With this new arrangement and its positive business performance, TPC is now in a comfortable situation focused on re-launching its activity, on increasing both the quality of its services and its customer portfolio.
- **A4 Autopista Transmontana**, in northern Portugal was completely opened to traffic in 2013. With the two sections opened to traffic, the entry into service of 132 kilometres of high-capacity road is finished. The first stretch corresponds to a 19.2 kilometre section of motorway between the Amendoeira/IP2 link road and Santa Comba de Rossas, areas near the city of Bragança. The second 6.6 kilometre stretch corresponds to the southern bypass in Vila Real and provides a new access to the city of Vila Real via the industrial estate located south of the city.
- **The entry into service of the entire A4 Autopista Transmontana** is a challenge for Operestradas XXI, the operating company responsible for the operation and maintenance of the motorway, user assistance and the operation of two free-flow toll gantries.
  The A4 motorway connecting the Oporto metropolitan area to the Spanish border is one of the priorities of the Trans-European Transport Network (TEN-T).
  Finally, in 2013 Globalvia and FCC continue to consolidate their leading position worldwide in the management of transport infrastructure. According to the 2013 ranking by the prestigious journal Public Works Financing, Globalvia continues to rank second in the number of concessions it manages for the fifth consecutive year.

Concessions added to the Globalvia Group as of 31 December 2013 are as follows:

- **Autopista del Itata (100%):** Holder of the 13 year concession for the construction and operation of the Concepción-Chillán toll motorway. It has a total length of 98 kilometres and the annual average daily traffic in 2013 was 4,983 vehicles.
- **Autopista del Aconcagua (100%):** Company responsible for the administrative concession of the construction and operation of the toll-road along the Route 5

Santiago-Los Vilos stretch of motorway. It has a total length of 218 kilometres and the concession is for 30 years, consisting of three main toll stations that are operated bidirectionally. Annual average daily traffic in 2013 was 15,501 vehicles.

- **Concesiones de Madrid (100%):** Administrative concession of the section of the M-45 ring road to Madrid between the O'Donnell junction and the N II. It is 14.1 kilometres long, with a concession period of 25 years under the shadow toll system. The concession has been in operation since 2002 and in 2013 had an annual average daily traffic of 73,003 vehicles.
- **Ruta de los Pantanos (100%):** This 25 year concession is for the construction, management and maintenance of the 21.8 long duplication of the width of the M-511 and M-501 roads between the M-40 and M-522 in the Region of Madrid. The concession has been operating since 2002 and in 2013 had an annual average daily traffic of 36,721 vehicles.
- **Autopista San José – Caldera (100%):** Company responsible for the administrative concession designed to construct and operate the San José - Caldera toll motorway in Costa Rica that connects the capital with one of the Pacific's major ports. The road is 76.8 kilometres long and the concession is for 25 years. It began operation in January 2010 and the annual average daily traffic in 2013 was 35,126 vehicles.
- **Túnel de Sóller (89.23%):** Company responsible for the administrative concession to construct and operate the Soller toll tunnel that crosses the Alfabia mountain range in the Palma de Mallorca to Sóller corridor. The tunnel is 3.1 kilometres long and the concession is for 33 years. The tunnel has been in operation since 1989 and in 2013 had an annual average daily traffic of 7,606 vehicles.
- **Túnel D´Envalira (80%):** Company responsible for the administrative concession to design, construct and operate the D'Envalira toll tunnel motorway that links the winter resort of Grau Roig with Pas de la Casa. It serves as the connecting route between Andorra and France on the Barcelona – Toulouse corridor. The tunnel is 3.2 kilometres long and the concession is for 50 years. The tunnel has been in operation since 1998 and had an annual average daily traffic of 1,544 vehicles in 2013.
- **Autopista Central Gallega (61.39%):** Company responsible for the administrative concession to build and operate the Santiago de Compostela - Alto de Santo Domingo toll motorway for a period of 75 years. The road is 56.8 kilometres long and began operating in 2005. The annual average daily traffic in 2013 was 4,611 vehicles.
- **AutoEstrada Trasmontana (50%):** Holder of the 30 year concession for the construction and operation of the mixed toll motorway between Vilareal and Braganza, Portugal. It has a total length of 194 kilometres and began to fully operate in September 2013, with an annual average daily traffic of 4,834 vehicles.

D´Envalira toll tunnel motorway

- **M-407 (50%):** This concession company is responsible for the design, construction, maintenance and operation of 11.6 kilometres of the M-407 between M-404 and M-506 as a shadow toll motorway. The concession was awarded in August 2005 and it has been in operation since 2007. In 2013 it had an annual average daily traffic of 29,341 vehicles.
- **Nuevo Necaxa-Tihuatlán (50%):** This concession company is responsible for the design, construction and operation of the 85 kilometre Nueva Necaxa-Tihuatlán motorway located between the states of Veracruz and Puebla and is part of the main intersection road linking Mexico City and Veracruz. This motorway is divided into two sections: TC1 Nuevo Necaxa - Ávila Camacho, 36.6 kilometres long, 4 four lanes, to be constructed and operated under the availability payment basis, and TC2 Ávila Camacho - Tihuatlán, 48.1 kilometres long, 2 lanes, to be operated under a user toll scheme. The Ávila Camacho - Tihuatlán subsection, which is co-owned by Globalvia and Grupo ICA, was inaugurated on 25 November 2012. The following day, the

26 November, the section opened to traffic and began operating under the user toll scheme in the Miahuapan toll area. The subsection comprises a 2 lane, 48.1 kilometre long road and in 2013 the road had an annual average daily traffic of 1,535 vehicles.

- **M-50 Dublín (50%):** Concession awarded for the construction and 35 year operation of the M-50 motorway, the city's main ring road, in Dublin. The project consisted of widening 24 kilometres of dual carriageway and operating and maintaining it along with a further 19.3 kilometres. This was executed on an availability payment basis that began operation in September 2010. In 2013 it had an annual average daily traffic of 113,569 vehicles.
- **N6 Galway – Ballinasloe (45%):** Concession for the construction and operation of the N6 Galway – Ballinasloe motorway along the east-west strategic corridor from Galway to Dublin. It fulfils the requirements of the National Development Plan and consists of a 56 kilometres toll motorway between the localities of Galway and Ballinasloe, a 7 kilometre junction to the Loughrea bypass (single carriageway) and approximately 32 kilometres of access roads. This 30 year concession began operating in December 2009. The annual average daily traffic was 9,139 vehicles in 2013.
- **Autopista de la Costa Cálida (35.75%):** Company awarded the administrative concession for the construction and operation of the Cartagena – Vera toll motorway for a period of 36 years. The toll road is 98 kilometres long, and there are a further 16 kilometres of toll-free road for internal ring road traffic in Cartagena. The annual average daily traffic in 2013 was 1,553 vehicles.
- **Circunvalación de Alicante (25%):** Company awarded the construction and operation of the 28.5 kilometre Alicante ring road for 36 years. The concession has been in operation since 2007 and in 2013 had an annual average daily traffic of 4,679 vehicles.
- **Scutvias, Autoestradas da Beira Interior (22.22%):** Company responsible for the administrative concession for the construction and operation of a shadow toll motorway between Abrantes and Guarda. The road is 198 kilometres long, of which 95 kilometres are part of an existing road and 103 kilometres are newly built. The concession runs for 30 years and includes the operation of 3 petrol stations. It has been operating since 2005 and the annual average daily traffic in 2013 was 5,565 vehicles.
- **R-2 Autopista de Henares (10%):** Company awarded the construction and operation of the R2 toll motorway which runs for 62 kilometres between the M-40 and Guadalajara. It consists of two sections: the inner section, from the M-40 to M-50, is the alternative to avoid traffic jams on the A-1 at San Sebastian de los Reyes and Alcobendas; the outer section is the alternative to the heavy traffic on the A2 between Guadalajara and the M-50. The concession is for 24 years and the annual average daily traffic during the past year was 4,558 vehicles.
- **Autovía del Camino (9.1%):** Company awarded the contract to build and operate the Pamplona-Logroño motorway under the shadow toll system. It has a total of 70.25 kilometres and has been operating since late 2004. The annual average daily traffic in 2013 was 11,165 vehicles.
- **Metro Barajas (100%):** Concessionaire responsible for the administrative concession for the development, construction and operation of the Barajas-New Terminal Building T-4 metropolitan metro section of line 8. The track length is 2.5 kilometres and the concession lasts for 20 years. It has been in service since 2007 and in 2013, the number of passengers was 1,641,390.
- **Tranvía de Parla (75%):** Company awarded the 40 year contract for the construction, supply of rolling stock, operation and maintenance of the 8.5 kilometres of double tramway track in Parla (Madrid). This contract was awarded in 2005 and began operating in June 2007, with an annual traffic of 4,517,978 passengers in 2013.
- **Transportes Ferroviarios de Madrid (49.37%):** Holder of the 32 year concession to extend Line 9 of the Madrid Metro between Vicálvaro and Arganda; it has a total length of 20 kilometres and 3 intermediate stations and was used by 5,868,348 passengers in 2013.
- **Metro Ligero de Sanchinarro (42.5%):** In 2006, Metro Ligero de Madrid, S.A. awarded the 30 year concession contract for the operation and maintenance of 5.4 kilometres of the Pinar de Chamartín-Sanchinarro-Las Tablas light railway line that connects Lines 1 and 4 of the Madrid Metro. This line has been in operation since May 2007 and in 2013, 5,073,131 people used this light railway.
- **Tramvia Metropolità - Trambaix (30.66%):** The Baix Llobregat line runs along Avenida Diagonal, passing through S. Feliú de Llobregat to Cornellá. The project was awarded in 2000 by the Barcelona Autoritat del Transport Metropolità (ATM) and began operating in 2004. The infrastructure has 29 stops, 3 modal interchanges with the underground metro system and 1 with Renfe railways. The total length is 15.1 kilometres and it was used in 2013 by 16,061,000 passengers.
- **Tramvia Metropolità del Besòs – Trambesos (35%):** This links the north-eastern part of Barcelona with the neighbouring cities of Sant Adrià del Besòs and Badalona. The concession was awarded by the ATM in 2002. The first phase began operation in May 2004 and the complete system began operation in 2008. It has 27 stops, 8 modal interchanges with the underground metro system and 1 with Renfe. It is 14.1 kilometres long and in 2013 it was used by 7,721,095 people.

Ruta de los pantanos

- **Terminal Polivalente de Castellón (78.68%):** Company awarded the contract for the construction and operation of a 9.5 hectare terminal in the Port of Castellón to handle containers and general cargo. It has been in operation since 2006 and in 2013 a total of 154,960 container movements took place.
- **Phunciona Gestión Hospitalaria, S.A. - Hospital del Sureste (66.66%):** Company awarded the administrative concession for the construction and integral maintenance management: preventive, corrective and replacement; cleaning, urban and sanitary waste collection, internal-external transport, orderlies, administrative staff, reception, information services and switchboard, surveillance and security, sterilisation service, laundry, restaurant/catering, insect and rat control, warehouse and distribution management, and maintenance of roads and gardens. The hospital had 110 inpatient beds in 2007, extendable to 148 in 2017, and an estimated surface area of 37,000 m^2. It has been in operation since 2007.
- **Aeropuerto de Castellón (47%):** Concession company awarded the 50 year contract for the development, construction and operation of Castellón Airport. The future airport will be between Benlloch and Villanueva de Alcolea, a privileged setting located within 50 miles of any point in the province.
- **Hospital de Son Espases (33%):** Concession company awarded the contract for the construction and operation of a new referral hospital in the Balearic Islands. The hospital has a surface area of 193,088 m^2, 987 beds and will serve over a million people. The concession runs for 30 years and was opened to the public in 2010.
- **Port Torredembarra (24.08%):** Concessionaire responsible for the administrative concession to build, operate and maintain a 714 berth marina in the city of Torredembarra (Tarragona), plus retail space and ships' stores. It is currently in operation.
- **Aeropuerto de Santiago de Chile (14.78%):** Concessionaire responsible for the administrative concession of the construction and operation of the Arturo Merino Benítez International Airport in Santiago de Chile. The second runway built by the Ministry of Public Works entered into service in September 2005, and improved airport operations. During 2013 the airport registered 15,350,500 passengers.

To summarise, the table below shows all the infrastructure concessions managed by Globalvia and FCC as of 31 December 2013:

CONCESSION	COMPANY	TYPE	INVESTMENT (millions of €)	DURATION (YEARS)
Autopista Central Gallega	GLOBALVIA	Toll motorway	303	75
Autopista de la Costa Cálida (Murcia)	GLOBALVIA	Toll motorway	649	36
Autopista San José - Caldera (Costa Rica)	GLOBALVIA	Toll motorway	264	25
N6 Galway – Ballinasloe (Irlanda)	GLOBALVIA	Toll motorway	340	30
Accesos de Madrid R3-R5	GLOBALVIA	Toll motorway	1.003	50
R-2 Autopista del Henares	GLOBALVIA	Toll motorway	563	24
Circunvalación de Alicante	GLOBALVIA	Toll motorway	445	36
Túnel d´Envalira (Andorra)	GLOBALVIA	Toll tunnel	54	50
Túnel de Sóller	GLOBALVIA	Toll tunnel	51	33,5
Autovía del Camino (Navarra) (*)	GLOBALVIA	Shadow toll motorway	356	30
M-45 (Madrid)	GLOBALVIA	Shadow toll motorway	214	34
M-407(Madrid)	GLOBALVIA	Shadow toll motorway	74	30
M-404 (Madrid)	GLOBALVIA	Shadow toll motorway	162	30
Desdoblamiento Ibiza-San Antonio	FCC	Shadow toll motorway	101	25
Autoestradas da Beira Interior (Portugal)	GLOBALVIA	Shadow toll motorway	933	30
Ruta de los Pantanos	GLOBALVIA	Shadow toll motorway	107	25
Túnel de Coatzacoalcos (México)	FCC	Toll tunnel	185	30
N. Necaxa - Tihuatlán (México)	GLOBALVIA	Toll motorway	493	30
M-50 Dublín (Irlanda)	GLOBALVIA	Availability payment motorway	419	35
Autopista del Itata (Chile)	GLOBALVIA	Toll motorway	198	15
Autopista del Aconcagua (Chile)	GLOBALVIA	Toll motorway	457	13
Autopista Trasmontana (Portugal)	GLOBALVIA	Shadow toll and real toll motorway	706	30
Cedinsa Eix Llobregat	FCC	Shadow toll motorway	174	33
Cedinsa d'Aro	FCC	Shadow toll motorway	54	33

CONCESSION	COMPANY	TYPE	INVESTMENT (millions of €)	DURATION (YEARS)
Cedinsa TER (Vic-Ripoll)	FCC	Shadow toll motorway	221	32
Cedinsa Eix Transversal	FCC	Shadow toll motorway	712	33
Autovía Conquense	FCC	Shadow toll motorway	120	19
Tranvía de Parla	GLOBALVIA	Railway infrastructure	104	40
Tramvia del Baix Llobregat	GLOBALVIA	Railway infrastructure	249	25
Tramvia del Besòs	GLOBALVIA	Railway infrastructure	225	27
Tranvía de Murcia	FCC	Railway infrastructure	183	40
Tranvía de Zaragoza	FCC	Railway infrastructure	345	35
Línea 9 del Metropolitano de Madrid	GLOBALVIA	Railway infrastructure	124	32
Metro Barajas	GLOBALVIA	Railway infrastructure	47	20
Metro de Málaga	FCC/ GLOBALVIA	Railway infrastructure	504	35
Metro Ligero de Sanchinarro (Madrid)	GLOBALVIA	Railway infrastructure	293	30
Línea 9 del Metropolitano de Barcelona	FCC	Railway infrastructure	1.000	32
Marina de Laredo (Cantabria)	FCC	Sports marina	70	40
Port Torredembarra	GLOBALVIA	Sports marina	15	30
Terminal Polivalente de Castellón	GLOBALVIA	Logistics marina	35	30
Terminal de graneles Puerto de Gijón	GLOBALVIA	Logistics marina	17	30
Terminal Aéreo de Santiago (Chile)	GLOBALVIA	Airport	249	21.5
Hospital del Sureste (Madrid)	GLOBALVIA	Hospital	71	30
Hospital de Son Dureta (Mallorca)	GLOBALVIA	Hospital	243	31.5
Hospital de Torrejón	FCC	Hospital	137	30
Centros de Salud Mallorca	FCC	Health care building	22	11
World Trade Center Barcelona	FCC	Services building	134	50
Ciudad de la Justicia de Barcelona y Hospitales (URBICSA)	FCC	Services building	263	35

SUBSIDIARIES AND HOLDING COMPANIES

BBR PTE

BBR Pretensados y Técnicas Especiales, S.L.

BBR PTE

BBR Pretensados y Técnicas Especiales, S.L.

Throughout 2013, BBR PTE the group company specialising in post-tensioning and special techniques has continued working on developing and implementing building solutions and processes, including the work done on the following construction projects.

Arch bridge in Almonte:

The temporary cable-stayed system for the viaduct in Almonte is composed of a total of 208 non-simultaneous temporary cables made of a variable number of strands, divided into two branches (north and south) each comprising two pulling bundles and two retaining bundles. The pulling cables are anchored in the arch and the retaining cables are anchored in the shoes of the two piles closest to the base of the arch. The installation of the temporary cables for the construction of the arch for the viaduct in Almonte began in the last quarter of 2013.

Hospital Complex in Panama

The temporary cable system used is the Hiam CONA Stay Cable System. Two sizes of anchors are used in its construction: 3706 and 5506.

The cables have clamps, which are elements that compact the cable bundle. These clamps are located every five metres along the cable. Their function is to improve the aerodynamic performance of the cable, forcing the cable bundle to work together, thus preventing vibration in the strands.

Pedestrian footbridges in Doha:

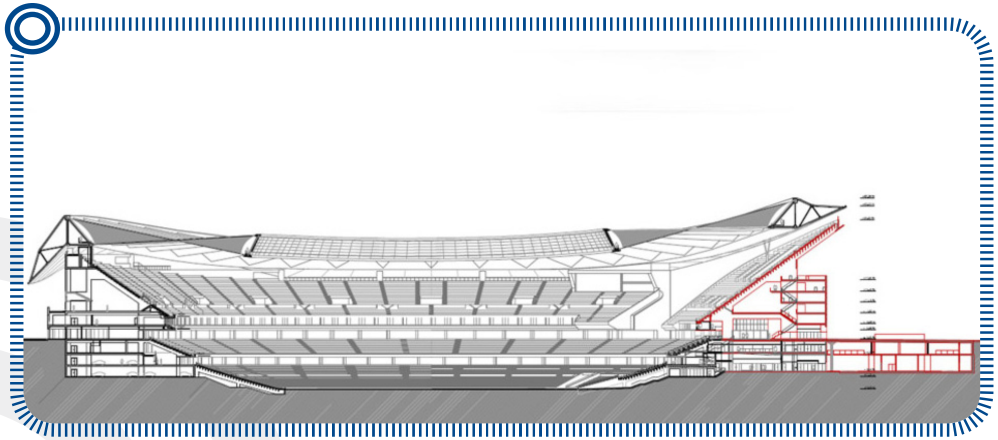
BBR PTE S.L. is taking part in the construction of footbridges in Doha (Qatar). This work consists of two identical cable-stayed footbridges. Each footbridge has two pylons with a total of 92 stainless steel locked coil cables.

BBR PTE S.L. is doing the deck post-tensioning work for the two footbridges. These have a "unique", three-dimensional curve with tendons of 7/0.6" and 19/0.6" measuring between 33 and 38 metres long. Subsequently, the cables making up both footbridges will be installed and tensioned.

Hospital Complex in Panama:

The new hospital complex in Panama is located on the outskirts of the capital. It has a total surface area of 200,000 m^2 under construction. The structures of the various modules making up the hospital complex are made with pillars and retaining walls that hold post-tensioned slabs between 22 and 25 centimetres thick. Altogether, the structures have about 1,000,000 kilograms of post-tensioned materials distributed in 50,000 tendons measuring from 15 to 100 meters long.

To build these structures, BBR PTE S.L. uses the post-tensioning non-adherent, single-strand system with a post-tensioning strand 0.5" in diameter (13 millimetres in diameter unsheathed). When constructing the large slabs, they are divided into smaller pieces measuring 30 to 40 meters long. In these cases, continuity anchoring is used to construct the slab in different stages.



New Atlético Madrid Stadium (plan)

New Atlético Madrid Stadium:

The new Atlético de Madrid Stadium has a structure comprising four levels of post-tensioned slabs. BBR PTE S.L. has introduced the new BBR VT CONA CMF system for post-tensioning slabs. The size chosen is 4/0.6" with a 150 mm² Y 1860 S7 strand.

This system has the particularity of being able to use a flat sheath and can adapt perfectly to the post-tensioned lines for slabs that are not too thick. In this case, a galvanised flat sheath measuring 70x21 was used.

The structure has approximately 300,000 kilograms of post-tensioned materials distributed in 2,700 tendons measuring from 15 to 35 meters long.

When tensioning operations are complete, the tendons are injected to protect them against corrosion. The slurry for the injection is made from I-42.5 Portland-Valderrivas I-42.5 cement from the factory in Alcalá de Guadaira. This slurry meets all EN Standard requirements for this type of product, and gives excellent results in terms of mixing, volume changes, workability and bleeding.

PROSER

PROYECTOS Y SERVICIOS, S.A.

ENGINEERING

Proser carries out engineering studies and project planning. Among the contracts awarded during the year, apart from the various work performed for FCC Construcción, are:

Motorways and roads

- Construction project for the C-4 motorway, Belltall bypass, between KP 53+000 and 55+650 for the Catalonian Regional Government. Their representative elements include four intersections and five structures.
- Layout and construction project design of the Pont de Molins-La Junquera (Girona) section of the N-II. It consists in widening an 8.7 kilometre section of the road to convert it into a motorway, and has 4 junctions and 9 structures.

Hydraulic works

- Structural analysis of the pipeline at the Pampaneira (Granada) plant and associated feasibility reports.
- Renovation projects for the water supply network and other services in the district of La Florida de Santa Perpetua de Mogoda (Barcelona).

Technical assistance to the site manager

- Technical assistance for new mineral treatment plants in Minas de Aguas Teñidas (Huelva).

R+D+i

- During 2013, as part of its R+D+i programme, PROSER worked on optimising the geometric cross section of tunnels, which are part of the project called "Urban tunnels: Research in new methodologies of analysis, design and construction of tunnels in urban areas". This R+D+i project was certified as R & D in 2013.

Industrial

FCC INDUSTRIAL E INFRAESTRUCTURAS ENERGÉTICAS, S.A.

FCC Industrial is the FCC Group company specialising in design, project implementation and execution of industrial works. For the company, 2013 was a year of consolidation in the industrial sector, as it explored the international perspective, an area that continues to receive a major boost from all public and private sectors.

In 2013 the fusion took place of two of the companies making up FCC Industrial: FCC Servicios Industriales y Energéticos (FCC SIE) and FCC Actividades de Contrucción Industrial (FCC ACI). The outcome of this merger was the creation of FCC Industrial e Infraestructuras Energéticas, S.A. The company has four areas of activity, depending on the business and its implementation:

- Electromechanical Installations, Maintenance and Systems Division (IMS)
- Electrical Distribution Grids Division
- LNG Projects and Industrial Construction Division
- Oil & Gas Logistics and Warehousing Division

The activity of the merged company during the year achieved a production of 216.8 million euros and contracts totalling 184.2 million euros, resulting in orders of 231.35 million euros as of 31 December 2013. The most important works, listed by division are as follows:

FCC Industrial IMS

Throughout 2013, FCC Industrial División IMS (formerly FCC Servicios Industriales y Energéticos, S.A.) consolidated its leadership in the integration of electromechanical, railway maintenance and energy efficiency installations, as well as its systems area.

During this period, some of the opportunities studied and discussed for International business were specified, specifically in the zone known as "America I", which includes Mexico, Panama (Central America) and Colombia.

Electromechanical Installations Divisions

- Electromechanical and communication installations for the rehabilitation of the old Palacio de Albaida, for the conversion into the new headquarters of Omega Capital, S.A. on Fortuny Street in Madrid.
- Electromechanical and communication installations for the expansion and rehabilitation works at the El Porvenir school (Federico Fliedner Foundation) in Madrid.
- Integrated facilities in Nueva Torre Castellana (former Windsor) in Madrid.
- Electromechanical and communication installations at the new headquarters of the General Treasury of the Social Security in San Sebastián.
- Electrical and special installations at the new fish market at the Port of Pasaia (Pasajes) in Guipúzcoa.
- Electrical installations, systems and signage in the tunnels on the A8 stretch of the Muros-Dueñas motorway in Asturias.
- Electromechanical and communication installations for the refurbishment and expansion of the National Court building on Génova Street in Madrid.
- Heating and cooling system installations for the new R & D building at the "La Fe" University Hospital in Valencia; new Biopolo building for the Regional Government of Valencia's Minister of Health.
- Heating and cooling system installations in the new main Spanish headquarters of the MSC shipping line in Valencia.
- Various contracts for electromechanical work in Orange's buildings and sub-centres:
    - Sub-centres in Vara de Quart, Valencia
    - Sub-centre in Pedrosa, Barcelona
    - Sub-centre in Alicante
    - Sub-centre in Silvota (Asturias)

Castellana Tower

- Electromechanical installations in the Montilla (Córdoba) Secondary School.
- Refurbishment and modernisation of facilities in various hotels belonging to the H10 Hotels chain.
- Electromechanical and communication installations in the new theatre in Coslada.
- Electromechanical and communication installations in the new library in Coslada.
- Electrical and intelligent transport system in tunnels in Mogán, Gran Canaria.
- Expansion of airfield beacon installation at Malaga Airport for AENA.
- Comprehensive rehabilitation and upgrade of the cooling system equipment in the Torre Picasso to new standards.
- Electromechanical installations in the Nuevo Necaxa tunnels, Mexico.
- Electromechanical and communication installations for the new Chicho Fábrega Hospital in Panama.
- Electromechanical installations, Phase 1, for the new hospital complex in Panama.
- Lighting and power installations on Vía Brasil, Panama City.

Operation and Maintenance of Renewable Energy:

- Operation and maintenance of a 50 MW solar thermal power generation plant in Palma del Río in Córdoba belonging to Enerstar Villena, part of FCC Energía.
- Operation and maintenance of a 20 MW photovoltaic power generation plant in Espejo.
- Operation and maintenance of a photovoltaic farm in Sardinia, Italy owned by Eland and built by FCC Industrial which was commissioned in December 2010.

Railway Division:

- Catenary for the Atlantic high-speed railway line for ADIF. The works include implementing 400 kilometres of catenary power lines, of which 160 are already in service, leaving 240 kilometres pending execution.
- Málaga Metro Lines 1 and 2. Remarkable progress in the electromechanical, ventilation and catenary installations, traction systems, accesses, systems and control.

Maintenance and Energy Efficiency Division

- Cervantes Institute headquarters on Alcalá Street, Madrid.
- Realia
  - Eisenhower Business Centre, Madrid
  - East Tower (KIO Towers)
  - Méndez Álvaro Business Centre
  - Ferial Plaza Shopping Centre in Guadalajara and Plaza Norte in Leganés

- Abbot Laboratories and Amo (Famar) pharmaceutical laboratories
- Southern Regional Air Navigation Control Centre for AENA
- Terminal 2 at Barcelona Airport for AENA

In addition, the coverage for comprehensive maintenance that it already provided for Prisa Group was expanded:
  - Sogecable production centre in Tres Cantos
  - Storage and distribution warehouse for Santillana publishing house
  - Headquarters of the El País newspaper and the headquarters of the Ser radio station on Madrid's Gran Vía
- Signing of the framework agreement with the project company and operator of the Silken hotel chain to provide comprehensive maintenance for its hotels throughout Spain.
- Maintenance of Torre Castellana.

Of particular note is the contract won by FCC Industrial for the provision of the entire exterior lighting service for the City of Los Palacios y Villafranca in Seville, as well as a lighting maintenance contract for the city of Cádiz.

These are global, integrated actions for the maintenance and operation of street lighting for Town Councils, with planned investments of 500,000 euros aimed at improving the energy efficiency of the installation through actions aimed at saving, measuring and monitoring the consumption of energy.

Systems Division

FCC Industrial has been awarded a contract to manufacturing 83 gunner control replicas of Centauro tanks and another 24 gunner control replicas of Pizarro tanks. In addition, in December 2013, FCC Industrial was awarded the contract to manufacture 5 gunner control replicas for the RG31 vehicle. The Pizarro and Centauro units were designed and manufactured in less than 4 months and have been distributed to the Spanish Army's main simulation centres.

All these replicas are equipped with electronic cards developed by FCC Industrial specifically for these controls and enable interaction with the “Steel Beasts” simulation software, which is the simulation software most commonly used by NATO armies.

Others:

- Maintenance of systems and power in galleries and tunnels at Barajas Airport for AENA
- ITS systems in the Muros-Dueñas tunnels in Asturias
- ITS systems in the EIX-Transversal tunnels in Catalonia
- ITS systems in the Nuevo Necaxa tunnels in Mexico
- Maintenance of systems on various motorway in Catalonia

FCC Industrial, Division of Electrical Distribution Grids

Some of the most representative works are:

- Infrastructure for the construction of the 220 kV Collblanc – S.E. Valdonzella – S.E. Urgell line (Barcelona city) to be done for Endesa Ingeniería on behalf of REE (Red Eléctrica Española).
- Maintenance and construction of new works for MV/LV distribution grids in the following areas of Barcelona: Districts 5, 6, 7, 8, 9 and 10 - St. Adriá - Sta. Coloma - Badalona (Catalunya Centros Division) to be done for Endesa Distribución Eléctrica during the June 2013 - May 2016 period.
- Maintenance and construction of new works for MV/LV distribution grids in the following areas: Pozuelo/Villalba, Albacete, León, Zamora, Levante and Toledo for Iberdrola. Awarded framework contract for the next three years.
- Maintenance and construction of new works for MV/LV distribution grids and substation maintenance for Gas Natural Fenosa, continuing with the zones under contract in previous periods.
- Construction and assembly of the 500 kV single-circuit overhead line between the Balata and Nueva Esperanza substations for Empresas Públicas de Medellín, E.S.P., Colombia.
- Project for a 115 kV overhead line and 40 MVA substation for CFE in Mexico.

FCC Industrial, LNG Projects and Industrial Construction Division

This is a branch of the former FCC Actividades de Construcción Industrial, S.A. construction company and its activity has focused primarily on industrial projects and, more specifically, on comprehensive EPC projects.

The most significant works carried out during 2013 are as follows:

- Solar thermal power generation plant in Villena, Alicante. This project is very similar to the plant in Palma del Río, another turnkey project (50 MW) belonging to Enerstar Villena, which is part of FCC Energía.

- Expansion of the LNG regasification plant in Quintero (Chile). This includes engineering, supply of all the equipment and construction as well as testing and commissioning for the increased regasification capacity and delivering the gas to the Chilean LNG network. It is equivalent to expanding the plant's production capacity by 50%.

The following projects remained active during the year:

- Theatre and Cultural Centre in Coslada for Hipercor.
- Phase II of the construction of the Torre Castellana: Installations and preparation of the interior for Ason Inmobiliaria, the customer.
- Centre for the Conservation and Maintenance of the A6 motorway for the state customer Demarcación de Carreteras of the Ministry of Public Works.
- Guzmán solar thermal operation for Guzmán Energía, a private customer.

Yela-Villar de Arnedo oil pipeline.

FCC Industrial, Oil & Gas Logistics and Warehousing Division

The year's most representative works are as follows:

- EPC contract to increase LPG storage capacity at the Callao Terminal (Peru) for private customer VOPAK Perú. This project entails the construction and commissioning of a system with three LPG storage spheres which will double the reserve capacity in the port installations currently owned by PetroPerú. The Dutch company Vopak, a world leader in this type of facility, current has the concession.
- Torrejón Barajas oil pipeline, Section I, for Compañía Logística de Hidrocarburos (CLH).
- A crossing for the River Tajo made using horizontal directional drilling, for the customer Enagas.
- Musel-Llanera oil pipeline, for the customer Enagas.
- Yela-Villar de Arnedo oil pipeline, for the customer Enagas.
- The contract for the construction of the Mariña-Lucense gas pipeline in Galicia for the customer Gas Natural Fenosa was recently awarded.

R+D+i projects

Project on intelligence and safety-related decision strategies in railway tunnels (ADIF). Start: December, 2013; completion: March 2015.

The topics under study are ventilation strategies and intelligent decision algorithms in situations of serious incidents in railway tunnels. The participants in this R & D project will be from Technical University of Madrid laboratories: CEMIM (Centre for Modelling in Mechanical Engineering) and DIA (Department of Artificial Intelligence), as well as the Systems Division. The first phase of the project will be implemented in the AVE access tunnel in the city of Vigo. This is a twin-tube tunnel measuring 8.5 kilometres long with 17 emergency galleries.

Matinsa
MANTENIMIENTO DE INFRAESTRUCTURAS, S.A.

MATINSA, CONSERVATION OF INFRASTRUCTURE

The FCC Group operates in the sector through Mantenimiento de Infraestructuras, S.A. (Matinsa) in the following areas of activity:

Motorways and roads

Maintenance of over 1,550 kilometres of motorways and 2,110 kilometres of roads in the conventional road network belonging to various public administration bodies, (Ministry of Public Works, autonomous communities, provincial councils, district councils, etc.).

Worthy of note is the access to Madrid via the A-6 motorway from Villalba which includes the BUS-HOV lane, which is a pioneer in Europe as a model of transport infrastructure reserved for high-occupancy transport with a reversible roadway.

Highways maintenance

Matinsa provides conservation services for ring roads in Barcelona, the Ronda de Dalt and the Ronda Litoral, the traffic along these roads exceeds 270,000 vehicles daily.

Following are significant contracts and renewals awarded during 2013:

- The award of two new conservation contracts in Santander and Huesca.
- The renewal of conservation contracts in Palencia and Albacete.
- The extension of contracts in Madrid (A-6), Guipúzcoa, Murcia (Aucosta), Badajoz and Cáceres.

Maintenance of transport systems

Matinsa maintains the urban tramways in the cities of Zaragoza and Murcia. Included in these contracts is the 2013 five-year renewal of the Murcia Tramway maintenance contract.

Hydraulic infrastructure maintenance

Matinsa continues its activity in the maintenance of water infrastructure, maintaining the channels of the irrigation area of the River Árrago basin, which includes 178 kilometres of channels and 9,300 ha of irrigation area.

Management of emergency and forest fire services

- The award of the fire and rescue service at the fire stations in Bueu, Porrino, Ribadumia and Vilagarcia de Arosa in Pontevedra for a period of 8 years, with a total of 74 staff members.
- The fire brigade services for the eastern zone of the Community of Madrid continue with a total of 234 workers, eight heavy forest fire engines, 15 light engines, two high mobility vehicles (VAMTAC), one twin-engine helicopter and 14 forestry engineers. These services have continued interruptedly since 1998.
- Fire extinguishing devices in the Casa de Campo in Madrid since 2003, that have been extended in 2013.

Environmental restoration

Significant contracts awarded this year include:

- Restoring an area once used to process aggregates in the locality of El Bosque de Rivas Vaciamadrid for the Community of Madrid.

Execution of forestry works

Environmental services

Contracts awarded this year include:

- Pruning, clearing, preservation and maintenance of parks, gardens, roads and pavements in the municipality of Torrelodones for a period of three years.
- Conservation and management of Southeast Regional Park, the Regajal-Mar de Ontígola Nature Reserve and cleaning the recreational areas in Forest Region VIII.
- Extension of the conservation and maintenance services for earthen areas, pavements and civil works elements in Casa de Campo Park.
- Extension of the conservation service for the River Manzanares where it passes through the municipal limits of Madrid.

Forestry works

Significant forestry works include the reforestation and silvicultural improvement of forests in the communities of Madrid, Andalucía and Valencia, for various governmental agencies: autonomous communities, confederations, city councils and ministries.

R+D+i projects

Matinsa participates in the SIDEINFO project, which is a defence system for forest fires.

CORPORATE IMAGE

Megaplas S.A. is the FCC Group company that provides corporate image services for interior and exterior elements within a Europe-wide scope. Implementation is done through its two production and management facilities, in Madrid and Turin.

In October 2013, Volkswagen AG (Volkswagen's European headquarters) approved Megaplas as a European-wide supplier for the manufacture and installation of the main entrances on the façades of its authorised car dealers, which are the most significant elements in the company's current corporate image. In 2013, the two types of main entrances were installed in two Volkswagen dealers in Spain: one in Seville – Sevilla Wagen – and the other in Alicante.

Within the diversification of services that Megaplas provides to its customers and in line with our philosophy of focusing on customers needs, Fiat Industrial chose Megaplas as its image suppliers for the interiors of their NH Agriculture brand dealerships. The implementation of this internal identification program started this year in Spain, and will be extended over the next two years to the rest of Europe. It encompasses everything from interior and emergency signage to furniture, including merchandising items.

In the Las Caletillas Service Station on the island of Tenerife, Megaplas installed the first Disa bird image on its two canopies. Each canopy, technically developed by Megaplas, is a separate element made of fibreglass and decorated with Disa colours and logo, lit by LEDs. The canopies are 10 meters long, almost 8 metres high with petrol pumps on both sides.

During 2013, Megaplas made advertising columns for 11 domestic airports for Cemusa.

In 2013, Renault España, which has been a customer for over 40 years, entrusted Megaplas not only to handle the exterior image of their car dealers, but also to identify its network of MOTRIO garages. Furthermore, during the next three years, as part of the "store" programme, Megaplas will renovate the interiors of the car dealers by installing an interior structure that will serve as a reception and rest area, along with an information centre and interior signage.

Megaplas has supplied and installed the internal signage inside Málaga Metro's Line 1 and 2 stations.

Fiat Group remains one of Megaplas's key customers, it is the exclusive supplier of exterior images for all its brands (Alfa Romeo, Fiat, Lancia, Jeep and Abarth) in Spain, Portugal, France, Belgium, Holland, Italy and Greece, besides being an approved supplier for the sale of their logos worldwide. In December 2013, Megaplas Italia was awarded the tender contract for the interiors of Fiat Group's dealers at European level; this tender entails carrying out work in over 500 car dealers.

Disa AVE

PREFABRICADOS DELTA S.A.

PREFABRICADOS DELTA, S.A.

The 2013 production of Prefabricados Delta factories experienced a marked recovery when compared to the previous year, focused primarily on the increase of both fibreglass-reinforced polyester as well as pipes made of steel-jacketed concrete. Thus, the global production for the year by product type was as follows:

- Over 47 kilometres of fibreglass-reinforced polyester pipes (FRP).
- 13,343 metres of steel-jacketed concrete pipes.
- 97,000 pre-stressed monoblock sleepers of different types.

The most significant supplies per industrial sector were:

SUPPLIES FOR HYDRAULIC LINES

During 2013, over 60 kilometres of pipes were manufactured and supplied: 47,082 meters were made of fibreglass-reinforced polyester and 13,343 meters were made of steel-jacketed prestressed concrete pipe with elastic gasket.

The most significant works include the following:

- Supply of steel-jacketed prestressed concrete pipe with elastic gasket for the water supply to the County of Huelva and the area surrounding Doñana (Huelva); these works are dependent on the Andalusian Regional Government's Environment and Water Agency. The contract is for the manufacture and supply of 18.3 kilometres of prestressed pipe with interior diameters of 700 and 600 mm and maximum design pressures of up to 16 atmospheres. Almost 50% of the contracted amount was supplied during 2013.
- Supply of 3,300 meters of steel-jacketed prestressed concrete pipe with elastic gasket with interior diameters of 1,400 and 1,200 mm and design pressures of between 5 and

8.5 atmospheres for the modernisation of the Riegos de Levante (left side) irrigation community, Phase III, within the municipal limits of Elche and Crevillente.

- Works for the project to improve and consolidate irrigation for the Sindicato de Cuevas irrigation community in Almanzora (Almería). Fibreglass-reinforced polyester pipes (FRP) with diameters of between 700 and 300 millimetres and a rated pressure of 16 bar were supplied.
- Supply of fibreglass-reinforced polyester (FRP) pipes and special parts for the irrigation modernisation works for the Canal del Páramo Bajo (León) dependent zone, Irrigation Sector II, Phase I, with nominal diameters of between 450 and 1,400 mm and nominal pressure of 10 bar. For this work, 25.3 kilometres of pipe and 170 special parts made of FRP were manufactured.

SUPPLY OF RAILROAD SLEEPERS

In 2013, 97,024 pre-stressed monoblock sleepers, for both the AI-04 (standard gauge sleepers) and PR-01 (standard and national gauge type), were supplied.

The most significant works were:

- Sleepers for the high-speed Olmedo-Zamora section of the Northern-Northwest High-Speed Corridor, Phase I, with 113,000 sleepers for international track width as per contract.
- A total of 44,900 sleepers for the Utrera-Jerez airport line, Utrera-Las Cabezas de San Juan (Seville) subsection of the Seville-Cádiz high-speed railway line.
- The supply of 20,400 multi-purpose sleepers for the Chiclana-San Fernando (Cádiz) Tramway for the Andalusian Regional Government's Public Works Agency.

CEMENT

CEMENTOS
PORTLAND
VALDERRIVAS

Cementos Portland Valderrivas, S.A.

Fomento de Construcciones y Contratas' portfolio of outstanding control securities of Cementos Portland Valderrivas, S.A. at year-end 2013 was 69.83%.

ECONOMIC ENVIRONMENT AND PERFORMANCE OF THE CONSTRUCTION AND CEMENT SECTOR

Spain

According to data from the Spanish National Association of Cement Manufacturers (OFICEMEN), cement consumption in Spain in 2013 was 10.98 million tonnes, a decrease of -19% compared to 2012 and -80% compared to the highs reached in 2007. However, it is important to point out the relative improvement shown in the decline of cement consumption over the year. Therefore, while in the first quarter the fall in consumption was -29% compared to the same period last year, in the second quarter it decreased to -19%, in the third to -17%, while in the fourth the fall moderated to -9%. If this trend continues, cement consumption in the domestic market is close to touching bottom.

Given this situation of low activity and by way of compensation, Spanish manufacturers have continued to increase their presence in international markets in order to partially alleviate the lack of domestic demand. Thus, since 2007, exports of cement and clinker increased by 536%, from 1.1 million tonnes in 2007 to 6.9 million tonnes in 2013. This figure is, in turn, 12.2% higher than in 2012 and in absolute terms represents an increase of 1.0 million tonnes.

On the other hand, imports of cement and clinker in 2013 were limited to 0.4 million tonnes, 18% lower than in 2012.

Estimates for 2014 by the Spanish National Association of Cement Manufacturers (OFICEMEN) indicate a further fall in cement consumption that could reach 8% at the national level.

United States

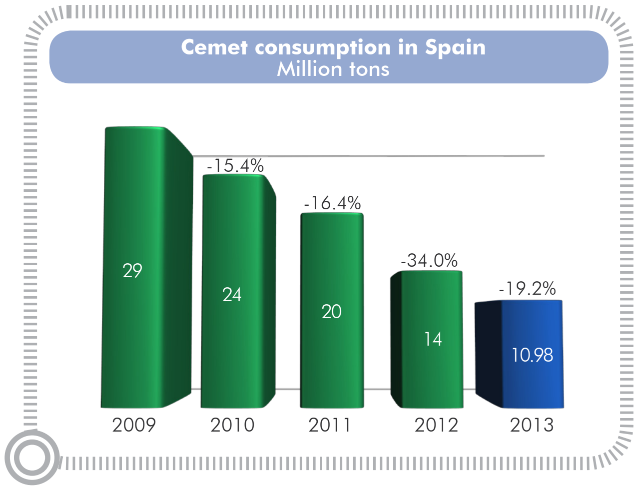
Data from the residential construction market are positive; the number of homes being built in November 2013 experienced strong growth (29.6%), recording the best results since February 2008. This should undoubtedly carry the construction sector to strong levels of growth in the coming months.

Cement consumption data to December (data from the US Geological Survey) totalled 82.3 million tonnes, an increase of 4% compared to the same period last year.

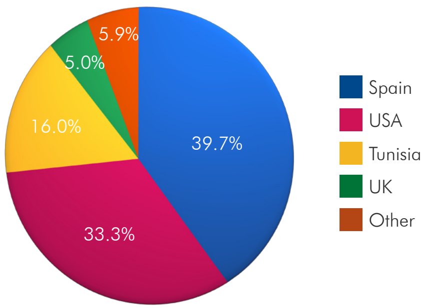
For the next few years, the Portland Cement Association (PCA) forecasts growth of 9.7% for 2014 and 2015 and 11% for 2016, based on an increase in public investment.

Tunisia

Construction activity is maintaining a healthy pace, with a favourable outlook concentrated mainly on the residential construction.



Distribution of revenues by country in 2013



In this context, cement consumption in 2013 reached 7.7 million tonnes, an increase of 2.5% compared to 2012, beating the record highs reached in 2012.

The good performance of the local market has been accompanied by strong growth in exports of cement and clinker throughout the year, reaching 582 thousand tonnes, up 130% compared to 2012.

The year 2014 offers a more stable political situation following the adoption of the new constitution and a new transitional government supported by all political parties. Expectations anticipate that local demand for cement will be maintained, with a significant increase in exports primarily aimed at neighbouring countries.

United Kingdom

The data on cement consumption in Britain show a favourable trend throughout the year. Thus, while the first quarter recorded a decrease of 10%, which was offset in the second quarter with a growth of 10%, third quarter data indicate the consolidation of growth with an increase of 11%. Accumulated figures up to September, the latest available, show a 4% growth of cement consumption compared to the same period last year.

Forecasts for 2014 indicate a 4% growth in cement consumption in the country as a result of the increase in residential construction.

GROUP PERFORMANCE

The Cementos Portland Valderrivas Group's main activities are the production, sale and distribution of cement, concrete, aggregates and mortar. All of these are directly related to the construction sector and depend on its performance.

For the entire Cementos Portland Valderrivas Group, the 2013 sales of cement and clinker were 7.2 million tonnes, compared to 8.2 million tonnes in 2012, a decrease of 12%.

Concrete sales were 1 million cubic metres with sales of aggregates totalling 3.6 million tonnes, a decrease of 52% and 48%, respectively. In terms of mortar, the Group achieved sales of 0.5 million tonnes, down 26% from last year.

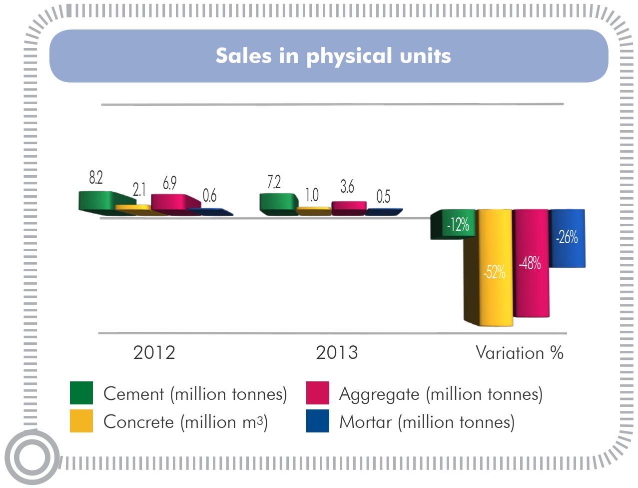
Cement

The sales of cement and clinker by Cementos Portland Valderrivas Group in 2013 were affected by the fact that Southern Cement and all the companies belonging to Lemona Group left the Group, as well as by the contraction of cement demand in Spain.

Total aggregate sales were 7.2 million tonnes, with a 12% year on year rate of decrease which, in physical units, led to a reduction of 1 million tonnes. Excluding the tonnes sold by Cementos Lemona and Southern Cement in both years, the variation is -9%, with a reduction of 0.7 million tonnes.

The volume of grey cement sold in the Spanish market during 2013, excluding the Lemona Group, fell by 21% compared to the previous year. 2.3 million tonnes were sold and 1 million tonnes were exported, i.e., 30% of total sales, thereby offsetting in part the decline in domestic demand.

In the United States, the Group's activity continued to show a positive trend and the increases were greater than those recorded in the market. 1.7 million tonnes of cement and clinker were sold, which was 15% more than in 2012. Of this volume, 112,000 tonnes were exported to Canada, a figure that represents an increase of 7% over the previous year.



The Group's activities in Tunisia during 2013 show great strength and stability. This is indicated by the volumes sold, which increased 2.8% compared to 2012, standing at 1.8 million tonnes of cement, of which 110 thousand tonnes were for export to Libya and Algeria. Also worthy of note is the liberalisation of prices and exports in the cement market which took place in January 2014, until now this had been regulated by the Tunisian government. In turn, the subsidy for energy costs was eliminated. The combined effect of these measures will be positive for our operations in the country.

The volumes sold in the UK, excluding sales originating from the Ipswich terminal, grew 23% compared to the previous year.

The sales volume in international markets currently represents 67% of the total. Of significance is the growing importance of sales in the United States, with a 6 percentage point increase over the same period last year, reaching 24% of the total volume of cement sold by the Group

Mortar, concrete and aggregates

Sales of mortar, concrete and aggregates by Cementos Portland Valderrivas Group in 2013 were also affected by the fact that Southern Cement and all the companies belonging to the Lemona Group left the Group, due to the contraction in the demand for these materials in Spain and essentially due to the transfer or closure of unprofitable plants for these businesses in Spain.

The Group's aggregate sales of dry mortar in 2013 amounted to 493,197 tonnes, a decrease of 26.4% compared to the 669,668 tonnes sold the previous year.

Almost all this was sold in Spain, with a decrease of 26.5% over the previous year. Of the 17 plants belonging to the Group in Spain, 6 remain operational, 4 have been leased and 7 temporarily closed.

Some of the unique construction works in the domestic market that were supplied with mortar in 2013 are:

- Palencia: new city council building for the Guardo City Council, San Juan de Dios School
- Soria: Soria prison
- Navarra: Ezkaba secondary school (Pamplona), Iribas and Andosilla water treatment plants
- Seville: Pelli Tower
- Cordoba: El Cabril nuclear waste dump in Hornachuelos
- Huelva: Aguas Teñidas Mines in Almonaster, La Real and the Carrefour shopping centre in Huelva
- Barcelona: Sabadell railway tunnel for Ferrocarrils de la Generalitat

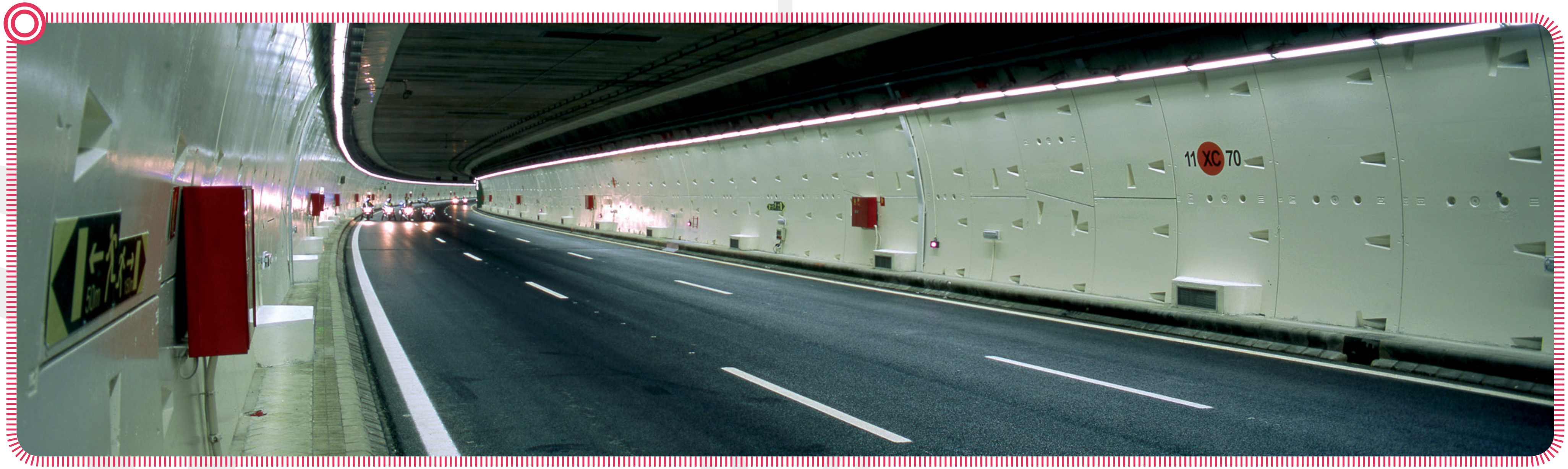
As regards concrete, the 2013 aggregate total sales by Cementos Portland Valderrivas Group were 1.0 million cubic metres, which was a decrease of 52% over the previous year's sales.

Of the Group's total sales of concrete, 85% which is equivalent to 874,103 cubic meters, were sold in Spain; this figure has resulted in the negative year on year variation of 54.4%. Of the Group's 107 concrete plants in Spain, 56 are temporarily closed and 18 leased to third parties.

Concrete sales of 136,749 cubic metres in Tunisia fell by 14.5% compared to the previous year with a specific weight of 13% of total concrete activity.

In the US, there was a decrease of 57%, with 22,800 cubic meters sold in 2013. It should be mentioned that this decline is also due to closures of unprofitable concrete plants. Currently, only 3 of the 9 concrete plants owned by the Group in the state of Maine are operational.

In Spain, the unique construction projects supplied with concrete by the Group in 2013 include:



- Madrid: Barceló Multipurpose Centre, construction of the Pinto landfill, CNS military service on the Torrejon airbase and the completion of the expansion of the third lane of the A-2 motorway.
- Tarragona: the C51 road (Albinyana-Valls-Tarragona section) and the chemical dock at Tarragona port
- Palencia: expansion of Sidenor factories in Matamorosa, the Palencia-Venta Baños section of the high-speed railway and the San Luis Hospital extension.
- Seville: Phase 2 of the platform at Seville airport, Phase 2 of the Pelli Tower development, the new Huerta la Princess secondary school and the COSTCO shopping centre.

Meanwhile, the Group's total sales of aggregates in 2013 amounted to 3.6 million tonnes, resulting in an annual year on year decrease of 48.3%.

The Group currently has 49 plants for extracting and processing aggregates: 46 operate in Spain, 2 in the US and 1 in Tunisia. It should be mentioned that, of the 46 plants in Spain, 14 are still operating, 9 are leased and 23 temporarily closed.

Different types of aggregates were supplied to the Spanish market in 2013; one of the most important sales was for the Flix reservoir landfill in Tarragona.

Sustainability, the environment, energy and material recovery and R+D+I

Sustainability

In 2013, we continued to progress with the 2012-2014 Sustainability Strategic Plan aimed at consolidating sustainable development as the future strand that is present in our business decisions.

This plan is organised in seven fundamental lines of action:

1. Commitment and transparency
2. Human capital
3. Occupational health and safety
4. Connection with groups of stakeholders

5. Participation and volunteering
6. Protecting the environment
7. Innovation

Despite the difficult market environment, the Group continues to be steadfast in its commitment to sustainability, applying practices of good governance, respect and care for the environment with an active collaboration with society.

Environment

The environmental policy is our key working principal to maintain our commitment to environmental protection and conservation.

The Group continues on its path to excellence in environmental management as it operates all its workplaces in Spain within the ISO 14001 Standard certification, and they are also registered with EMAS (EU Eco-Management Regulation and Audit Scheme). The environmental statements are public and available on the Group's website www.valderrivas.es.

One of the Group's objectives is to extend the environmental management system to its factories in the US and Tunisia. This means that all the factories will be certified under the same standard in the near future. To this end, benchmarking is a great tool, and will make it possible to globally value all the knowledge gained over many years in all its factories.

Material and energy recovery

During 2013, the Group continued working on the development policy for its Material and Energy Recovery Plan in its cement factories. Despite the drop in the levels of its own production and that of other industries in our country, the Group has maintained the energy recovery at its factories at a level of 20%.

One important milestone reached last year was to obtain a new Integrated Environmental Authorisation for the factory in El Alto located in Morata de Tajuña (Madrid). This meant that substitution levels of nearly 40% in the second half of the year were achieved.

Group plants in the US slightly increased their level of thermal substitution, to 41%. In addition, the company is preparing to include the factory located in Thomaston in Maine in energy recovery plans, and this will substantially increase the level of thermal substitution in the coming years. The fuel supplies to be recovered and the projects for storage, transportation and provision of alternative fuels are currently being studied and negotiated.

Material substitution, which consists of preserving natural resources by recovering other industrial by-products to be used to manufacture clinker in the Spanish Group plants, has been slightly penalised due to the drop in activity of other industries, which reduces the availability of materials to be recovered. For this reason, the final value is 4.2%, slightly less than in the previous year (4.8%).

Innovation and R+D+I

Despite the unfavourable situation marked by industry trends, Cementos Portland Valderrivas Group continues to maintain its lead over competitors in terms of innovation in Spain.

While its innovation activities in 2012 focused on increasing the portfolio of research projects, 2013 was a year of hard work aimed at the development and consolidation of the projects implemented.

The Group works on innovation through a series of linked stages that begin with research activities within the framework of research projects and ends with the marketing of the product and/or sale of the technology, all of which takes place after undergoing an industry-scale laboratory testing phase for the manufacture of new products and their development and application in actual construction works.

These phases of innovation were carried out in conjunction with the pilot experience known as "open innovation". Implemented in 2012, it has played a key role in this regard, identifying the major projects planned worldwide and the different groups of prescribers and potential clients with whom contact was necessary in order to present the Group and its new products. As result of this initiative, it has been possible to test new, high-performance cements, Ultraval and Ultraval SR, in various construction works such as the Garrovillas Bridge (Cáceres), Rail One (Toro-Palencia) and La Biennal-Venice (Italy).

In relation to technology sales, in 2013 the Group focused on designing a marketing and sales strategy for its new products and technology, making initial contacts with potential customers with the aim of opening new business opportunities by selling technology.

Throughout this process, intellectual property is an essential element to protect the technologies developed and five new patents are being processed to date.

Human resources, occupational health and safety, information systems and process optimisation

As in previous years, the Group has continued to adapt its organisational and human resources structures to the situation of the markets where it operates. For this reason, there was a reduction of 652 employees (650 job losses in Spain, 25 hires in the US, 18 job losses in Tunisia and 9 in the UK), bringing the total workforce as of 31 December to 1,843 (854 in Spain, 617 in the US, 354 in Tunisia and 18 in the UK and Holland).

Throughout 2013, the Corporate HR Management and Resources Department, along with the rest of the corporate and business management departments, took part in the analysis of workforces and costs in Spain in order to prepare a proposal for savings. This concluded with the preparation of explanatory reports to negotiate the relevant Collective Redundancy Plans ("ERE") in the cement and structure businesses and the concrete, aggregate, mortar and transport businesses, as well as in the preparation of the report to present the Temporary Redundancy Plan ("ERTE") in the cement factories.

In July, the negotiation of the consultation periods opened in the Collective Redundancy Plans (EREs) for structure and cement business personnel, as well as concrete, aggregate, mortar and transport personnel, was successfully concluded with an agreement on a total of 444 redundancies. In the end, however, there were a total of 449 redundancies as more volunteers came forward.

An agreement was reached in October 2013 on the Temporary Redundancy Plan for the Group's factories in Spain. This plan affects 620 employees from all the factories in Spain for the period October 2013 to December 2014.

With these redundancy plans, the Group has addressed the restructuring of its production capacity to fit the present and future market situation.

Apart from the above, the following agreements have been reached with regard to collective bargaining in 2013:

- Agreement with the Works Council and local branches of the trade unions at the El Alto factory and the José Abascal office within the framework of the negotiation of the applicable collective bargaining agreement.
- Agreement with the Works Council and local branches of the trade unions at the Mataporquera factory within the framework of the applicable collective bargaining agreement to adjust labour costs to the factory's production situation in 2013.
- Agreement with the Works Council and local branches of the trade unions at the Monjos factory to sign the collective bargaining agreement.
- Agreement with the Works Council and local branches of the trade unions at the Alcalá de Guadaira factory within the framework of the negotiation of the applicable collective bargaining agreement.

In addition to negotiating these agreements, throughout 2013 agreements were reached in all the factories regarding geographical and functional mobility, flexibility in shifts, hours and schedules that will enable an increase in organisational efficiency and costs.

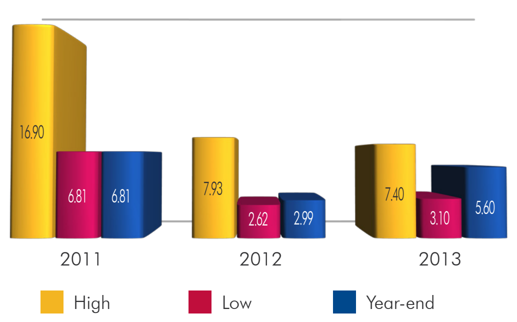
Human resources in the US

Negotiations for the labour contract at Giant Cement were finalised in January 2013. The key issues included in these negotiations were: a wage freeze for the duration of the agreement, a change from the defined-benefit pension plan to a defined-contribution pension plan, the elimination of pensioner health benefit coverage and greater flexibility.

In addition, labour contract negotiations were carried out at Keystone Cement. The main topics included in the negotiations were: a wage freeze for the first year, a change from the defined-benefit pension plan to a defined-contribution pension plan, the elimination of pensioner health benefit coverage and some changes related to outsourcing and the skills of the plant supervisors that will help the work to be done in a more flexible and operative fashion.

Apart from this, GCHI's headquarters were moved from their previous location in Summerville, South Carolina to the new facility in Alexandria, Virginia.

Share price: high, low and year-end



Human resources in Tunisia

In August and September, Mr Pablo Hidalgo Blázquez joined the staff of the Société des Ciments d'Enfidha in Tunisia, as Business Director for North Africa, taking on the responsibilities of François Cherpion who left voluntarily and Mr Ramón Salvatella Plans joined taking up the management responsibilities for the Enfidha factory.

Organisation and development

A total of 22,099 hours of training were offered in 2013, which was 1,745 hours more than in 2012. The training subject that received the greatest investment in training hours was Occupational Health and Safety.

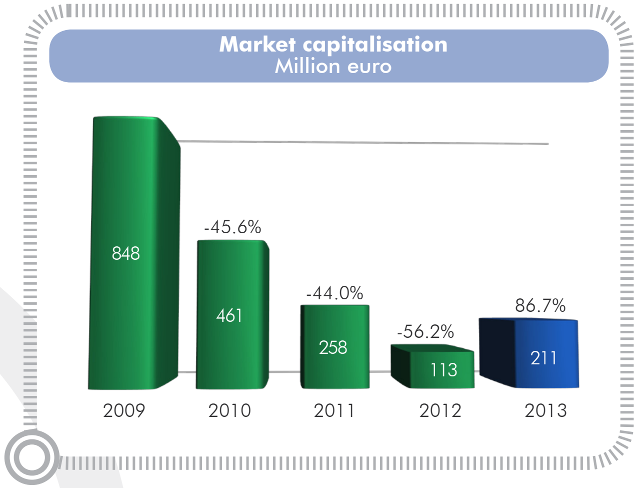
Group in-house training continues to be encouraged, and the number of hours taught by company personnel now stands at 39.5% of the total hours. Specifically, in the US, 65.7% of training (4,010 hours) was done in-house.

Occupational health and safety

With respect to occupational health and safety, it must be pointed out that, once again, there were no serious accidents in 2013 anywhere in the Group; the accidents that did occur were of a minor nature.

In Spain, the accident frequency rate remained similar to last year's, while the severity index (which essentially corresponds to the number of workdays lost due to accidents) has improved by 21% compared to the previous year, which reduced losses due to workplace accidents or occupational illnesses.

In order to maintain the level of safety achieved, all the occupational safety technicians in the Occupational Health and Safety Department carry out activities aimed at providing each Group company with: advice and support on occupational health and safety, ensuring that risk factors are assessed; planning of preventive actions and proposals for annual scheduling; emergency and first aid response plans; studies carried out aimed at improving safety in the implementation of work methods and ergonomic studies of workstations; monitoring of environmental conditions; assessments on compliance with internal and external regulations, establishing safety procedures and standards; training on occupational health and safety; activities related to health monitoring and regular health checks; as well as any other actions that might be required by law at any given time.



In addition, occupational health and safety audits were conducted by health and safety technicians in all of the Group's operational production facilities in Spain, the outcome of which has been the drawing up of extraordinary action plans with the objective of assessing and resolving any unsuitable facilities detected.

In order to verify compliance with established procedures, certification audits in accordance with the OHSAS 18001 Standard were carried out by AUDELCO in the seven cement factories in Spain.

Furthermore, the Technical Training on Multi-tasking was implemented in order to ensure that the job category changes resulting from the employee redundancy process are carried out in compliance with all established health and safety requirements.

Particularly notable is the U.S. accident frequency index, 3.06%, which is the best out of all the markets and continues at excellent levels in terms of the low accident rate achieved.

In Tunisia, the frequency rate has remained similar to that obtained in 2012, which was a significant improvement compared to the values of previous years.

Information systems

Relevant disclosures in 2013 include the following:

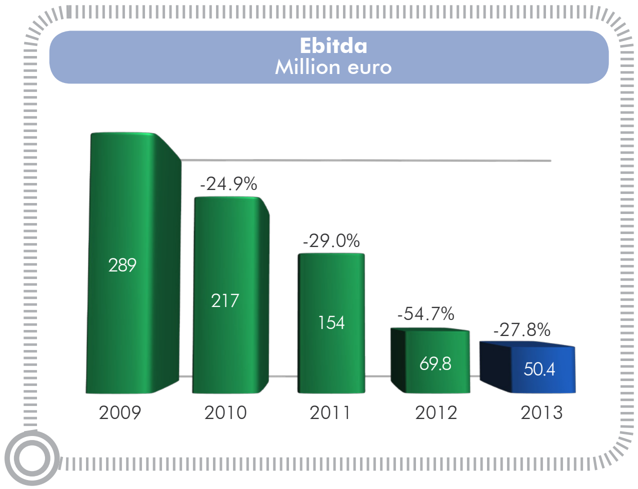
The launch of the CPV Group's new intranet with access for all employees. Deskless employees can access it from any internet-connected computer or tablet. The new intranet's main objective is to facilitate communication at all levels.

The SAP integration project at Cementos Alfa and Canteras de Alaiz was successfully completed. With its implementation, SAP becomes the only ERP for all companies and businesses in Spain.

In December 2013, the deployment of the new shipment control system (TRSNET) in four factories was completed: Alcalá de Guadaira (April), Olazagutía (September), El Alto (October) and Hontoria (December).

Cost-saving measures implemented in 2013

The decline in cement consumption in Spain has forced the Group to take additional measures to adapt the production capacity and structure of the businesses to the current market situation.



The Group applied the following measures in 2013, and will continue to apply them in 2014, to reduce costs and increase profitability:

- Adaptation of the cement factories' activities in Spain to the market situation through temporary shutdowns.
  The application of a temporary redundancy plan ("ERTE") began in 2013 and will continue throughout 2014; this affects 620 workers in cement factories in Spain and was negotiated and agreed with the workers' legal representation.
- Resizing of the concrete, mortar and aggregate businesses aimed at maintaining activity only in profitable facilities.
  The Group has closed concrete, aggregate and mortar plants in Spain that were generating a negative EBITDA. Additionally, the Collective Redundancy Plan ("ERE") that was negotiated and agreed with the workers' legal representation in July 2013 affected 276 workers in the aforementioned businesses. A complementary adjustment (a continuation of the one carried out in 2013) is planned for next year through the closure of some plants that are generating a negative EBITDA which could affect another 40 workers.
- Adjustment of the corporate structure, in terms of both personnel and offices, to suit the operational needs of the Group.
  The Collective Redundancy Plan (ERE), also negotiated and agreed with the workers' legal representation in July 2013, affected 173 workers.
- Reducing the wage bill.
  The application of the reduction in the wage bill of the management team began in July 2013, and will be negotiated with the workers' legal representation in the collective bargaining agreements of the pertinent workplaces to be applied to the rest of the workforce.
- Simplification of the corporate structure.
  The company has developed a plan, already underway, to reduce its corporate structure. This initiative will conclude in 2014.

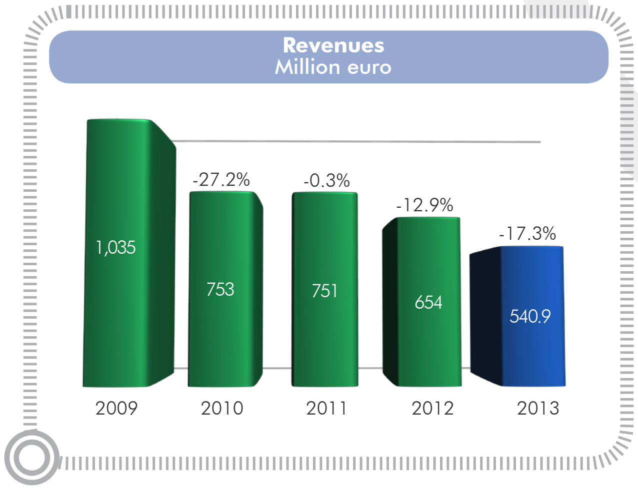
FINANCIAL/ECONOMIC DATA AND SHARE PERFORMANCE

The Group's results for 2013 were impacted significantly by four relevant facts, as detailed below:

1. The asset swap and sale carried out with CRH on 25 February
   CRH, that owned 26.34% of Corporación Uniland, swapped this ownership for 99.03% of Cementos Lemona (classified in the financial statements on 31/12/2012 as an "asset held for sale"), which resulted in the CPV Group taking over 99.99% of Corporación Uniland. Additionally, the parties also agreed the sale and purchase of the Ipswich cement terminal UK, owned by GCPV, for 22.1 million euros.
   This operation generated pre-tax gains of 104.8 million euros, of which 89.8 million euros were from the asset swap and 15 million euros were from the sale of the terminal.

2. The measures taken as a result of the implementation of the NewVal Plan to adapt the Group's production capacity to current demand and the outlooks for the Spanish market.
   These measures have generated an expenditure of 32.4 million euros in severance pay due to the restructuring of the workforce.

3. The provisions allocated for writedowns of unprofitable assets and provisions for other future actions.
   Over the course of the year, the Group applied a total of 59.2 million euros to meet the costs of the writedowns, principally in the concrete, aggregate and mortar businesses in Spain, and has set aside 20.1 million euros as provisions for future actions.



4. The delay in the allocation of emission rights.
   The beginning of the third phase of the EU/ETS directive that establishes the sale of emission rights covering the 2013/2020 cycle has led to delays in the allocations, making it impossible to carry out operations to value this year's surpluses in emission rights.

Turnover

The amount of the turnover, 541 million euros, is split between 215 million euros in Spain and 326 million euros in the international area, which currently represents 60% of the total.

The decrease of -17% in the Group's turnover is due to its decreased activity in the domestic market which is affected by the persistent decline in the country's consumption of cement and the progressive scheduled removal of unprofitable plants belonging to the mortar, concrete and aggregate businesses and the sale of the Lemona Group. The turnover in international markets remains stable. The good performance of the cement volumes sold in the US, Tunisia and the UK are offset by lower exports from Spain in 2013, the sale of the Ipswich terminal in the United Kingdom and a strong euro, which negatively affects the exchange rate.

If we exclude the sales of the Lemona Group and the Ipswich terminal from the comparison, the decrease in turnover is 69 million euros, -11% with respect to 2012.

Gross operating result (EBITDA)

EBITDA stood at 50.4 million euros, which is lower than the amount registered for the same period last year and was affected by the drop in sales of emission rights.

The only rights sold in 2013 were surplus allowances allocated in 2012, amounting to 2.6 million euros, well below sales in 2012, which reached 33.6 million euros.

The drop in the sale of emissions rights was due to the delay in their allocation linked to the new 2013-2020 framework, so these rights will be received and sold together with those for 2014.

If this item were excluded, the EBITDA would have improved by 40% as a result of the adjustment measures being implemented to adapt costs to market conditions and to increase the efficiency of operations.

Pre-tax result

The profit before tax reported, -129.8 million euros, includes the positive and negative exceptional items listed below.

The main positive exceptional item is due to capital gains amounting to 104.4 million euros from the asset swap and sale of the Ipswich terminal to CRH. However writedowns, the personnel restructuring programme carried out in 2013 and provisions made for future actions amounting to a total of 111.7 million euros had a negative effect.

Pre-tax result, excluding all exceptional items, was 138.0 million euros.

After-tax result attributable to parent company

After-tax result attributable to the parent company was -72.0 million euros, an improvement of 51.1% over the previous year.

Share performance

Share performance in 2013 was clearly positive. Shares started the year at €3 and ended at €5.6, achieving an appreciation of 86% during 2013 after five years of depreciation. Added to this strong appreciation is a significant increase in traded volumes, which reached 10.7 million shares in 2013, 314% more than in the previous year. The percentage of share rotation of the securities issued reached 28%, which is 103% when compared to the company's free float.

The year's high was reached on 10 October with shares at €7.4, and the year's low was registered on 2 January with €3.1 per share; the annual average price was €5.1.

Meanwhile, the Ibex 35 started off the year at 8,167 points and finished at 9,917, an increase of 21% over the course of the year.

FCC Energía

FCC Energía has been making Group investments in electricity generation from renewable sources since 2008. Electricity generation from renewable sources is becoming consolidated worldwide, in spite of the fact that the current situation is not too favourable. Various organisations, such as the OECD, the IEA and the UN, believe that renewable technologies are helping to reduce greenhouse gas emissions. In Spain, electricity generation from renewable sources helps reduce dependence on foreign energy and, thus, improve the balance of payments. By generating electricity in this fashion, in 2013 FCC prevented 410,000 tonnes of CO_2 from being emitted and has produced the electricity needed to supply 240,000 homes.

The energy produced by wind, solar thermal and photovoltaic power generation amounted to 1,076,484 MWh, an increase of 19% compared to the previous year.

Industry analysis

Over the course of 2013, the Spanish Government made decisions that impaired the value of the assets when it amended the remuneration stipulated in the initial regulation. Approval is pending for the amended regulation that determines the final remuneration, leaving these revenues provisional and they will be charged to whatever the new statutory provision establishes.

Wind energy activities

FCC Energía operates fourteen wind farms in Spain with an installed capacity of 422 MW.

In 2013 wind energy production amounted to 945,963 MWh, an increase of 11% over the previous year and reached record production since the activity began.

Photovoltaic activities

FCC Energía owns two 10 MW photovoltaic facilities in Cordoba. These facilities have been in operation and uploading energy to the grid since September 2008. In 2013, production was 33,374 MWh, a decrease of 2.5% over the previous year.

Solar thermal activities

During 2013, the Guzman solar thermal power generation plant in Palma del Río (Córdoba) produced 87,193 MWh with an EBITDA of €17,486,864. Also, in November last year, after a full year of commercial operations, the plant was able to successfully pass the final acceptance testing (106.56% of performance, with an availability of 99.60%).

Final acceptance of the plant took place on 1 November 2013, which led to the release of the guarantees deposited with the banks.

FCC Energía acquired 67% of the company Enerstar Villena in June 2009 to build and operate a 50 MW solar thermal power generation plant in the municipality of Villena (Alicante). FCC Energía acquired the remaining 33% in 2011.

The construction works for this solar thermal power generation plant finished in August 2013, and the first turbo-generator synchronisation with the grid took place on 20 September. From that date until the end of the year the plant uploaded 9,740 MWh of electricity to the grid.

Likewise, the company Enerstar Villena signed the provisional acceptance of the plant on 1 December after the facility's operational and performance tests were successfully passed.

Potential for developing wind power

In 2010, FCC Energía was awarded the contract for wind power production capacity in the regions of Galicia and Catalonia.

Galicia

This 48 MW contract is for the municipalities of Laracha and Pico Cedeira. It was awarded to the company Sigenera, S.L., in which FCC Energía has a 50% stake. The other group with holdings in this company is Inveravante, which owns the other 50%. This facility will consist of 16 wind turbines, each capable of generating 3 MW. Project preparation and the submission of applications for relevant permits and authorisations began in 2011, the start of the development of the agreed industrial plan.

Preparation of the project designs continued throughout 2013 pending further decisions by the Galicia Regional Government.

Catalonia

With the 98 MW awarded in the contract, three projects are being developed: in the ZDPVIII (Priority Development Zone VIII), Anoia and Segarra. This contract was awarded to FCC Energía Catalunya, S.L., in which Ros Roca holds a 20% stake. The preparatory work for the project was carried out in 2011. An appeal filed against the call for tender by the autonomous region of Catalonia has created doubts about the viability of the project designs.

Innovation and technological development

FCC Energía is particularly interested in developing innovative solutions in the field of energy. Along with other areas within the Group, it is working on projects for electric mobility, energy efficiency and saving, renewable energy generation and R+D+I projects for generating and storing energy, as well as for sustainable building construction. Emphasis has been placed on work related to the "Energy Island" aimed at the development, enhancement and optimisation of procurement and storage systems for renewable energy with the ultimate goal of achieving a self-sufficient island.

Energy efficiency

Throughout the year, work has been carried out in coordination with other areas within the Group aimed at developing energy efficiency-related activities in municipalities and industries. This activity should enable FCC to expand its citizen services activities to the field of energy as a complement to its environmental services.

Divestment of FCC Energía

As part of the divestment plan set out in the FCC Group's Strategic Plan, towards the end of 2013, 51% of FCC Energía was sold to Plenium GP, subject to pending unresolved conditions existing at the time this document was prepared.

FCC Logística provides services in the Iberian Peninsula through its specialised business units in accordance with logistic and geographical operation environments. The Company provides transport, storage, order preparation and distribution services, completing its offer with other added value services to leading companies in different sectors, such as: automobile, food, household/toiletry products, perfumery, cosmetics, personal hygiene, small appliances, pharmaceutical, optical, telecommunications, industry and technology. It also manages large distribution platforms, customs warehouses and goods transport. FCC Logística has become one of the leading companies in the sector in Spain and Portugal.

Divestment of FCC Logística

As part of the divestment plan established by FCC Group within its Strategic Plan, in February 2014 the company was sold to the venture capital fund Corpfin Capital for 32 million euros.

CEMUSA

CEMUSA specialises in the design, manufacture, installation and maintenance of various types of street furniture and in the marketing of its advertising spaces. With 30 years of experience, CEMUSA is number one in its sector and one of the leading advertising groups worldwide. CEMUSA serves more than 170 municipalities in Europe and America, and cities like New York, Madrid, Rio de Janeiro, Barcelona, Boston, Lisbon and Brasilia are the best showcases for its designs, the result of its collaboration with world-renowned architects and designers.

The most significant contract won in 2013 was the one awarded by the Barcelona City Council for the **maintenance and advertising management of Barcelona's newsstands for a renewable period of five years.** This contract allows CEMUSA to continue and expand the services it has provided in the city since 1996. Moreover, for the first time, one single company is responsible for the maintenance and advertising-related operations of all the newsstands in Barcelona. Due to the expansion, this contract covers the largest number of newsstands managed by CEMUSA, even surpassing other major contracts such as the New York, Lisbon and Málaga ones.

The CEMUSA TEC brand, which is focused on the development and application of innovative technological solutions to improve the functionality of street furniture and to add value to it as a communication medium, has played a key role in various projects submitted this year:

- **Madrid City Council pilot project to optimise the city's public transport using new technologies.** Thus, a series of bus shelters and bus stops allow users to receive information on their smartphones about the bus service or tourist attractions, they provide free WiFi connection and the arrival times of the next buses can be read on e-ink display panels.

- **C-Vision augmented reality application.** This remarkable application provides access to digital content and encourages interactivity between consumers and brands, boosting and increasing the impact of their advertising campaigns.

- **New CEMUSA Airports digital furniture** in fourteen Spanish AENA-managed airports. The furniture range developed by King & Miranda Design has brought these airports' spaces up to date with these striking digital formats that multiply the influence of their advertising messages.

Divestment of Cemusa

As part of the divestment plan established by FCC Group within its Strategic Plan, in March 2014 a sale contract for this company was signed with JC Decaux for 80 million euros.

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).

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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).

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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.

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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:

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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							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.	IRS	CF		13,465	—	(2,968)	—	31/12/32
(Phunciona Gestión Hospitalaria)	IRS	CF		1,697	—	(419)	—	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	IRS	CF		14,838	—	(958)	—	30/06/14
Inmobiliers Cotee de Paris	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:

	Notional expiry 2014	2015	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".

	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

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	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

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, 15-4º A - Bilbao (Vizcaya)	100.00	
Zona Verde – Promoçao e Marketing Limitada	Portugal	100.00	PriceWaterhouseCoopers

FINANCIAL STATEMENTS

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 Fundäo, 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, 3-1º - 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	

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

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	

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

FINANCIAL STATEMENTS

Company	Registered office	Carrying amount of the investment 2013	Carrying amount of the investment 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

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

FINANCIAL STATEMENTS

	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

FINANCIAL STATEMENTS

	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

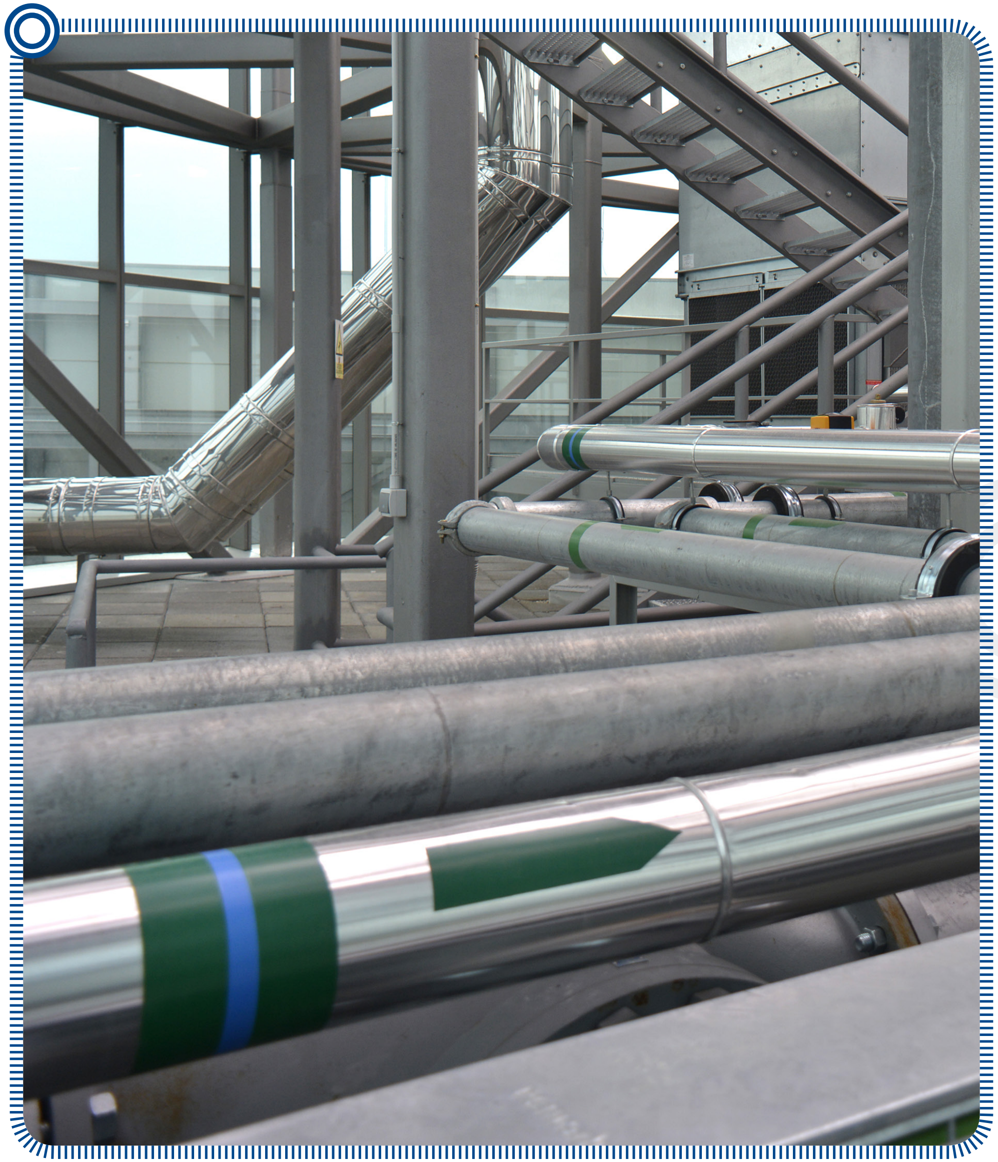
	Percentage of ownership at 31 December 2013
UTE PALACIO DE CONGRESOS DE LEÓN	50.00
UTE PALACIO DE LOS DEPORTES	50.00
UTE PANADELLA	50.00
UTE PARADOR DE EL SALER	75.00
UTE PARANINFO ZARAGOZA	60.00
UTE PARQUE MÁLAGA	60.00
UTE PARQUE MAYORDOMÍA	50.00
UTE PARQUE TECNOLÓGICO	60.00
UTE PASAIA BERRI	50.00
UTE 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

	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
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%

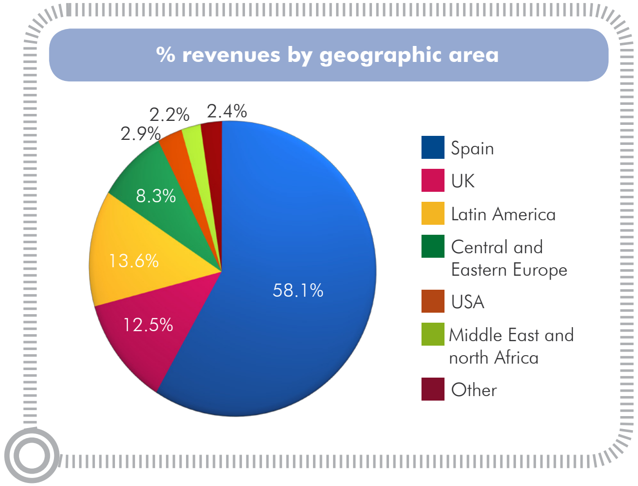
2.1.4.1. Revenues

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.

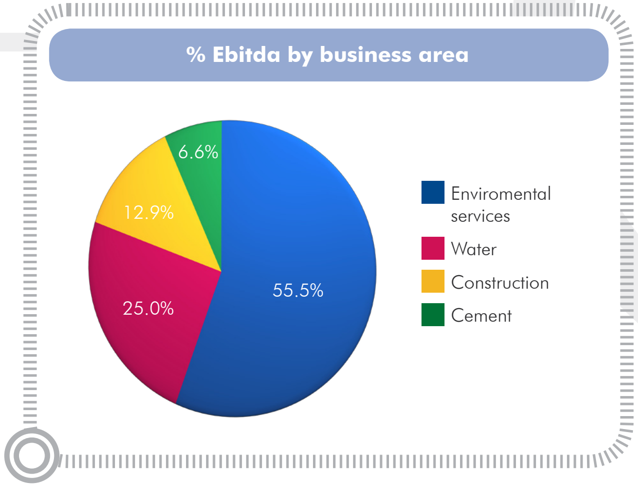


2.1.4.2. EBITDA

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)
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.

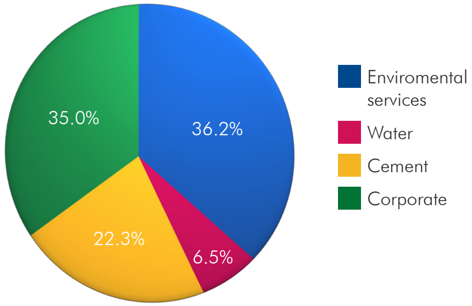
2.1.5.4. Net interest-bearing debt

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.

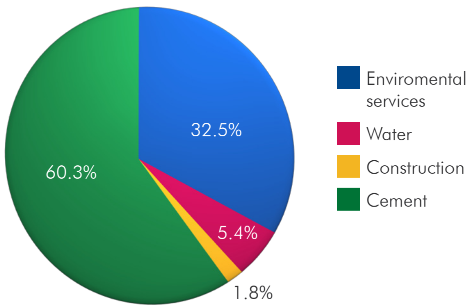
(million euro)	Dec. 13	Dec. 12	Chg.(M€)
Bank borrowings	6,227.1	7,247.0	(1,019.9)
Debt instruments and other loans	851.1	1,144.7	(293.6)
Accounts payable due to financial leases	48.3	70.9	(22.6)
Derivatives and other financial liabilities	228.6	228.6	0.0
Gross interest-bearing debt	7,355.1	8,691.1	(1,336.0)
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

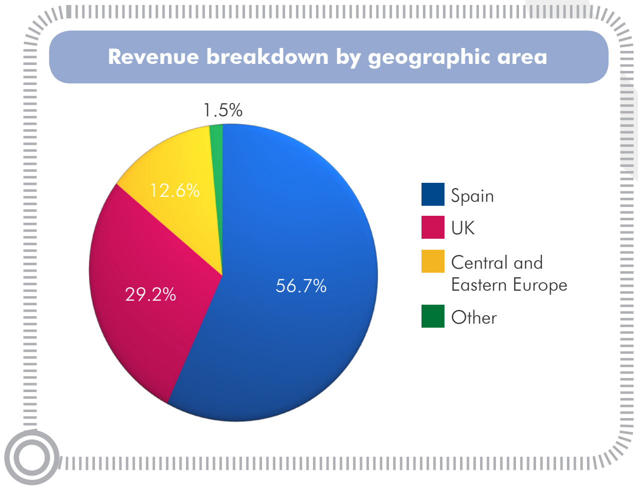
(million euro)	Dec. 13	Dec. 12	Chg. (%)
Revenues	**2,770.4**	**2,827.6**	**-2.0%**
Environmental	2,633.3	2,662.2	-1.1%
Industrial Waste	137.1	165.5	-17.1%
EBITDA	**425.4**	**497.3**	**-14.5%**
EBITDA margin	15.4%	17.6%	-2.2 p.p.
EBIT	**(66.6)**	**48.4**	**-237.7%**
EBIT margin	-2.4%	1.7%	-4.1 p.p.

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

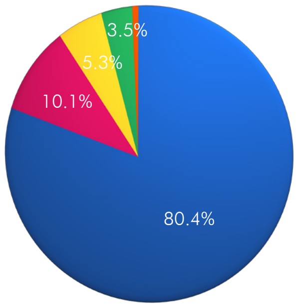
(million euro)	Dec. 13	Dec. 12	Chg.(%)
Revenues	**930.0**	**901.4**	**3.2%**
Concessions	852.7	809.4	5.3%
Water Infrastructure	77.3	92.0	-16.0%
EBITDA	**191.7**	**188.9**	**1.5%**
EBITDA margin	20.6%	21.0%	-0.3 p.p.
EBIT	**114.9**	**114.2**	**0.6%**
EBIT margin	12.4%	12.7%	-0.3 p.p.

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.



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.

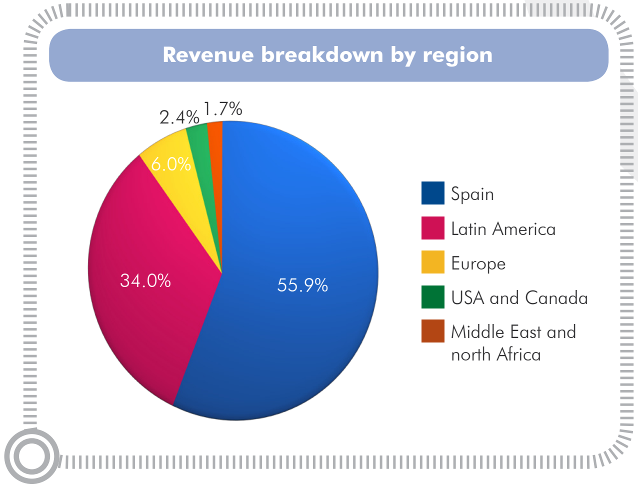
2.1.7.3.1. Results

(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

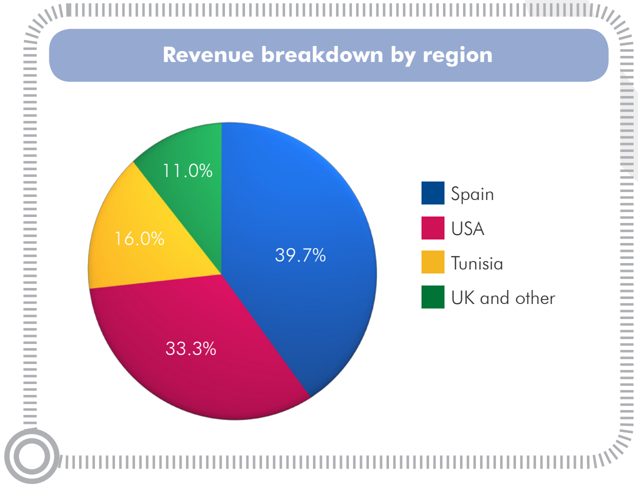
(million euro)	Dec. 13	Dec. 12	Chg.(%)
Revenues	540.9	653.7	-17.3%
Cement	426.2	468.3	-9.0%
Other	114.7	185.4	-38.1%
EBITDA	50.4	69.8	-27.9%
EBITDA margin	9.3%	10.7%	-1.4 p.p.
EBIT	(24.2)	(133.4)	-81.9%
EBIT margin	-4.5%	-20.4%	15.9 p.p.

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.

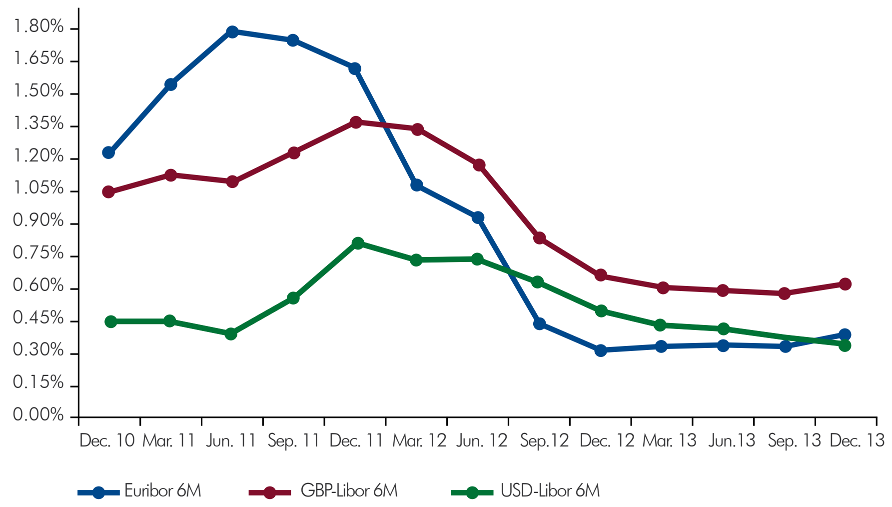
Capital resources

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.

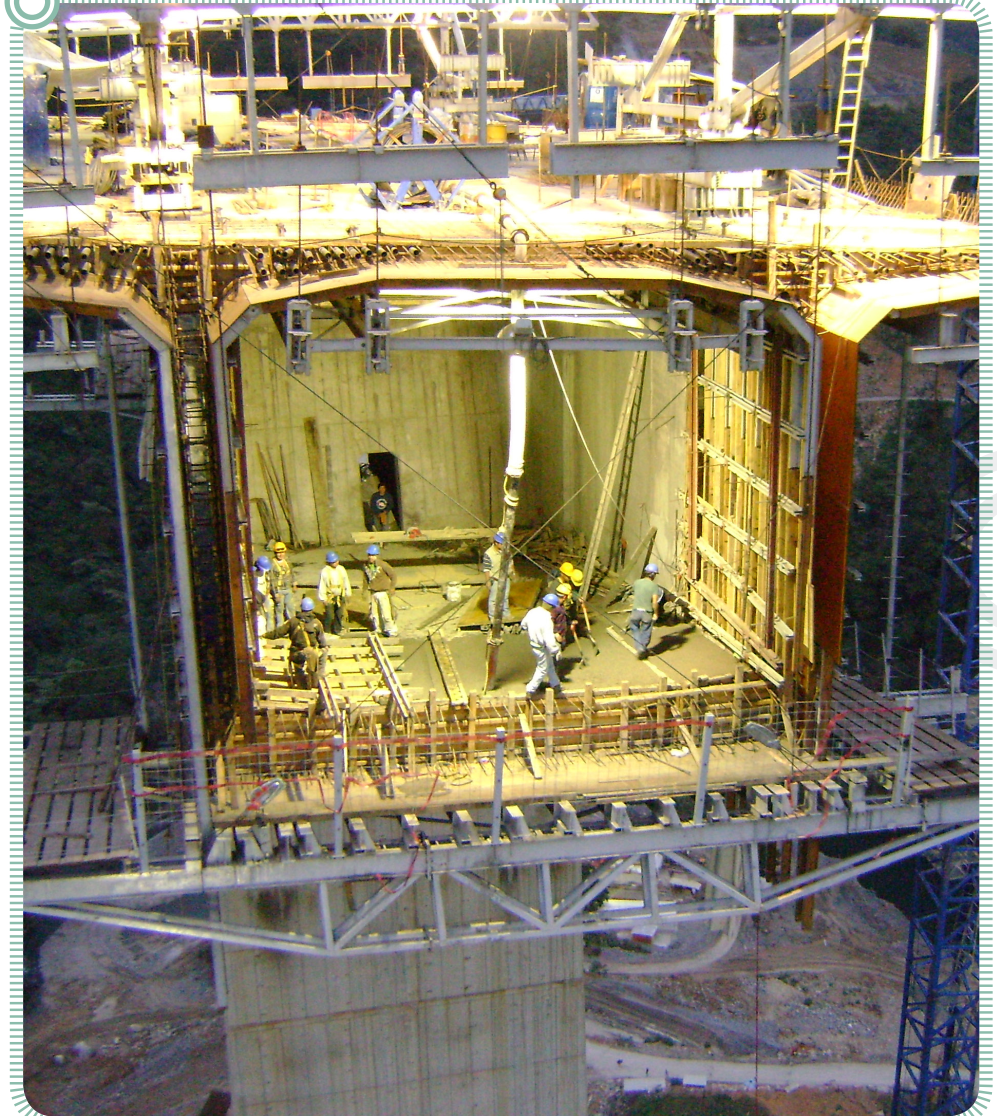
3. Without qualifying our audit opinion, we draw attention to Notes 21 and 34 to the accompanying consolidated financial statements, which indicate that in the last two years the Group incurred losses that have significantly weakened its financial and equity position. In this respect, the Parent's directors 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

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	
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.

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 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

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.

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

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.

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) PUT (2nd plan)	53,838 37,065	20/01/2014 10/02/2014	— —	25,559 13,410	11,900 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 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
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		% of ownership	Dividends received	Share capital	Reserves	Other equity items	2013 Profit (loss)		
	Assets	Impairment						From operations	From continuing operations	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 - 10° - 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

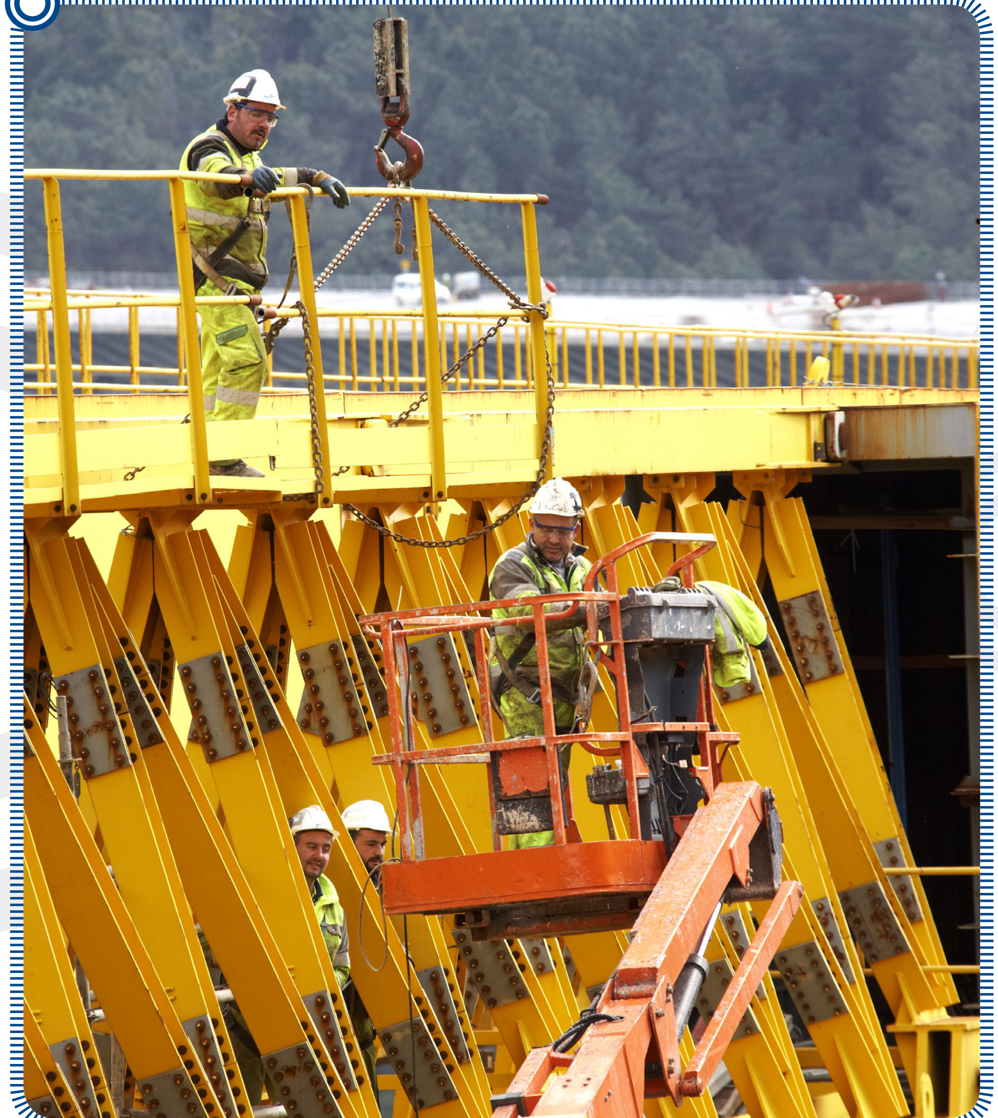
	% of ownership
TRANSPORTE DE TXINGUDI	60.00
TRANSPORTE SAN MARCOS	80.00
TREMP	51.00
TÚNEL PUERTO ALGECIRAS	30.00
TXINGUDI	75.00
TXINGUDIKO GARBIKETA	73.00
URNIETA	20.00
UROLA ERDIA	60.00
URRETXU Y ZUMARRAGA	65.00
VALDEMORO	100.00
VALDEMORO 2	100.00
VERTEDERO ARTIGAS	50.00
VERTEDERO GARDELEGUI II	70.00
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		% of ownership	Dividends received	Share capital	Reserves	Other equity items	2013 Profit (loss)	
	Assets	Net impairment losses						From operations	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

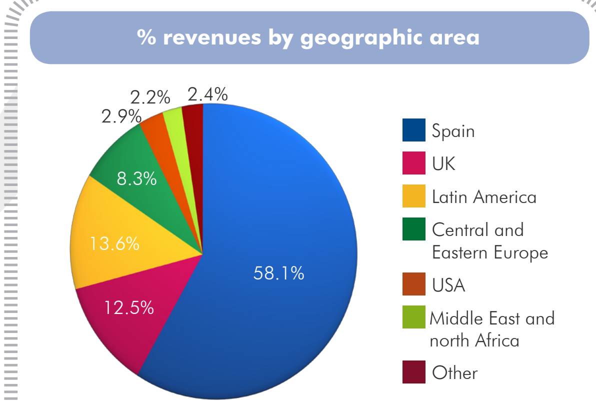
(million euro)	Dec. 13	Dec. 12	Chg. (%)
Earnings before taxes (EBT) from continuing activities	(760.8)	(260.7)	191.8%
Corporate income tax expense	135.5	38.0	N/A
Income from continuing operations	(625.3)	(222.7)	180.8%
Income from discontinued operations	(905.2)	(869.5)	4.1%
Net profit	(1,530.4)	(1,092.2)	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.

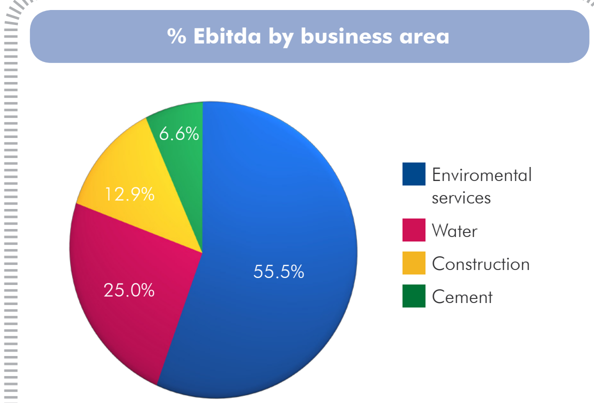


2.1.4.2. EBITDA

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

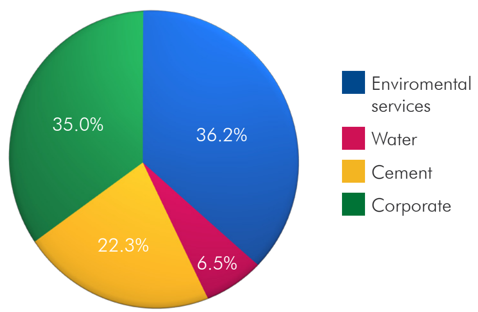
At 31 December 2013, net interest-bearing debt amounted to 5,975.5 million euro, i.e. a decline of 1,112.2 million euro compared with the end of 2012, due mainly to the effect of deconsolidating Alpine and to divestments over the course of the year.

(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.

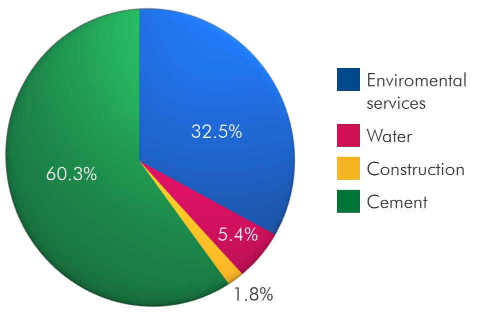
Environmental Services and Water accounted for 42.7% of net debt, connected to regulated long-term public service contracts; 22.3% of net debt corresponds to Cement, which represents a large proportion of fixed assets on the balance sheet. The remaining 35% corresponds to the Parent company, which includes 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.

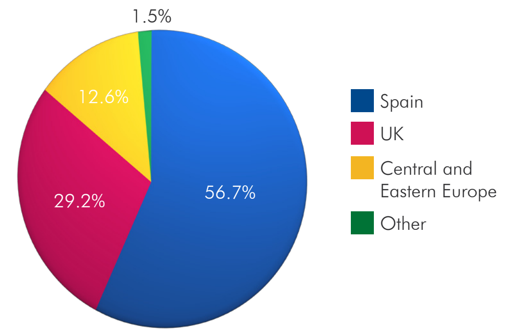
Revenues in this area amounted to 2,770.4 million euro in 2013, down 2% with respect to 2012 due to a 17.1% contraction in the industrial waste business in Spain and Italy, the negative currency effect in the UK, and the completion of a soil decontamination contract in the Czech Republic in the Environment 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.

Revenue breakdown by geographic area



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

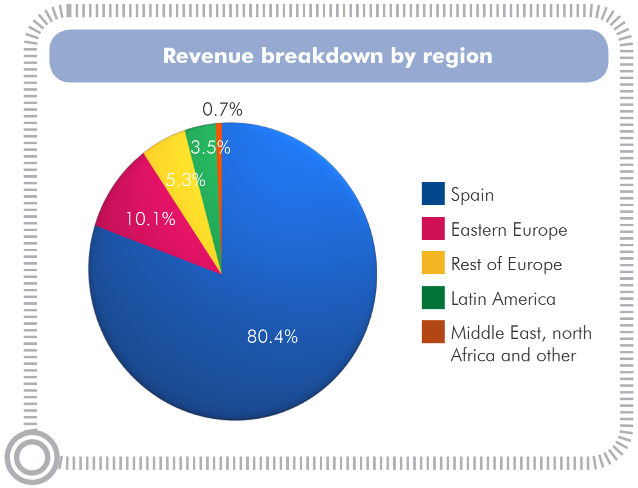
(million euro)	Dec. 13	Dec. 12	Chg.(%)
Revenues	930.0	901.4	3.2%
Concessions	852.7	809.4	5.3%
Water Infrastructure	77.3	92.0	-16.0%
EBITDA	191.7	188.9	1.5%
EBITDA margin	20.6%	21.0%	-0.3 p.p.
EBIT	114.9	114.2	0.6%
EBIT margin	12.4%	12.7%	-0.3 p.p.

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.



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.

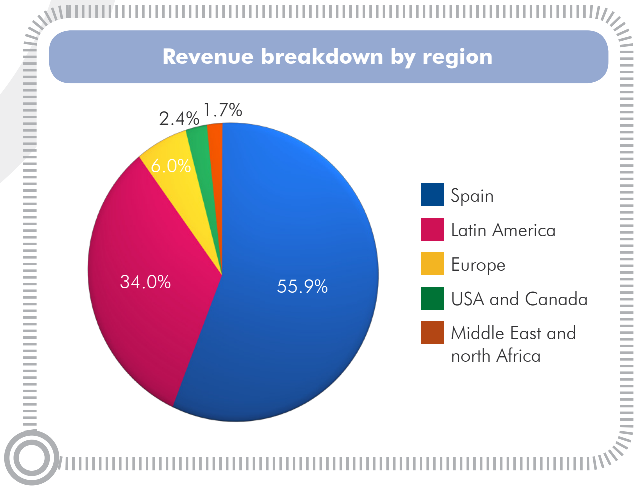
2.1.7.3.1. Results

(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.

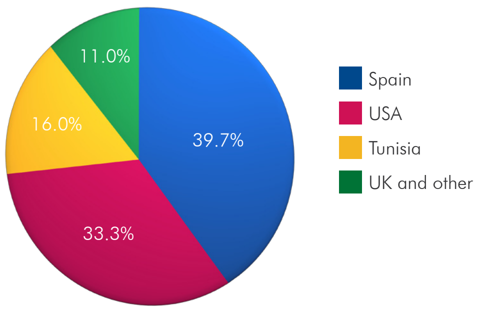
Revenues in the area totalled 540.9 million euro in 2013, down 17.3% year-on-year. Nevertheless, adjusting for the swap of Cementos Lemona and the sale of a port terminal in the United Kingdom in the first quarter, the decline was just 11.3% in like-for-like terms.

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.

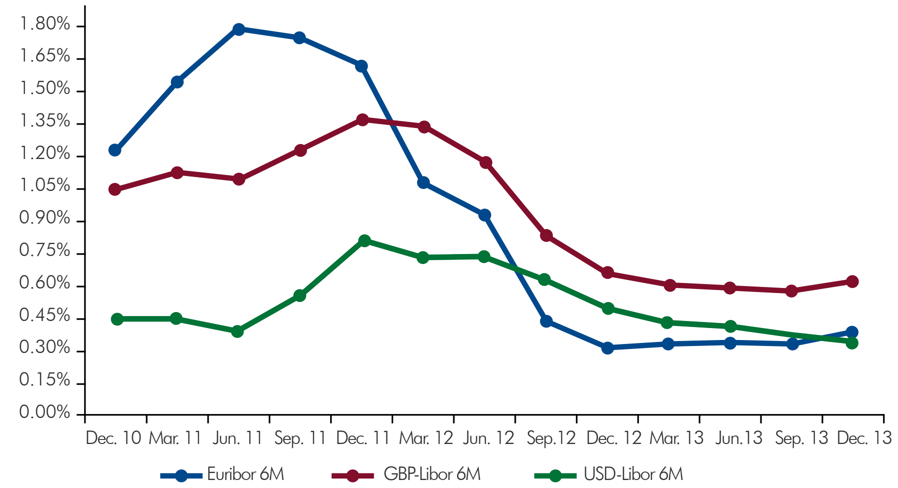
Capital resources

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.

Deloitte.

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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.
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

ANNUAL CORPORATE GOVERNANCE REPORT

LISTED COMPANIES

End of fiscal year: 31/12/2013
TAX ID NO. (CIF): A-28037224
Corporate Name:
Fomento de Construcciones y Contratas, S.A.
Registered Office:
Calle Balmes, 36. 08007 Barcelona

ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES FORM

In order to better understand the form and how it should be completed, the instructions that are at the end of this report on how to fill it in should be read.

A. OWNERSHIP STRUCTURE

A.1. Complete the table below on the Company's share structure:

Date of last change	Share capital (€)	Number of shares	Number of voting rights
30/06/2008	127,303,296	127,303,296	127,303,296

State whether there are different classes of shares with different associated rights:

YES	NO ☒

Class	Number of shares	Unit nominal value	Number of voting rights	Different rights
–	–	–	–	–

A.2. State direct and indirect owners of significant stakes in the entity at year-end, excluding directors:

Name of shareholder	Number of direct voting rights	Indirect voting rights: Direct holder of stake	Indirect voting rights: Number of voting rights	% of total voting rights
Gates III, William H.	–	Cascade Investment, LLC.	7,301,838	5.736%

State significant changes in the ownership structure in the year:

Name of shareholder	Transaction date	Description of the transaction
Credit Suisse Group AG	13/09/2013	Exceeds 3%
HM Treasury	10/10/2013	Dropped below 3%
Credit Suisse Group AG	27/12/2013	Dropped below 3%

A.3. Complete the tables below regarding the members of the Company's Board of Directors who own shares with voting rights in the Company:

Name of director	Number of direct voting rights	Indirect voting rights: Direct owner of stake	Indirect voting rights: Number of voting rights	% of total voting rights
Mr Gonzalo Anes y Álvarez de Castrillón	11,350	–	–	0.009
B-1998, S.L.	55,334,260	AZATE, S.A.	8,353,815	50.029
Mr Juan Béjar Ochoa	35,688	–	–	0.028
Cartera Deva, S.A.	100	-	–	0.000
Dominum Desga, S.A.	4,132	–	–	0.003
Dominum Dirección y Gestión, S.L.	10	–	–	0.000
EAC Inversiones Corporativas, S.L	32	–	–	0.000
Mr Fernando Falcó Férnandez de Córdova	35,677	–	–	0.028
Mr Felipe Bernabé García Pérez	55,571	–	–	0.044
Larranza XXI, S.L.	10	–	–	0.000
Mr Rafael Montes Sánchez	98,903	Ms Josefa Fernández Mayo	20,697	0.094
Mr Marcelino Oreja Aguirre	14,000	–	–	0.011
Mr Olivier Orsini	100	–	–	0.000
Mr Gonzalo Rodríguez Mourullo	100	–	–	0.000
Mr Claude Serra	200	–	–	0.000
Mr Gustavo Villapalos Salas	100	–	–	0.000

Total % of voting rights held by the Board of Directors:	50.246%

Complete the tables below regarding the members of the Company's Board of Directors who own shares with voting rights in the Company:

Name of director	Number of direct voting rights	Indirect voting rights Direct owner of stake	Indirect voting rights Number of voting rights	Number of equivalent shares	% of total voting rights
Mr Felipe Bernabé García Pérez	12,500	–	–	12,500	0.009

NOTE:
Fomento de Construcciones y Contratas, S.A. (hereafter FCC) is controlled by B-1998, S.L., which owns 50.029% of FCC shares, of which:

55,334,260 are held directly and 8,353,815 are held indirectly through subsidiary Azate, S.A.

The company B-1998, S.L. is held by investors according to the following breakdown: Ms Esther Koplowitz (directly or indirectly) holds 89.65%; Eurocis, S.A., 5.01%; Larranza XXI, S.L., 5.34%.

Ms Esther Koplowitz Romero de Juseu also owns 123,313 shares of FCC directly and indirectly she owns 39,172, through Dominum Desga, S.A. (4,132 shares), Dominum Dirección y Gestión, S.L. (10 shares), and Ejecución y Organización de Recursos, S.L. (35,040 shares), fully owned by Ms Esther Koplowitz Romero de Juseu.

A.4. State, where appropriate, any family, commercial, contractual or business relationships among owners of significant stakes, insofar as they are known to the Company, unless they are insignificant or are derived from ordinary commercial transactions:

Related names or company names	Type of relationship	Brief description
–	–	–

A.5. State, where appropriate, any commercial, contractual or corporate relationships between owners of significant stakes and the Company and/or its group, unless they are insignificant or are derived from ordinary commercial transactions:

Related names or company names	Type of relationship	Brief description
–	–	–

A.6. State whether the Company has been notified of any shareholders' agreements which affect the Company as set out in Articles 530 and 531 of the Spanish Securities Market Act. If so, list the shareholders involved and briefly describe the agreements:

YES ☒ NO

Participants in the shareholders' agreement	% of share capital affected	Brief description of the agreement
Ms Esther Koplowitz Romero de Juseu	52.483	Relevant event of 30/07/2004 www.cnmv.es (See note).
Ms Esther Koplowitz Romero de Juseu	52.483	Relevant event of 13/01/2005 www.cnmv.es (See note).
Ms Esther Koplowitz Romero de Juseu	52.483	Relevant event of 19/07/2007 www.cnmv.es (See note).
Ms Esther Koplowitz Romero de Juseu	52.483	Relevant event of 26/12/2007 www.cnmv.es (See note).
Ms Esther Koplowitz Romero de Juseu	52.483	Relevant event of 04/02/2008 www.cnmv.es (See note).
Ms Esther Koplowitz Romero de Juseu	53.829	Relevant event of 26/05/2011 www.cnmv.es (See note).

State whether the Company is aware of any concerted actions among its shareholders. If so, give a brief description:

YES	NO ☒

Participants in the concerted action	% of share capital affected	Brief description of the action
–	–	–

If the shareholders' agreements or concerted actions have been amended or terminated in the year, indicate this expressly.

NOTE:

On 30 July 2004 a Relevant Event was published on the CNMV website consisting of the acquisition of part of the equity interests of Ms Esther Koplowitz Romero de Juseu in the company B-1998, S.L. by the companies Inversiones Ibersuizas, S.A., Inversiones San Felipe, S.L., Cartera Deva, S.A, and the Peugeot family in France through the company Simante, S.L.

On 13 January 2005 a Relevant Event was published whereby the company Dominum Dirección y Gestión, S.L. Sociedad Unipersonal (fully held by Ms Esther Koplowitz Romero de Juseu) agreed with the company Larranza XXI, S.L. (a company belonging to the Bodegas Faustino Group) 'the transfer to the latter of a minority interest that the former held in the company B-1998, S.L., a company which in turn directly or indirectly holds 52.483% of the share capital of Fomento de Construcciones y Contratas, S.A.

Also on 13 January 2005 a Relevant Event was published whereby the company Dominum Dirección y Gestión, S.L. Sociedad Unipersonal (Sole Corporation) (fully held by Ms Esther Koplowitz Romero de Juseu) agreed with the companies Inversiones Ibersuizas, S.A., Inversiones San Felipe, S.L., Ibersuizas Holdings, S.L., Cartera Deva, S.A., Arzubi Inversiones, S.A. and EBN Banco de Negocios, S.A., 'the transfer to the latter of a minority interest that the former held in the company B-1998, S.L., a company which in turn directly or indirectly holds 52.483% of the share capital of Fomento de Construcciones y Contratas, S.A.'.

On 19 July 2007 a Relevant Event was published consisting of 'the renewal with amendments of the contracts of the partners of the company B-1998, S.L., without altering the full direct and indirect holding of Ms Esther Koplowitz Romero de Juseu in B-1998, S.L. or the agreements between the parties in relation to the governance of both B-1998, S.L. and indirectly of Fomento de Construcciones y Contratas, S.A., or any provisions regarding the control of those two companies.'

On 26 December 2007 a Relevant Event was published consisting of 'the reorganisation of the holding in the company B-1998, S.L. Ms Esther Koplowitz Romero de Juseu, through the company Dominum Dirección y Gestión, S.L., of which she owns 100% of its capital, has signed with Ibersuizas Holdings, S.L. the purchase and sale, effective 30 January 2008, of 10.55% of the equity interests in the company B-1998, S.L., which is the holder of 52.483% of the share capital of Fomento de Construcciones y Contratas, S.A.

This transaction, done at the request of Ms Esther Koplowitz, who increases her holding in FCC, represents the divestment of Ibersuizas Group from the share capital of B-1998, S.L. and consequently from FCC Group, Ibersuizas Holdings, S.L. shall no longer be a party to the shareholder agreement regulating the relations between partners of B-1998, S.L. At the same time, on the above-mentioned effective date of the contract, Ibersuizas Holdings, S.A. shall tender its resignation as a member of the Board of Directors of B-1998, S.L. and Ibersuizas Alfa, S.L. shall tender its resignation as a member of the Board of Directors of Fomento de Construcciones y Contratas, S.A.

On 4 February 2008 a Relevant Event was published consisting of 'the effective purchase by Ms Esther Koplowitz of the holding that Ibersuizas Holdings owned in B-1998, S.L. as the primary shareholder of Fomento De Construcciones Y Contratas, S.A. (FCC) with 52.483%. The agreement was reached on 24 December 2007.

On 12 July 2010 a Relevant Event was published whereby 'The entrepreneur Esther Koplowitz has reached an agreement with Simante, S.L. to acquire the latter's holding in the share capital of B-1998, S.L. for 88 million euros.

By virtue of the agreement, Simante shall assign all of its shares in B-1998 to Dominum Dirección y Gestión S.L. The transaction, involving 5.7% of the equity interests in B-1998, shall take place in the month of September.'

Said Relevant Events highlight the main agreements regarding the control of the companies (FCC and B-1998, S.L.) reached by Ms Esther Koplowitz Romero de Juseu and the investors, since the respective purchase transactions:

- Ms Esther Koplowitz Romero de Juseu will retain control of B-1998, S.L. and, therefore, of Azate, S.A. and FCC.
- The Board of Directors of B-1998, S.L. shall be made up of twelve directors, and the investors, as a whole, are entitled to designate a maximum of three directors, and in no event may they designate more than one third of the members of the Board of Directors of B-1998, S.L.
- Ms Esther Koplowitz Romero de Juseu in any event may appoint the majority of the members of the Boards of Directors of FCC and its subsidiaries. The investors may designate, as a whole, a maximum of two members, and in no event more than one third of the members of the Board of Directors of FCC.
- Ms Esther Koplowitz Romero de Juseu shall be entitled to designate the Chairman of the Board of Directors of FCC, the Chief Executive Officer of FCC and at least two thirds of the members of its Executive Committee.
- FCC's pay-out will be at least 50%.

There are a number of agreements between Ms Esther Koplowitz Romero de Juseu and the investors with the aim of protecting the investment of the latter in B-1998, S.L., in their capacity as minority shareholders, which is described below:

- In relation to B-1998, S.L:

In relation to B-1998, S.L. and subject to the general rule that the resolutions (whether of the General Meeting of Partners or of the Board of Directors) are subject to the principle of approval by simple majority of the share capital, as an exception, a number of special cases are established where the approval must be by consensus:

- Amendments of the Bylaws implying the transfer of the registered office abroad, the change of the corporate purpose or the increase or reduction of the share capital, unless said transactions are imposed by the law or, in the case of capital reductions, they are to be carried out via the acquisition of equity interests of B-1998 S.L, directly or indirectly held by Ms Esther Koplowitz Romero de Juseu or by Dominum Dirección y Gestión, S.L., by B-1998 S.L. itself, for the subsequent redemption thereof, or they are to be carried out via the redemption of the equity interests of B-1998, S.L., directly or indirectly held by Ms Esther Koplowitz Romero de Juseu or by Dominum Dirección y Gestión, S.L., and charged to reserves which, pursuant to the Bylaws or due to provisions not included in the Bylaws, only Ms Esther Koplowitz Romero de Juseu is entitled to use.
- Any type of transformation, merger or spin-off or the total transfer of assets and liabilities;
- The dissolution or winding-up of B-1998, S.L.;
- The overriding of pre-emptive subscription rights in capital increases and the exclusion of shareholders;
- The amendment of the management regime of B-1998, S.L.;
- The establishment or amendment of the dividend policy agreed to among the investors in respect of the rights stated in the Bylaws or those not included in the Bylaws corresponding to the equity interests owned by the investors;
- Acts of disposal or encumbrance, under any title, of any relevant assets of B-1998, S.L., specifically of FCC shares or of shares or equity interests of any other companies in which B-1998 S.L. owns or may own holdings in the future;
- The increase of structural costs such that, on an annual basis, exceed those stated on the balance sheet of the company as of 31 December 2003, increased by the general year-on-year CPI plus two percentage points; excluded from the above calculation is the remuneration received by B-1998 S.L. as a consequence of its presence on the Board of Directors of FCC (hereinafter, Remuneration of the Board of FCC), as well as the remuneration of the members of the Board of Directors of B-1998 S.L, insofar as they do not exceed the remuneration of the Board of FCC;
- Granting or maintaining powers that allow for the disposal of FCC shares, by any means;
- The borrowings of B-1998, S.L. and obtaining or providing guarantees which, overall, exceed 500,000 euros;
- Creating or acquiring direct subsidiaries (other than FCC subsidiaries) or acquiring shares in entities other than those in which B-1998, S.L. already owns a holding.

- In relation to FCC:

In relation to FCC and subject to the general rule that the resolutions (whether of the General Meeting or of the Board of Directors) are subject to the principle of approval by simple majority of the share capital, as an exception a number of special cases are established where the approval must be by consensus:

- Amendments of the Bylaws implying the transfer of the registered office abroad, the increase or reduction of the share capital, unless said transactions are imposed by the law;
- Changing the corporate purpose, insofar as doing so includes the incorporation of activities not related to construction, services, cement and real estate;
- The transformation, merger or division in any of its forms.
- The merger of FCC Construcción, S.A., Cementos Portland Valderrivas, S.A. and FCC Servicios, S.A. as a consequence of which B-1998, S.L. indirectly ceases to hold over 50% of the voting rights of the entity resulting from the merger.
- The overriding of pre-emptive subscription rights in capital increases.
- The amendment of the management regime.
- Acts of disposal, encumbrance or acquisition, under any title, of FCC assets outside the corporate purpose of said entity, provided that they are relevant and, in any event, the above-mentioned acts, included within the corporate purpose of FCC, when they entail a total or aggregate value equal to or above 700,000,000 euros (increased annually by the CPI), or a significant amendment of the current structure of FCC Group or represent more than 10% of the consolidated assets of FCC Group.
- Any transactions that may lead to or represent a variation of more than 20% of FCC's equity or over 10% of the FCC Group's consolidated assets.
- The granting of powers that could allow, under any title, the above-mentioned disposals, encumbrances or acquisitions; the foregoing in no way whatsoever limits the right of Ms Esther Koplowitz Romero de Juseu to designate and revoke the FCC CEO.
- The borrowings of FCC and the obtainment or provision of guarantees by the latter (excluding, in any event, for the purpose of the above-mentioned calculation, guarantees within the ordinary course of business and borrowing without recourse - project finance) which, collectively, exceed 2.5 times the gross operating profit registered on FCC's last consolidated balance sheet.

If it is not possible to reach the necessary consensus between Ms Esther Koplowitz Romero de Juseu and the Investors for the adoption of decisions in the above-mentioned special cases, the Investors shall act as required in order to preserve the pre-existing situation.

On 26 May 2011 a Relevant Event was published, consisting of the renewal with amendments of the purchase and sale agreement of investment and divestment of partners of B-1998 SL and the extension thereof, between Dominum Dirección y Gestión S.L., Eurocis SL, and Larranza XXI, S.L. Said Relevant Event publishes the contents of the notarial deed of renewal.

For further information, please check the full contents of the shareholder agreements available on the CNMV website, as Relevant Events of the company dated 30 July 2004, 13 January 2005, 19 July 2007, 26 December 2007, 4 February 2008 and 26 May 2011.

A.7. State whether there is an individual or legal entity that exercises or can exercise control over the Company in accordance with Article 4 of the Securities Market Law: If so, name the person:

YES ☒ NO

Name or company name
Ms Esther Koplowitz Romero de Juseu

Comments
–

A.8. Complete the tables below about the Company's treasury shares:

At year end:

Number of direct shares	Number of indirect shares (*)	% of share capital
280,670	0	0.216

(*) Through:

Name of direct owner of stake	Number of direct shares
–	–
Total:	–

Detail the significant changes in the year, in accordance with Royal Decree 1362/2007:

Date of disclosure	Total number of direct shares acquired	Total number of indirect shares acquired	% of share capital
06-02-2013	1.278.312	0	1,004
21-03-2013	1.312.419	0	1,031
05-06-2013	1.291.779	0	1,015
10-07-2013	644.620	0	0,506
14-08-2013	1.470.220	0	1,155
10-09-2013	1.337.304	0	1,050
14-10-2013	1.355.832	0	1,065
24-10-2013	292.194	0	0,230
13-12-2013	1.276.126	0	1,005

A.9. Detail the conditions and term of the current authorisation that the Shareholders' Meeting has given to the Board of Directors to buy or sell own shares.

Resolution of the Annual General Meeting of 23 May 2013 (item seven of the agenda):

The General Meeting of Shareholders, on 30 November 2009, resolved under item two of the agenda to approve a buyback programme of own shares to enable the Company to fulfil the obligations deriving from the issuance of exchangeable bonds, resolved under item one of the agenda at that same General Meeting.

The Board of Directors considers that, taking into account, among other particulars, the circumstances that gave rise to the acquisition of treasury stock on the basis of the above-mentioned resolution of the General Meeting, the Company must have the possibility of having such shares at their disposal, subject to the Board of Directors closely monitoring the price of the Company’s shares and, if necessary, it may approve a new share buyback programme under the terms passed by the above-mentioned General Meeting of Shareholders of 30 November 2009.

Based on the foregoing, it was resolved to authorise the Company to carry out any acts of disposal under any title allowed by law of the treasury stock held by the Company, which were acquired under the Buyback Programme approved by means of a resolution of the General Meeting of Shareholders on 30 November 2009 under item two of the agenda.

Resolution of the Extraordinary General Meeting of 30 November 2009 (item two of the agenda)

Under the provisions of Article 3 et seq. of European Commission Regulation 2273/2003, of 22 December, to approve a Company share buyback programme whose only purpose is (i) to fulfil the obligations deriving from the issuance of exchangeable bonds for a maximum amount of four hundred and fifty million euros (€450,000,000) approved by the Company under the resolution of the General Meeting of Shareholders on 18 June 2008 and by virtue of an Executive Committee resolution dated 6 October 2009, by delegation of the Board of Directors on 30 September 2009, and (ii) to reduce the Company's capital by amortising the shares acquired by virtue of the programme or those already held as treasury stock (including, for this purpose, the 5,090,000 shares loaned to the Underwriters), which shall henceforth be deemed to be subject to the terms and conditions of the programme approved by the General Meeting. As a result of the foregoing, resolution six adopted by the General Meeting on 10 June 2009 is annulled to the extent that it has not been executed and the Company is authorised so that, directly or via any of its subsidiaries, within a period of five years at the most from the date of this Meeting, it may acquire, at any time and on as many occasions as it sees fit, shares of the Company by any means allowed by law, all in conformity with Article 75 and related Articles of the Consolidated Text of the Public Limited Companies Act.

It is also decided to approve the limits or requirements of such acquisitions, as follows:

- The par value of the shares acquired, added to those already held by the Company and its subsidiaries, may not at any time exceed ten per cent of the Company's capital.
- The shares acquired must have been fully paid up.
- The acquisition price may not be less than the par value or more than 20 percent of the market price.

The shares acquired under the buyback programme shall be used by the Company to fulfil its exchange or conversion obligations arising from the issuance of the Bonds and/or to reduce the Company's capital, as the case may be.

Resolution of the Annual General Meeting of 23 May 2013 (Item seven of the agenda)

According to the usual practice of listed companies, it is advisable that the Board of Directors have an authorisation for the derivative acquisition of treasury stock in the future, and for such purpose Fomento de Construcciones y Contratas, S.A., together with any of the Group companies fulfilling any of the circumstances set out in Article 42, paragraph 1, of the Code of Commerce, were authorised for the derivative acquisition of treasury stock, by means of purchase and sale, swap or any other transactions allowed by Law, at the price resulting from their stock exchange price on the acquisition date, which must be comprised between the maximum and minimum values detailed below:

- The maximum value would be the result of increasing by 20 per cent the highest market price in the three months prior to the time of acquisition.
- The minimum value would be the result of deducting 20 per cent from the lowest market price, likewise in the three months prior to the time of acquisition.

By virtue of this authorisation the Board, the Executive Committee and the CEO, indiscriminately, may buy treasury stock, according to the terms provided in article 146 of the Capital Companies Act.

The Board of Directors, the Executive Committee and the CEO may also, indiscriminately, fully or partially allocate the treasury stock they acquire to the execution of remuneration programmes which have as their object or which entail the delivery of shares or share options, pursuant to the provisions in article 146.1 of the Capital Companies Act.

This authorisation is granted for the maximum period allowed by law, and it must also respect the applicable share capital ceiling according to the regulations in force at the time of acquisition.

The acquisition of the treasury shares, which must be fully called up, should allow the companies in the FCC Group that have acquired them to fill in the non-disposable reserve established by article 148, rule 3, of the Capital Companies Act.”

Resolution of the Annual General Meeting of 27 May 2010 (Item seven of the agenda)

B. Company shares buyback programme and capital reduction

Under the provisions of Article 3 et seq. of the European Commission Regulation (EC) No 2273/2003 of 22 December, to approve a programme to repurchase shares of the Company whose sole purpose is (i) to meet obligations to deliver shares that arise from the issuance of securities giving entitlement to acquire outstanding shares, or to amortise them in order to limit the dilution of the pre-existing shareholders in case of issuance, while overriding the pre-emptive subscription right of securities that are convertible into, or give entitlement to subscribe for, newly-issued shares, that may be adopted by the Board of Directors of the Company under the provisions of paragraph A above of this Resolution for a maximum of three hundred million euros (€300,000,000) (the "Securities"), and (ii) to reduce the Company's capital by amortising the shares acquired by virtue of the programme or those already held as treasury stock (provided they are not already assigned to preceding share buyback programmes that have not been completed), which henceforth will be deemed to be subject to the terms and conditions of the programme approved by the General Meeting of Shareholders.

The Company is authorised so that, directly or via any of its subsidiaries, within a period of five years at the most from the date of this Meeting, it may acquire, at any time and on as many occasions as it sees fit while executing the approved share buyback programme, shares of the Company by any means allowed by law, all in conformity with Article 75 and related articles of the Consolidated Text of the Public Limited Companies Act.

It is also decided to approve the limits or requirements of such acquisitions, as follows:

- The par value of the shares acquired, added to those already held by the Company and its subsidiaries, may not at any time exceed the limits legally applicable.
- The shares acquired must have been fully paid up.
- The acquisition price may not be less than the par value or more than 20 percent of the market price.

The shares acquired under the buyback programme shall be used by the Company to fulfil its obligations to deliver existing shares in connection with the securities issue or, where appropriate, to reduce the Company's capital so as to limit the dilution of existing shares if the pre-existing shareholders exercise their right to convert or subscribe the newly issued shares in connection with the bond issue.

This resolution does not eliminate or alter the terms and conditions of previous share buyback programmes approved by the Company or the corresponding authorisations for the derivative acquisition of treasury stock, which shall remain in force. This share buyback programme is compatible with previous programmes in place. However, this programme may only be carried out to the extent that it does not preclude the complete fulfilment of prior share buyback programmes and hence the achievement of the aims for which they were approved.

NOTE:
A Relevant Event was reported to the CNMV on 1 July 2011 under number 146731 communicating the suspension of the Share Buyback Programme by the Company.

Furthermore, on 6 July 2011, a Relevant Event was reported to the CNMV under number 146998, communicating the subscription of a liquidity contract with Santander Investment Bolsa, Sociedad de Valores, S.A.

A Relevant Event was reported to the CNMV on 26 July 2013 under number 191238 communicating the renewal of the liquidity contract. The CNMV was informed of the end of operations pursuant to the liquidity contract subscribed with Santander Investment Bolsa, Sociedad de Valores, S.A., on 6 July 2011 in respect of company shares under the operativity conditions established by applicable regulations. FCC has subscribed a Liquidity Contract with Bankia Bolsa, Sociedad de Valores, S.A. This contract is applicable to Spanish stock exchanges and the object of the agreement is to favour the liquidity of the transactions and stability of the trading price. The term of the Liquidity Contract is twelve months, tacitly renewable for 12-month periods and 180,000 shares and EUR 1.7 million is allocated.

It was also reported that said liquidity contract is established in conformity with the provisions in Circular 3/2007, of 19 December, of the National Securities Market Commission.

A.10. State whether there are any restrictions on the transfer of securities and/or any restriction on voting rights. In particular, state the existence of any types of restrictions which might hinder the takeover of the company by acquiring shares on the market.

YES	NO ☒

Description of the restrictions

A.11. State whether the General Meeting of Shareholders have approved the adoption of breakthrough measures in the event of a takeover bid pursuant to the provisions of Law 6/2007?

YES	NO ☒

Detail if applicable, the approved measures and the terms on which the restrictions will be rendered ineffective:

A.12. State whether the company has issued securities that are not traded on a regulated market in the European Community.

YES	NO ☒

Detail if applicable the different classes of shares and, for each class of shares, the rights and obligations they confer.

B. GENERAL SHAREHOLDERS' MEETING

B.1. State and if applicable, explain whether there are any differences between the minimum requirements established in the Capital Companies Act (LSC) and the quorum required to hold a General Shareholders' Meeting.

YES ☒	NO

	Quorum percentage other than that established in art. 193 of the Capital Companies Act for general cases	Quorum percentage other than that established in art. 194 of the Capital Companies Act for special cases
Quorum required at first call	50	–
Quorum required at second call	45	45

Description of differences
The annual and extraordinary General Meetings are quorate when, pursuant to article 11.9 of the General Meeting of Shareholder Regulations: Generally, the shareholders present or represented at first call possess at least fifty per cent of the share capital with voting rights. At second call, the General Meeting is quorate when the shareholders present or represented possess at least forty-five per cent of the share capital with voting rights. Specifically, in order for the General Meeting to validly decide on bond issues, capital increases or decreases, changes of corporate form, mergers and spinoffs, the assignment en bloc of assets and liabilities, to suspend or limit the pre-emptive right to acquire new shares, the transfer of the Company's registered office to another country and, in general, any amendment to the Bylaws, shareholders possessing at least fifty per cent of the share capital with voting rights must be present or represented at the meeting at first call. At second call, it will suffice for shareholders accounting for at least forty-five per cent of the subscribed voting capital to be present or represented. When the shareholders in attendance or represented at second call account for less than fifty per cent of the subscribed capital with voting rights, the types of resolutions referred to above may only be validly passed with the favourable vote of two-thirds of the share capital present or represented at the Meeting.

B.2 State and if applicable, explain any differences from the arrangements established in the Capital Companies Act (LSC) for the adoption of corporate resolutions:

YES NO ☒

Describe how they differ from the arrangements established in the Capital Companies Act.

	Special majority other than that established in article 201.2 of the Capital Companies Act for the cases mentioned in art. 194.1 of Capital Companies Act	Other cases requiring a special majority
% established by the entity for adopting resolutions	–	–

Describe the differences
–

B.3. State the rules applying to the amendment of the company bylaws. In particular, indicate the majorities established for the amendment of the bylaws and, as the case may be, the rules established for the protection of shareholder rights in the amendment of the bylaws.

There are no differences with respect to the rules established out in the Capital Companies Act.

B.4. State the figures on attendance at General Meetings held during the year referred to in this report and those of the previous year:

Date of General Meeting	Attendance figures				
	% present	% represented	% distance votes: Electronic voting	% distance votes: Others	Total
23/05/2013	55.425%	8.558%		0.234%	63.983%

NOTE:
The final attendance list was as follows:

- 216 shareholders in attendance controlling 70,557,840 shares accounting for 55.425% of the share capital.
- 1,191 shareholders represented controlling 10,895,236 shares accounting for 8.558% of the share capital.

As established in the Capital Companies Act, the 78 shareholders controlling 297,771 shares who resorted to distance voting were counted as shareholders in attendance.

Therefore the total number of shares present or represented at the General Meeting was 81,453,076, accounting for 63.983% of the subscribed share capital and valued at EUR 81,453,076.00.

The Company held 11,574,900 shares of treasury stock, equivalent to 9.092% of the share capital.

B.5. State whether there are any restrictions in the bylaws regarding a minimum number of shares needed to be able to attend the General Meeting:

YES		NO	☒

No. of shares required to attend the General Meeting

B.6. State whether it has been resolved that certain decisions entailing a structural modification of the company ('subsidiarisation', purchase and sale of core operating assets, transactions equivalent to the liquidation of the company, etc.) must be submitted to the General Meeting of Shareholders for approval, even though it is not expressly required by Commercial Laws.

YES	☒	NO	

Article 8.6 of the Board Regulations establishes that the Board of Directors will be answerable for its performance to the General Meeting of Shareholders, and it shall submit to the prior approval of the latter, any transactions entailing a structural amendment of the Company, in particular the following:

(i) The transformation of listed companies into holding companies through the process of subsidiarisation, i.e. reallocating to subsidiaries core activities that were previously carried out by the Company itself, even though the latter retains full control of the former;
(ii) Any acquisition or disposal of key operating assets that would effectively alter the company's corporate purpose;
(iii) Operations that are equivalent to the Company's liquidation.

B.7. State the address and instructions for accessing corporate governance content and any other information on general meetings that must be made available to shareholders via the Company's web page.

On the Fomento de Construcciones y Contratas, S.A. website, www.fcc.es, there are specific sections on the home page under 'Information for shareholders and investors' and 'Corporate responsibility', which include the information required by Act 26/2003, of 18 July, Legislative Royal Decree 1/2010, of 2 July, the Ministry of Economy Order ECO/3722/2003, of 26 December, Circular 1/2004, of 17 March, of the National Securities Market Commission, the Ministry of Economy and Finance Order EHA/3050/2004, of 15 December, and Royal Decree 1333/2005, of 11 November.

This page is two clicks away from the home page. Its contents are structured and ordered by rank, under shortcut titles. All of its pages can be printed.

The FCC website has been designed and programmed according to the WAI (Web Accessibility Initiative) guidelines, which sets international standards for the creation of web contents accessible across the world. The AENOR Accessibility Consultants, after conducting a technical analysis of accessibility, established that the FCC Group website complies with all of the priority 2 and priority 1 checkpoints, according to the UNE 139803:2004 Standard, which is in turn based on the Web 1.0 Content Accessibility Guidelines of W3C (known as WAI guidelines).

The site includes a link to the Fomento de Construcciones y Contratas, S.A. data reported to the CNMV website.

C. STRUCTURE OF THE COMPANY'S ADMINISTRATION

C.1. Board of Directors

C.1.1. Maximum and minimum number of Directors established in the bylaws:

Maximum number of Directors	22
Minimum number of Directors	5

C.1.2. Fill in the table below with the members of the Board:

Individual or Company name of Director	Represen-tative	Board position	Date of first appointment	Date of last appointment	Election procedure
Dominum Desga, S.A	Ms Esther Alcocer Koplowitz	Chairwoman	27/09/2000	01/06/2011	Voted at Shareholder Meeting
B-1998, S.L.	Ms Esther Koplowitz Romero de Juseu	1st Vice-president	17/12/1996	31/05/2012	Voted at Shareholder Meeting
Mr Juan Béjar Ochoa	–	CEO	23/05/2013	23/05/2013	Voted at Shareholder Meeting
Mr Gonzalo Anes y Álvarez De Castrillón	–	Director	30/06/1991	27/05/2010	Voted at Shareholder Meeting
Cartera Deva, S.A.	Mr Jaime Llantada Aguinaga	Director	15/09/2004	27/05/2010	Voted at Shareholder Meeting
Dominum Dirección y Gestión, S.L.	Ms Carmen Alcocer Koplowitz	Director	26/10/2004	27/05/2010	Voted at Shareholder Meeting
EAC Inversiones Corporativas, S.L	Ms Alicia Alcocer Koplowitz	Director	30/03/1999	11/06/2009	Voted at Shareholder Meeting
Mr Fernando Falcó y Fernández de Córdova	–	Director	18/12/2003	27/05/2010	Voted at Shareholder Meeting
Mr Felipe Bernabé García Pérez	–	Director	30/03/1999	27/05/2010	Voted at Shareholder Meeting
Larranza XXI, S.L.	Ms Lourdes Martínez Zabala	Director	13/01/2005	27/05/2010	Voted at Shareholder Meeting
Mr Rafael Montes Sánchez	–	Director	06/03/1992	11/06/2009	Voted at Shareholder Meeting
Mr Marcelino Oreja Aguirre	–	Director	21/12/1999	27/05/2010	Voted at Shareholder Meeting
Mr Olivier Orsini	–	Director	18/07/2013	18/07/2013	Co-optation
Mr César Ortega Gómez	–	Director	28/06/2007	31/05/2012	Voted at Shareholder Meeting
Mr Henri Proglio	–	Director	27/05/2010	27/05/2010	Voted at Shareholder Meeting
Mr Gonzalo Rodríguez Mourullo	–	Director	18/07/2013	18/07/2013	Co-optation
Mr Claude Serra	–	Director	18/12/2013	18/12/2013	Co-optation
Mr Gustavo Villapalos Salas	–	Director	18/07/2013	18/07/2013	Co-optation

Total number of Directors	18

State any Directors who have left the Board of Directors during the reporting period:

Individual or Company name of Director	Status of Director at time of leaving	Date left
Mr Juan Castells Masana	External nominee Director	02/08/2013
Mr Baldomero Falcones Jaquotot	Executive Director	31/01/2013
Mr Antonio Pérez Colmenero	External nominee Director	18/07/2013
Mr Nicolás Redondo Terreros	External independent Director	18/07/2013
Mr Javier Ribas	External independent Director	18/07/2013

NOTE:
Mr Jaime Llantada Aguinaga was replaced by Mr Pablo Marín López-Otero as the representative of Cartera Deva, S.A. on 8 January 2014.

C.1.3. Fill in the table below on the members of the Board and their status:

EXECUTIVE DIRECTORS

Individual or Company name of Director	Committee that proposed the appointment	Position in the Company
Mr Juan Béjar Ochoa	Appointments and Remuneration Committee	CEO
Mr Felipe B. García Pérez	Appointments and Remuneration Committee	COMPANY SECRETARY

Total number of executive Directors	2
% of the Board	11,111

EXTERNAL NOMINEE DIRECTORS

Individual or Company name of Director	Committee that proposed the appointment	Name of the significant shareholder who is represented or who proposed the appointment
B-1998, S.L.	Appointments and Remuneration Committee	B-1998, S.L.
Cartera Deva, S.A.	Appointments and Remuneration Committee	B-1998, S.L.
Dominum Desga, S.A	Appointments and Remuneration Committee	B-1998, S.L.
Dominum Dirección y Gestión, S.L.	Appointments and Remuneration Committee	B-1998, S.L.
EAC Inversiones Corporativas, S.L	Appointments and Remuneration Committee	B-1998, S.L.
Mr Fernando Falcó y Fernández de Córdova	Appointments and Remuneration Committee	B-1998, S.L.
Larranza XXI, S.L.	Appointments and Remuneration Committee	B-1998, S.L.
Mr Rafael Montes Sánchez	Appointments and Remuneration Committee	B-1998, S.L.
Mr Marcelino Oreja Aguirre	Appointments and Remuneration Committee	B-1998, S.L.
Mr Claude Serra	Appointments and Remuneration Committee	B-1998, S.L.

Total number of nominee Directors	10
% of the Board	55.555

EXTERNAL INDEPENDENT DIRECTORS

Name of Director	Profile
Mr Gonzalo Anes y Álvarez de Castrillón	Ph.D. in Economics from the University of Madrid. Professor of History and Economic Institutions at the Madrid Complutense University School of Economics. Full member of the Spanish Royal Academy of History, and its director since 1998. Member of the Prado Museum Board of Trustees since 1982 and was its chairman from 1986 to 1990. He has been a Director of the Bank of Spain and of Repsol-YPF and he is currently a Director of FCC and a member of its Audit and Control Committee and of its Appointments and Remuneration Committee. He holds the title of Marquis of Castrillón.
Mr. Olivier Orsini	He has a degree in Applied Economics and a diploma from the Ecole Supérieure de Commerce of Paris, and is widely experienced internationally in the environmental services and infrastructure management sectors. He was Chairman of Proactiva from December 2002 to 2013. He was Secretary General of Veolia Environnement, the first environmental services group in the world, where he has developed practically his entire professional career up until April 2012. He is a Director of FCC and a member of its Appointments and Remuneration Committee.
Mr César Ortega Gómez	General Manager of Banco Santander. He holds a degree in Economics and Business Studies and a master in tax consulting from ICADE. He has studied law and philosophy. Former partner of Arthur Andersen Asesores Legales y Tributarios and of Garrigues Abogados for 12 years. Board member of Grupo Santander, S.L., Bancos Latinoamericanos Santander, S.L., Santusa Holding, S.L., Santander Holding Gestión, S.L. and Santander Investment, S.A.
Mr Henri Proglio	He holds a degree from the HEC Paris Business School (1971). Currently chairman and CEO of EDF and member of the board of directors and supervisory committee of Dassault Aviation, Natixis, CNP Seguros. Among other positions he has been the chairman of the board of directors of Veolia Medio Ambiente, chairman of the board of directors of several Vivendi Medio Ambiente business units: Aguas Generales and Vivendi Agua, CGEA (ONYX: Waste Management- Connex: Transport), and Dalkia (Energy services), vice-chairman of Vivendi, chairman of Génerale des Eaux, CEO and member of the board of directors of Vivendi Agua, executive vice chairman of Compagnie Générale des Eaux, member of the executive committee of Compagnie Générale des Eaux. He is also a former senior officer of Compagnie Générale des Eaux and chairman and managing director of CGEA, a subsidiary of Compagnie Générale des Eaux in the transport and waste management area. He was awarded the French Legion of Honour medal.
Mr. Gonzalo Rodríguez Mourullo	Ph.D. in law from the University of Santiago de Compostela. Currently he is professor emeritus of the Autonomous University of Madrid and full member of the Royal Academy of Case Law and Legislation. He was awarded the Castelao Medal, the highest distinction of the Xunta de Galicia, for his contribution to law. He is a member of the Madrid Bar Association since 1962. He is a director of FCC and a member of its Appointments and Remuneration Committee.
Mr. Gustavo Villapalos Salas	Ph.D. in Law and professor of Law History at the Complutense University of Madrid, of which he was the rector from 1987 to 1995. In 1995 he was appointed Minister of Education, Culture and Sports for the Autonomous Community of Madrid, a position he held until 2001. He is Doctor Honoris Causa of over 20 universities across the world; he is the chairman of the Human Rights sub-committee of the OSCE, a member of the UNESCO advisory committee on human cultural goods and of the Royal Academy of Case Law and Legislation. Director of FCC, S.A..; chairman of its Audit and Control Committee and member of its Appointments and Remuneration Committee.

Total number of independent Directors	6
% of total Board members	33.333

State whether any of the Directors considered independent Directors receive from the Company or from the group any sums or benefits other than their remuneration as Directors, or whether they maintain or have maintained during the last year a business relationship with the company or with any of the companies in its group, either in his/her own name or as a significant shareholder, director or senior executive of a company, that has or that has had such a relationship.

In such event, include a statement by the Board justifying the reasons why it considers that said Director may perform functions as an independent Director.

Individual or Company name of Director	Description of the transaction	Statement
–	–	–

OTHER EXTERNAL DIRECTORS

Individual or Company name of Director	Committee that proposed the appointment
–	–

Total number of other external Directors	–
% of total Board members	–

State why these Directors cannot be considered nominee or independent Directors, and indicate any relations between them and the Company, its executives or shareholders:

Individual or Company name of Director	Reasons	Company, executive or shareholder with which he/she is related
–	–	–

Indicate any changes in Directors' status in the period:

Individual or Company name of Director	Date of change	Former status	Current status
–	–	–	–
–	–	–	–

C.1.4. Fill in the table below with information on the number of women on the Board over the last four years, as well as what type of Directors they are:

	Number of women Directors				% of total Directors of the same kind			
	FY t	FY t-1	FY t-2	FY t-3	FY t	FY t-1	FY t-2	FY t-3
Executive	0	0	0	0	0	0	0	0
Nominee	5	5	5	4	50.000	45.454	45.454	33.333
Independent	0	0	0	0	0	0	0	0
Other External	0	0	0	0	0	0	0	0
Total:	5	5	5	4	27.777	27.777	27.777	21.053

C.1.5. Describe the measures adopted, if appropriate, in order to include a number of women on the Board of Directors so as to be able to reach a balanced number of women and men on the Board.

Explanation of the measures
–

C.1.6. Explain the measures adopted, if appropriate, by the Appointments Committee so that the selection procedures is free of implicit biases hindering the selection of women board members, and so that the Company deliberately seeks women candidates with the appropriate professional profile:

Explanation of the measures
Art. 42.3.h of the Board Regulations establishes the following among the functions of the Appointments and Remuneration Committee: "Ensuring that the procedures for filling vacancies on the Board are not subject to implicit bias against the selection of female Directors, so as to ensure that the Company deliberately seeks and short-lists women with the necessary professional profile, and the Board, if applicable, using the Annual Corporate Governance Report must disclose the reason why there are few or no female Directors and the initiatives adopted to correct this situation."

If despite the measures adopted, as the case may be, there is a very low number of women on the Board or none at all, explain the reasons justifying this:

Explanation of the reasons
–

C.1.7. State how shareholders with significant holdings are represented on the Board:

B-1998, S.L., the holding company of FCC, is a member of the Board of Directors. Also, nine directors have been appointed at the proposal of B-1998, S.L.: Dominum Desga, S.A; EAC Inversiones Corporativas, S.L.; Dominum Dirección y Gestión, S.L.; Fernando Falcó y Fernández de Córdova; Marcelino Oreja Aguirre; Rafael Montes Sánchez; Cartera Deva, S.A.; Larranza XXI, S.L., and Claude Serra.

William H. Gates III is not represented on the Board of Directors of FCC.

C.1.8. Explain, as the case may be, the reasons why nominee directors have been appointed at the request of shareholders whose holding is below 5% of the capital:

Name or company name of shareholder	Reason
–	–

State whether any formal requests for Director positions on the Board have been rejected, when the shareholders making such request have holdings equivalent to or greater than other shareholders who do have nominee Directors. Detail the reasons for any such rejection, as the case may be:

YES	NO ☒

Name or company name of shareholder	Explanation
–	–

C.1.9. State whether any directors have withdrawn from office before the end of their term, if they have explained the reasons to the Board and via what means, and if an explanation was given in writing, then state the reasons that they themselves gave:

Name of Director	Reason for removal
Mr Juan Castells Masana	Personal reasons.
Mr Baldomero Falcones Jaquotot	Personal reasons.
Mr Antonio Pérez Colmenero	Personal reasons.
Mr Nicolás Redondo Terreros	Personal reasons.
Mr Javier Ribas	Personal reasons.

C.1.10. State the powers delegated to the CEO(s), if any are delegated:

Name or Company name of Director	Brief description
Juan Béjar Ochoa	Article 35.2 of the Rules of the Board of Directors establishes that: "The Board may delegate permanently, to one or more of its members, all of the powers vested in the Board of Directors with the exception of those which, by law or under the Articles of Association or these Rules, may not be delegated. In order to be valid, the permanent delegation of the powers of the Board of Directors and the designation of the Director or Directors delegated with such powers, regardless of their title, will require the favourable vote of at least two-thirds of the members of the Board of Directors. The CEO is responsible for representing and managing the Company's business, always in keeping with the decisions and criteria established by the General Meeting of Shareholders and the Board of Directors, within the scope of their respective powers. The effective representation and management of the Company's business affairs includes but is not limited to: ⦿ Supporting the Board of Directors in defining the Group's strategy. ⦿ Drafting the Business Plan and Annual Budget to be submitted to the Board of Directors for approval. ⦿ Preparing, and submitting to the Board of Directors or the Executive Committee for approval, depending on whether the amount involved is more or less than eighteen million euros, respectively, proposals for investments, divestments, credit, loans, surety and guarantee lines and any other type of financial facility. ⦿ Hiring and dismissing any company employees, with the exception of appointments which fall under the powers of the Board of Directors pursuant to the terms of these Rules. Once a year, at the first Board meeting of the year, the CEO will inform the members of the Executive Committee of the actual level of compliance with the forecasts made, with regard to the investment proposals submitted to the Committee and to the Board of Directors for approval." Article 7.2 of the Rules of the Board of Directors establishes that: "In any event, through the passing of resolutions which must be approved in each case as stipulated by law and the Articles of Association, the plenary Board of Directors has exclusive powers over the following formal list of matters, which may not be delegated:

Name or Company name of Director	Brief description
Juan Béjar Ochoa	a) Appointment and removal of the Chairman, Vice-Chairman, CEOs, Secretary and Vice-Secretary of the Board of Directors and, at the proposal of the CEO, appointment, removal and, when appropriate, indemnity clauses for the senior executives in the Company's functional areas (Administration, Finance, Human Resources, and the General Secretariat), of members of the Steering Committee and, in general, the Company's Senior Executives. b) Propose to respective Boards of Directors, at the initiative of the CEO and through the Company's representatives, the appointment, and possible removal and, when appropriate, indemnity clauses of the Chairmen and General Managers of the parent companies of FCC Group, acting in this connection in pursuit of the corporate interest of each of them. c) Delegating faculties to any of the members of the Board of Directors in the terms established by law and the Articles of Association, and revoking such powers. d) Appointment and removal of Directors who are to make up the various Committees envisaged in these Rules. e) Supervising the Board's Delegated Committees. f) The appointment of Directors by co-optation if vacancies arise, up until the next General Meeting. g) The acceptance of resignations tendered by Directors. h) Drafting the financial statements and dividend policy for submission and proposal to the General Meeting, and declaring interim dividends, as the case may be. i) Defining the structure of the Group and coordinating, within the legal limits, the Group's general strategy in the interests of the Company and its subsidiaries with the support of the Strategy Committee and the CEO, and disclosing in the Annual Corporate Governance Report the respective areas of activity and any business relations between the Company and its listed subsidiaries that are part of the group, and between those companies and the other Group companies, and the mechanisms established to resolve any conflicts of interest that may arise. j) Approving investments and financing policy, particularly the approval of investments, divestments, credit lines, loans, surety or guarantee lines, and other financial facilities within the limits that the Board of Directors itself establishes, as well as investments and any other types of transactions whose specific circumstances make them strategic.

Name or Company name of Director	Brief description
Juan Béjar Ochoa	k) In general, the Board's organisation powers and especially the power to amend the Rules herein. l) The powers vested in the Board of Directors by the General Meeting, which may only be delegated with the express consent of the General Meeting." Also, article 8 ("General Functions – Equilibrium in the development of functions "), establishes in section 1: "It is up to the Board of Directors to develop any actions that are necessary to carry out the corporate purpose established in the Bylaws, pursuant to the applicable laws." On the other hand, section 2 states that: "Delegation by the Board of powers to any of its members within the limits allowed by the law does not deprive the Board of those powers." The Board of Directors, at its meeting of 31 January 2013, delegated to Mr Juan Béjar Ochoa, effective as from 1 February 2013, a number of different kinds of powers, such as: financial powers, powers of relationship with clients and suppliers, powers related to employment, administration and disposal, powers related to companies and associations, of a legal nature and internal powers. This delegation facilitates the management of the Group and enhances the external manifestation of the Company's will.

C.1.11. Identify, if appropriate, the members of the Board who hold Director or senior executive positions in other companies that are part of the group of the listed company:

Name or Company name of Director	Name of group entity	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 Corporation) FCC Environmental LLC FCC Power Generation, S.L. (Sole Corporation) FCC Construcción, S.A.	Director-Secretary Director Director-Secretary Director-Secretary
Mr Olivier Orsini	Cementos Portland Valderrivas, S.A.	Director
Mr Gustavo Villapalos Salas	Cementos Portland Valderrivas, S.A.	Director

C.1.12. State, if appropriate, the directors of your company who are members of the Board of Directors of other companies listed on official securities exchanges in Spain that are not in your same group of companies, which have been communicated to your company:

Name of Director	Name of listed company	Position
Mr Marcelino Oreja Aguirre	Barclays Bank, S.A.	Director
EAC Inversiones Corporativas, S.L.	Realia Business, S.A.	Director
Mr Rafael Montes Sánchez	Realia Business, S.A.	Director

C.1.13. State whether the Company has established rules about the number of directorships its Board members can hold, and describe any such rules:

YES ☒	NO

Explanation of the rules
Article 24.3 of the Board Rules establishes that "Before accepting any management position or Directorship at another company or entity, Directors must consult the Appointments and Remuneration Committee. Article 22.3 of these Rules establishes that "Directors must inform the Appointments and Remuneration Committee of any other professional obligations they may have, in case they might interfere in the required dedication to office, and the Board of Directors, after receiving a proposal of the Appointments and Remuneration Committee, must establish how many directorships its Board members may hold."

C.1.14. State the policies and general strategies that the Board in full session has reserved the right to approve:

	Yes	No
Investment and financing policy	X	
Definition of the structure of the group of companies	X	
Corporate governance policy	X	
Corporate social responsibility policy	X	
Strategic or business plan and the annual management and budget objectives	X	
Remuneration policy and assessment of senior executive performance	X	
Risk control and management policy and periodical follow-up of internal control and reporting systems	X	
Dividend and treasury share policy, especially its limits	X	

C.1.15. Indicate the overall remuneration of the Board of Directors:

Remuneration of the Board of Directors (thousand euros)	3,864
Amount of the overall remuneration corresponding to pension rights accrued by the Directors (thousand euros)	2,829
Overall remuneration of the Board of Directors (thousand euros)	6,694

NOTE:
The amount of the overall remuneration corresponding to pension rights accrued by Directors includes the rights accrued by one of the Executive Directors as a consequence of the contracting and payment of an insurance premium, carried out by the company at the time to meet the payment of contingencies related, among other items, to death or to permanent labour disability and to retirement bonuses and pensions (see section C.1.45). During the year 2013 no contributions were made to said insurance in relation to that Director.

On 31 January 2013 Mr. Baldomero Falcones Jacquotot was removed from the Board. Mr. Falcones received 7,500 thousand euros, corresponding to the severance agreed to with the Company by the former CEO for the early termination of his contract.

C.1.16. Identify the senior executives who are not executive directors, and state the total remuneration they accrued during the year:

Name or company name	Position(s)
Mr Agustín García Gila	Chairman of FCC Medio Ambiente
Mr Eduardo González Gómez	Chairman of Energy and Chairman of FCC Aqualia
Mr Fernando Moreno García	Chairman of FCC Construcción, S.A.
Mr Antonio Gómez Ciria	General Manager of Administration
Mr Miguel Hernanz Sanjuan	General Manager of Internal Audit
Mr Víctor Pastor Fernández	General Manager of Finance
Mr José Luis Sáenz de Miera	Chairman and CEO of Cementos Portland Valderrivas
Mr José Manuel Velasco Guardado	General Manager of communication and Corporate Responsibility
Ms Ana Villacañas Beades	General Manager of Organisation

Total remuneration of senior executives (in thousand euros)	4,191.5

NOTE:
In the year 2013 the following individuals lost their senior executive status: Mr Francisco Martín Monteagudo (General Manager of Human Resources), Mr José Mayor Oreja (former Chairman of FCC Construcción) and José Luis de la Torre Sánchez (former Chairman of FCC Servicios). In the case of the last two and as a consequence of the contracting and payment at the time of an insurance premium, carried out by the company to meet the

payment of contingencies related, among other items, to death or to permanent labour disability and to retirement bonuses and pensions, as beneficiaries of said insurance they received an amount equivalent to 3.5 times their net annual remuneration.

C.1.17. State, if appropriate, the identity of members of the Board who are in turn members of the Board of Directors of significant shareholder companies and/or in group subsidiaries:

Name or Company name of Director	Company name of significant shareholder	Position
Cartera Deva, S.A.	B-1998, S.L.	Director
Dominum Desga, S.A.	B-1998, S.L.	Director
Dominum Dirección y Gestión, S.L.	B-1998, S.L.	Director
EAC Inversiones Corporativas, S.L.	B-1998, S.L.	Director
Mr Fernando Falcó y Fernández De Córdova	B-1998, S.L.	Director
Mr Rafael Montes Sánchez	B-1998, S.L.	Director

Describe any significant relationships, other than those stated in the preceding section, between Board members and significant shareholders and/or subsidiaries in their group:

Name or Company name of Director	Name of significant shareholder	Description of relationship
Cartera Deva, S.A.	B-1998, S.L.	B-1998, S.L. shareholder agreements
Larranza XXI, S.L.	B-1998, S.L.	B-1998, S.L. shareholder agreements

C.1.18. State whether there have been any amendments of the Board Rules during the year:

YES ☒	NO

Description of the amendments
Pursuant to the provisions in article 4 of the Rules of the Board of Directors of Fomento de Construcciones y Contratas, S.A., the Audit and Control Committee, at its meeting of 10 April 2013, unanimously resolved to submit to the Board of Directors the amendment of the Rules of the Board of Directors of the Company. The Board of Directors resolved upon this amendment on 10 April 2013. The content and scope of the amendment are provided as follows: 1. The wording has been adapted to the novelties introduced by Order ECC/461/2013, of 20 March, determining the contents and structure of the annual report on corporate governance, on the annual report on remuneration and on other reporting instruments of listed public limited companies, savings banks and other entities issuing securities that may be negotiated on official securities markets. The following amendments were made: A) Article 6 (qualitative composition) section 2.a) in order to adapt the definition of independent director to that established by Article 8 of Order ECC/461/2013, of 20 March; in relation thereto, a Temporary Provision was incorporated to the Rules in order to include what was established in the Second Temporary Provision of said Order. B) Article 45 (contents of the Corporate webpage), in order to provide the minimum contents of the Company web page established by Article 13 of Order ECC/461/2013, of 20 March,. 2. Certain technical improvements and harmonisations with other internal regulatory texts of the Company were introduced. The following were amended: A) Article 18 (term of office) to adapt the wording to the amendment of the Bylaws that will be proposed to the General Meeting in relation to the reduction from five (5) to three (3) years of the term of office of the members of the Board of Directors. B) Article 40 (Executive Committee) section 6, to adapt the wording to the amendment of the Bylaws that will be proposed to the General Meeting in relation to the performance of Chairman of the Executive Committee functions by another member of the committee in the absence of the chairman or if said office is vacant. C) Article 40 (Executive Committee) section 8, to regulate the system for calling the Executive Committee under the terms provided in the Bylaws, as well as to adapt the wording to the amendment of the Bylaws that will be proposed to the General Meeting in relation to the system for calling the Executive Committee in the absence of the chairman or if said office is vacant.

Description of the amendments
D) Article 41 (Audit and Control Committee), section 6, to regulate the system for calling and performing the functions of chairman of the Audit and Control Committee in the absence of the chairman or if said office is vacant. E) Article 42 (Appointments and Remuneration Committee), section 6, to regulate the system for calling and performing the functions of chairman of the Appointments and Remuneration Committee in the absence of the chairman or if said office is vacant. F) Article 43 (Strategy Committee), section 8, to regulate the system for calling and performing the functions of chairman of the Strategy Committee in the absence of the chairman or if said office is vacant. The Audit and Control Committee, pursuant to the provisions in article 4.3 of the Rules of the Board of Directors of the Company, unanimously resolved to propose and report favourably on the proposal of amending the Rules that was submitted by the Committee to the Board so that the latter could approve it. Regarding the amendment of articles 18 and 40 of the Regulations, the efficacy thereof was conditional upon the approval by the Annual General Meeting of the Company of the amendments of the bylaws related to said provisions. On 23 May 2013, the Annual General Meeting of the Company informed on the amendments introduced in the Rules since the last General Meeting. Also, the amendments of the bylaws (articles 29 and 36) that had a bearing on said provisions were approved.

C.1.19. State the procedures for the selection, appointment, re-election, assessment and removal of directors. List the competent bodies, the process and the criteria for each procedure.

The General Meeting is in charge of appointing and removing Board members. Directors may be re-elected indefinitely one or more times, for three-year terms.

Ms Esther Koplowitz Romero de Juseu shall in any event be entitled to appoint the majority of the members of the Board of Directors of FCC and of its subsidiaries. As a group, the Investors may appoint up to two members but never more than one-third of the total Board of Directors of FCC.

Ms Esther Koplowitz Romero de Juseu may appoint the Chairman of the Board of Directors of FCC, the CEO of FCC and at least two-thirds of the members of the Executive Committee.

Moreover, Chapter IV of the Rules of the Board of Directors, "Appointment and Removal of Directors," establishes the following:

Article 16. "Appointment, ratification or re-appointment of Directors"

"Proposals for the appointment or re-appointment of Directors submitted by the Board of Directors to the General Meeting of Shareholders for its consideration, and the appointments made by the Board using the powers of co-optation attributed to it by law, must fall upon people of recognised integrity, solvency, technical competence and experience, and must be approved by the Board based on a proposal from the Appointments and Remuneration Committee, in the case of independent Directors, and based on a prior report from the Appointments and Remuneration Committee, in the case of other Directors."

Article 18. "Term of office"

"**1.** *Directors shall hold office for the term established in the bylaws.*

2. *The Directors appointed by co-optation will hold office until the next General Meeting is held. This period will not count toward the term established in the preceding paragraph.*

3. *Directors whose mandates expire or who cease to sit on the Board for any reason may not render services to FCC competitors for two years.*

4. *If the Board of Directors deems it appropriate, it may dispense former Directors from this obligation or shorten the term thereof."*

Article 19. "Re-appointment of Directors"

"Prior to proposing re-appointment of any Director to the General Meeting of Shareholders, the Appointments and Remuneration Committee must issue a report evaluating the quality of work and dedication of the proposed Directors during their previous mandate."

Evaluation:

Article 38. "Meetings of the Board of Directors"

"6: The plenary session of the Board will devote its first meeting each year to an assessment of its own performance during the preceding year, evaluating the quality of its work and the efficacy of its rules and correcting any aspects which have been shown to be dysfunctional, if necessary. At that meeting, in the light of the relevant report submitted by the Appointments and Remuneration Committee, it will also evaluate the performance of functions of the Chairman of the Board and of the CEO, as well as the performance of its committees based on the reports submitted by these."

Article 20. "Removal of Directors"

"1. Directors shall be removed from office when the term for which they were appointed has elapsed or when the General Meeting decides so, exercising the powers granted to it by the law and the bylaws."

Article 21. "Nature of Board resolutions on this matter"

"Pursuant to the provisions of Article 25 of these Rules, the Directors being proposed for appointment, re-appointment or removal may not participate in the debates or vote on these issues."

C.1.20. State whether the Board of Directors has evaluated its activities during the year:

YES ☒	NO

If applicable, explain to what extent that self-evaluation has given rise to important changes in its internal organisation and in the procedures applying to its activities:

Description of Amendments
The Board of Directors of Fomento de Construcciones y Contratas, S.A. issued, on 31 January 2013, a report evaluating the quality and efficiency of its performance and of its Committees in relation to the year 2012, in order to comply with the duty imposed by Article 38.6 of the Rules of the Board of Directors. All of the members of the Board of Directors play an active role in preparing the report, taking into consideration the comments, appraisals, opinions and suggestions of all of them in that process. In the year 2012 the consultancy firm Spencer Stuart collaborated in this task: after analysing the replies to the questionnaire sent to each of the Directors and interviewing several of them, the firm drafted the "self-evaluation" document that accompanied the report for 2011, which was passed by the Board of Directors at its meeting of 27 February 2012. The document drafted by Spencer Stuart included a number of recommendations to improve the performance of the Board, which were considered by the Board at its meeting on 27 February, and a mandate was issued for the Appointments and Remuneration Committee to see to the effective implementation of the recommendations and to propose to the Board any actions it deemed suited for such purpose.

Description of Amendments
Fulfilling the above mandate, after being submitted by the Chairwoman of the Appointments and Remuneration Committee, at the meeting of the Board of Directors held on 10 May 2012 a resolution was passed (Resolution 25/2012) whereby the document submitted by that Committee was approved. Since only 11 months had elapsed since the implementation of the measures (considering that the self-evaluation takes place at the first meeting of the year), it does not seem necessary to resort to an external consultant again this year. The evaluation process was carried out via the appraisal of a number of aspects with a bearing on the functioning, efficiency and quality of the performance and decision-making of the Board of Directors, as well as the members' contributions to the performance of the functions and the achievement of the objectives entrusted to the Board. Also, the respect of and compliance with the bylaws, the Rules of the Board of Directors and, generally, the Company's Rules of Corporate Governance, including the above-mentioned rules that were approved on 10 May 2012, by the Board of Directors and its members have been taken into account.

C.1.21. State the reasons for which directors may be forced to resign.

Article 20 of the Rules of the Board establishes the following:

1. Directors must step down from the Board when their mandates have expired or when so decided by the General Meeting of Shareholders making use of the powers vested in it by law and by the Bylaws."

2. The Directors must tender their resignation to the Board of Directors and officially resign at the Board's request in the following cases:
   - a) In the case of executive directors, when they no longer occupy the positions or perform the functions by virtue of which they were appointed.
   - b) In the case of nominee directors, when the shareholder whose interests they represent disposes of its entire holding in FCC or reduces it to such a level that its number of nominee directors must be reduced.
   - c) When they fall under a situation of incompatibility or legal disqualification provided by law.
   - d) When the Board, by a two-thirds majority, asks the director to resign:
     - if he or she receives a severe reprimand from the Board due to breach of his or her duties as director, based on a proposal or report by the Appointments and Remuneration Committee or

- when his or her permanence on the Board may jeopardise the Company's credibility and reputation; directors must inform the Board of any criminal charges against them and any subsequent events during trials. In any event, if any director is tried for any of the corporate crimes described in Article 213 of the Capital Companies Act, the Board will examine the case as soon as possible and, based on the specific circumstances, will decide whether the director must resign or not, and it must give a justification in the Annual Corporate Governance Report.

C.1.22. Explain whether the functions of the Company's chief executive are performed by the Chairman of the Board. If so, state the measures taken to limit the risk of a single person accumulating power:

YES	NO ☒

Risk-limiting measures
–

State whether the Company has established rules to empower an independent Director to request a Board meetings or the inclusion of new items on the agenda; to coordinate and give voice to the concerns of external Directors; and to lead the Board's evaluation; detail any such rules:

YES ☒	NO

Explanation of the rules
Article 34.3 of the Rules of the Board establishes the following: *"When a Company's Chairman is also its chief executive or first executive, an independent Director should be empowered by the Board to request the calling of Board meetings or the inclusion of new business on the agenda, to coordinate and give voice to the concerns of external Directors, and to lead the Board's evaluation of the Chairman".*

C.1.23. Is a supermajority, other than the legal majority, required in some decisions?

YES	NO ☒

If so, describe the differences.

Description of differences
–

C.1.24. Detail whether there are specific requirements, other than those relating to directors, to be appointed Chairman.

YES	NO ☒

Description of requirements
–

C.1.25. State whether the chairman has a casting vote:

YES	NO ☒

Issues on which there is a casting vote
–

C.1.26. State whether the Bylaws or the Rules of the Board establish an age limit for directors:

YES	NO ☒

Age limit for Chairman	❑
Age limit for CEO	❑
Age limit for Directors	❑

C.1.27. State whether the Bylaws or the Rules of the Board establish a term limit for independent directors:

YES ☒	NO

Maximum number of years in office	12 years

C.1.28. State whether the bylaws or the rules of the Board of Directors establish specific rules for delegating votes on the Board of Directors, how this is done and, in particular, the maximum number of delegations to one same Director, as well as whether it is compulsory to delegate one's vote to a Director of the same class. If so, give a brief description.

There are no are formal processes for delegating votes on the Board of Directors.

C.1.29. State the number of Board of Directors meetings held in the year. Also, state the number of times that the Chairman did not attend the Board meeting. Proxies granted with specific instructions are counted as attendances:

Number of meetings of the Board of Directors	13
Number of Board meetings without the attendance of its Chairman	0

Indicate the number of meetings held by the various Board Committees in the year:

Number of Executive or Delegated Committee meetings	8
Number of Audit Committee meetings	9
Number of Appointments and Remuneration Committee meetings	11

C.1.30. State the number of Board of Directors meetings held in the year that were attended by all its members. Proxies granted with specific instructions are counted as attendances:

Attendance by Board members	229
% of attendance over the total votes during the year	89.52

C.1.31. State whether the individual and consolidated financial statements that are presented for Board approval have been certified:

YES ☒	NO

Indicate any person(s), if applicable, who have certified the company's individual and consolidated financial statements for approval by the Board:

Name	Position
Mr Juan Béjar Ochoa	CEO
Mr Juan José Drago Masià	General Manager of Administration
Mr Víctor Pastor Fernández	General Manager of Finance

C.1.32. Detail whether the Board of Directors has established any mechanisms, to avoid any qualifications in the audit report on the individual and consolidated financial statements that it has approved to be presented to the General Meeting.

The Audit and Control Committee has among its functions that of revising the process of drafting the economic and financial reports that FCC Group publishes from time to time. This revision is particularly important in the case of the annual report; therefore, prior to the Board of Directors' approval of the 2013 financial statements, the Audit and Control Committee has thoroughly examined those statements and requested that the external auditor on the Committee explain the conclusions of its review so that, once the statements were approved by the Board, the external auditor's report would contain no qualifications.

C.1.33 Is the Secretary of the Board a Director?

YES	NO ☒

NOTE:
Mr Francisco Vicent Chuliá was appointed Secretary of the Board of Directors at the Board meeting held on 26 October 2004.

C.1.34. Describe the procedures for appointment and removal of the Secretary of the Board, stating whether the Appointments Committee was consulted and if the appointment or removal was approved by the full Board:

Appointment and removal procedure
Article 36 of the Board Rules (Secretary of the Board. Functions. Vice-secretary of the Board) states that the Secretary of the Board cannot be a director. His/her appointment and removal must be approved by a full Board meeting based on a proposal by the Appointments and Remuneration Committee. Also, Article 42 of the Rules (Appointments and Remuneration Committee) establishes in section 3 i) that the Appointments and Remuneration Committee shall have the authority to report, advise and make proposals within its functions, in particular "j) Reporting on the appointment and removal of the Secretary of the Board." Mr Francisco Vicent Chuliá was appointed non-voting Secretary of the Board at a Board meeting held on 26 October 2004. The current Appointments Committee did not exist at the time. The appointment was a unanimously resolution.

	Yes	No
Is the Appointments Committee consulted on the appointment?	X	
Is the Appointments Committee consulted on the removal?	X	
Does the full Board approve the appointment?	X	
Does the full Board approve the removal?	X	

Is the Board Secretary entrusted in particular with ensuring compliance with corporate governance recommendations?

YES ☒	NO

Comments
Article 36.2 of the Rules of the Board establishes that the Secretary shall especially ensure that the Board's actions: (i) are adjusted to the letter and spirit of the Laws and rules, including those approved by regulatory bodies; (ii) are in accordance with the Bylaws and the Rules of the General Meeting, the Board and any others that the Company may have; (iii) and that they bear in mind the recommendations on good governance included in the Bylaws and Rules of the Company.

C.1.35. State the mechanisms, if any, established by the Company to maintain the independence of external auditors, financial analysts, investment banks and rating agencies.

These mechanisms are included in Article 41.4 of the Rules of the Board, which states as follows:

"4. The key function of the Audit and Control Committee is to support the Board of Directors in its supervisory duties by periodically reviewing the processes used to prepare the financial information, the internal controls and the independence of the external auditors.

In particular, the matters that the Board of Directors may entrust to the Audit and Control Committee include, but are not limited to, the following:

a) Informing the General Meeting of Shareholders on the questions raised by shareholders which fall within its scope of authority.

b) Liaising between the Board of Directors and the Company's external Auditor, assessing the results of each audit, with the following additional duties with respect to the external Auditor:
   (i) Making recommendations to the Board of Directors for the selection, appointment, re-election and removal of the external Auditor, and the terms and conditions of his or her engagement;

(ii) receiving regular information from the external Auditor on the progress and findings of the audit programme, and checking that senior executives are acting on its recommendations;
(iii) discussing with the external Auditors any significant weaknesses found in the internal control system as a result of the audits conducted;
(iv) ensuring the independence of the external Auditor and, in particular, establishing appropriate measures to ensure that:
 1) contracting consulting and advisory services with that Auditor or a company of its group does not jeopardise its independence, to which end the Committee will receive an annual report from the Auditors confirming in writing their independence in respect of the Company or the entities directly or indirectly related to it and information on any additional services of any kind rendered to the companies by the Auditors or by persons or entities related to them, as provided for in the Auditing Act; and
 2) the Company issues a relevant event to the CNMV related to the change in Auditor, with a statement about any disagreements with the outgoing Auditor and their nature; where the external Auditor resigns, the Committee must examine the reasons;
(v) and seeking to ensure that the Company's Auditor takes responsibility for auditing the companies comprising the Group.

c) Issuing a report each year, prior to the publication of the audit report, expressing an opinion on the independence of the Company’s Auditors or auditing companies. This report must necessarily address any additional services of the kind referred to in section b) (iv) 1 above.

d) Supervising the Company's internal audits that oversee the good operation of the information and internal control systems; the head of internal audit is obliged to present an annual work plan to the Committee and inform it directly of any incidents arising in the course of implementing the plan, as well as submitting a report on activities to the Committee at the end of each year.

e) Supervising and analysing the risk control and management policy, identifying at least:
(i) the different types of risk to which the Company is exposed, with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks;
(ii) the determination of the risk level the Company sees as acceptable;
(iii) the measures in place to mitigate the impact of identified risks, should they occur;
(iv) and the internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks, and submission to the Board for approval.

f) Supervising the preparation and presentation of the annual financial statements and management report of the Company and the consolidated group, and of the financial information released periodically to the markets, checking for compliance with legal requirements and the correct application of generally accepted accounting principles, and informing the Board before it adopts any of the following decisions:
(i) the financial information that the Company must release periodically by virtue of being listed, ensuring that the interim financial statements are drawn up in accordance with the same accounting principles as the annual financial statements and, to this end, considering the advisability of a limited review by the Company's external Auditor;
(ii) and the creation, or acquisition of holdings in special purpose vehicles or entities resident in countries or territories considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the FCC group.

g) With respect to internal control and reporting systems:
(i) monitoring the preparation and the integrity of the financial information prepared on the Company and, as the case may be, the Group, checking for compliance with legal requirements, the accurate definition of the consolidation perimeter, and the correct application of accounting principles;
(ii) reviewing internal control and risk management systems on a regular basis, to ensure that the main risks are properly identified, managed and disclosed;
(iii) monitoring the independence and efficacy of the internal audit function; proposing the selection, appointment, re-election and removal of the head of internal audit; proposing that department’s budget; receiving regular reports on its activities; and verifying that senior executives are acting on the findings and recommendations of its reports;
(iv) periodically receiving information from the Response Committee and the Management Control and Risk Management Department, respectively, on how they carry out their activities and on how internal controls work;

(v) and ensuring that the internal codes of conduct and the rules of corporate governance comply with the requirements of law and are appropriate for the Company, and reviewing compliance, by the persons governed by those codes and governance rules, of their obligations to inform the Company.

h) Issuing reports and proposals as requested by the Board of Directors or the Chairman of the Board and those it deems appropriate for the best performance of its functions, particularly the report on proposed amendments to these Rules, as provided in Article 4.3.

i) Deciding on requests for information presented by directors, by virtue of Article 30.3 of these Rules, to the Committee, and requesting the inclusion of any items on the agenda of Board meetings, in the conditions and time periods established in Article 38.3 of these Rules."

C.1.36. State whether the Company changed its external auditor during the year. If appropriate, identify the outgoing and incoming auditors:

YES	NO ☒

If so, identify the incoming and outgoing auditor:

Outgoing auditor	Incoming auditor
–	–

If there was a disagreement with the outgoing auditor, provide a description thereof:

Explanation of disagreement
–

C.1.37. State whether the audit firm performs other work for the Company and/or its group other than auditing and, if so, state the fees received for such work and those fees as a percentage of total fees billed to the Company and/or its group:

YES ☒	NO

	Company	Group	Total
Amount of other non-audit jobs (thousand Euros)	50	179	229
Amount of non-audit jobs / total amount billed by audit firm (in %)	16.821	6.419	7.422

C.1.38. State whether the auditors' report on the previous year's financial statements had any reservations or was qualified. If it was, state the reasons given by the Chairperson of the Audit Committee to explain the content and scope of the qualification or reservation.

YES	NO ☒

Explanation of the reasons
–

C.1.39. State the number of consecutive years that the current audit firm has been auditing the financial statements of the Company and/or its group. Also, indicate the number of years audited by the current audit firm as a percentage of the total number of years in which the financial statements have been audited:

	Company	Group
Number of consecutive years	12	12
Number of years the current audit firm has audited / number of years the Company has been audited (as a %)	50	50

C.1.40. State whether there is a procedure for directors to engage external consultants and, if so, provide details:

YES ☒ NO

Detail the procedure
Article 31 "Expert assistance" of the Rules of the Board states that: *"1. In order to assist them in performing their duties, external directors are entitled to obtain the necessary assistance from the Company to perform their duties and, where necessary, to obtain advice, at FCC's expense, from legal, accounting and financial consultants and other experts.* *2. Requests to engage external consultants or experts must be referred to the Chairman of FCC and will be approved by the Board of Directors if it considers that:* *a) it is necessary for the proper performance by independent directors of their assigned duties,* *b) the cost is reasonable, in view of the importance of the problem and the assets and revenues of FCC, and* *c) the technical assistance received cannot be properly provided by internal FCC experts or technical personnel.* *3. Requests for expert assistance by any of the Board Committees should not be denied except when a majority of the Board members considers that the conditions envisaged in paragraph 2 of this article are not met."*

C.1.41. State whether there is a procedure for directors to have the necessary information to prepare for the meetings of the governing bodies with sufficient time and, if so, provide details:

YES ☒ NO

Detail the procedure
Article 38 "Meetings of the Board of Directors" of the Rules of the Board defines the procedure as follows: *"1. The Board of Directors must meet with the necessary frequency to properly perform its functions, and whenever the interests of FCC so require, in accordance with a calendar and issues set at the beginning of the year, to which each director, along with any of the Board's Committees, may propose the addition of other items not initially envisaged in the agenda, such proposal must be made not less than thirteen days prior to the date scheduled for the meeting. The calendar of the ordinary meetings will be set by the Board at the beginning of each year. The calendar may be modified by decision of the Board itself or of the Chairman, who will notify the directors of the change at least ten days in advance of the original meeting date, or of the modified meeting date if it is earlier.* *2. The announcement of the ordinary meetings will be sent by post, fax, e-mail or telegram and will be authorised with the signature of the Chairman or his alternate or the Secretary or Vice-Secretary, by order of the Chairman.* *Notwithstanding the provisions of Article 30 of the Bylaws, every effort will be made to announce the meetings not less than ten days in advance. Along with the announcement of each meeting, the directors will be provided with the meeting agenda and the pertinent documentation to enable them to form an opinion and if applicable, to vote on the issues submitted to them for their consideration.* *In emergency situations, at the Chairman's discretion, an immediate meeting of the Board of Directors may be called, in which case the meeting agenda will be limited to the urgent matters.* *3. The Chairman will decide the meeting agenda. The Directors and the Board Committees may ask the Chairman to include items on the agenda in the terms envisaged in section 1 of this article, and the Chairman will be obliged to include them.* *When a specific item is included on the meeting agenda as requested by the Directors, then the Directors who requested the inclusion of that item must forward the pertinent documentation along with their request or identify the pertinent documentation so that it can be forwarded to the rest of the Board members.* *In view of the Directors' duty of confidentiality, every effort will be made to ensure that the importance and confidential nature of the information is not used as a pretext for breaching this rule, except under exceptional circumstances at the Chairman's discretion.* *4. Board meetings may be held via multi-conference call, videoconference or any other analogous system so that one or more directors can attend the meeting via that system. For that purpose, in addition to stating the location where the meeting is physically held, which is where the Board Secretary must be located, the announcement must state that directors can attend via conference call, videoconference or an equivalent system, indicating and making available the technical means for this purpose, which in all cases must enable direct, simultaneous communication among attendees. The Secretary of the Board of Directors must enter, in the minutes of meetings held in this way, in addition to the names of the directors who physically attended or if appropriate, those represented by another director, those who attended via multi-conference call, videoconference or an equivalent system."*

C.1.42 State whether the Company has rules obliging directors to inform and, if appropriate, to resign in any circumstance that might harm the Company's name or reputation, and describe any that exist:

YES ☒	NO

Explain the rules:
According to Article 29 of the Rules of the Board of Directors' duty of disclosure, *"Directors must disclose the following to FCC's Appointments and Remuneration Committee through the Corporate Responsibility Department or any other that takes its place: d. Legal, administrative, or any other type of claim which, due to its significance, could have a serious effect on the reputation of FCC."* Also, article 20.2.d) on Removal of Directors states that "*Directors must tender their resignation to the Board of Directors and, if the latter sees fit, resign in the following cases:* *d. When the Board requests the resignation by a majority of at least two thirds of its members:* *- When their permanence on the Board may jeopardise the Company's credibility and reputation, and Directors must inform the Board of any criminal charges against them and any subsequent events during trials. In any event, if any Director is indicted or tried for any of the crimes stated in Article 213 of the Capital Companies Act, the Board will examine the case as soon as possible and, based on the specific circumstances, will decide whether or not the Director must resign, and it must give a justification in the Annual Corporate Governance Report.*"

C.1.43. State whether any member of the Board of Directors has informed the Company that he has been charged with, or tried for, any of the crimes stated in Article 213 of the Capital Companies Act:

YES	NO ☒

Name of Director	Criminal Case	Comments
–	–	–

State whether the Board of Directors has analysed the case. If it has, give a reasoned explanation on the decision made regarding whether it is fit for the Director to remain in office, or if applicable, explain the action taken by the Board of Directors up until the date of this report or those that it plans to carry out.

Decision or action taken	Explanation
–	–

C.1.44. Detail the significant agreements entered into by the company which will enter into force, be amended or terminated in the event of a change of control of the company following a takeover bid, and the effects thereof.

There are none.

C.1.45. State on an aggregated basis and indicate, in detail, any agreements between the Company and its administration and management officers or employees providing severance, guarantee or golden parachute clauses, whenever they resign or are subject to wrongful dismissal or if their agreement is terminated due to a takeover bid or other type of transaction.

Number of beneficiaries	4
Type of beneficiary	**Description of the resolution**
Second Vice-president and CEO, Company Secretary (and Director), and Chairman of FCC Construcción, S.A.	Notwithstanding their director status, the two Executive Directors (the second vice-president and CEO, as well as the company secretary, who is also a director) have contractual arrangements with the company that regulate the performance of their managerial and executive functions. In both cases they are permanent contracts, which in general, the regulations applicable are: (i) agreements for the provision of services, in the case of the second vice-president and CEO, and (ii) senior executive employment agreements, in the case of the company secretary. The contracts of the CEO, the company secretary and the chairman of FCC Construcción may be terminated by either party, and under certain circumstances said officers shall have the right to severance provided that the termination of the contractual relationship is not a consequence of non-performance of their functions, under the following terms: ⦿ Second vice-president and CEO: If the contract is terminated prior to 31/01/2015: Two annuities (average annual fixed + variable remuneration + average variable triennial) plus the triennial variable bonus that is accrued and not collected. From this sum all the amounts will be deducted, for

Number of beneficiaries	4
Type of beneficiary	Description of the resolution
Second Vice-president and CEO, Company Secretary (and Director), and Chairman of FCC Construcción, S.A.	whatever item, received after 1 February 2013. The severance amount cannot be lower than one annuity. Termination between 31/01/2015 and 30/06/2015: A fixed annuity (€2.5 M), plus: ⊙ The average variable annual remuneration of the last 2 years. ⊙ The average triennial annual remuneration of the last 2 years. ⊙ The current triennial remuneration accrued and not collected. As from 30/06/2019: a figure equivalent to the minimum established by Law for senior executives. ⦿ Company Secretary (and director) and chairman of FCC Construcción, S.A.: The Company, with the authorisation of the Executive Committee, contracted and paid an insurance premium in order to meet the payment of the contingencies related, among other items, to death or to permanent labour disability, to retirement bonuses and pensions and other concepts in favour of some of the executive directors and senior executives. In particular, the contingencies giving rise to severance pay are those that entail the termination of the employment relationship for any of the following reasons: a) Unilateral decision by the Company. b) Winding up or disappearance of the parent company for any reason, including merger or spin-off. c) Death or permanent disability. d) Declaration of physical disability or legal incompetence for any other reason. e) A substantial change in professional conditions. f) Resignation, upon reaching the age of 60, at the executive's request and with the Company's consent. g) Resignation at age 65, by unilateral decision of the executive. As of 1 December 2013 an amount of 3.5 net annuities of wages were accumulated in the insurance premium for both the above people.
Director General of Administration	Two gross annuities in the event of wrongful dismissal.

Indicate whether these contracts have to be notified to and/or approved by the Company's or group's bodies:

	Board of Directors	General Meeting
Body that authorises the clauses	☒	

	YES	NO
Is the General Meeting informed of the clauses?	☒	

C.2. Board of Director Committees

C.2.1. Describe all the Board of Director Committees, their members and the proportion of nominee and independent directors among them:

EXECUTIVE OR DELEGATE COMMITTEE

Name	Position	Type
Mr Juan Béjar Ochoa	Chairman	Executive
Ms Esther Alcocer Koplowitz on behalf of Dominum Desga, S.A.	Member	Nominee
Ms Alicia Alcocer Koplowitz on behalf of EAC Inversiones Corporativas, S.L.	Member	Nominee
Mr Fernando Falcó y Fernández de Córdova	Member	Nominee
Mr Jaime Llantada Aguinaga on behalf of Cartera Deva, S.A.	Member	Nominee
Mr Francisco Vicent Chuliá	Non-member Secretary	
Mr Felipe B. García Pérez	Non-member Vice-secretary	Executive

% of Executive Directors	20
% of Nominee Directors	80
% of Independent Directors	0
% of other External Directors	0

AUDIT COMMITTEE

Name	Position	Type
Mr Gustavo Villapalos Salas	Chairman	Independent
Ms Esther Alcocer Koplowitz on behalf of Dominum Desga, S.A.	Member	Nominee
Ms Alicia Alcocer Koplowitz on behalf of EAC Inversiones Corporativas, S.L.	Member	Nominee
Mr Gonzalo Anes y Álvarez De Castrillón	Member	Independent
Mr Fernando Falcó y Fernández de Córdova	Member	Nominee
Mr José María Verdú Ramos	Non-member Secretary	–

% of Executive Directors	0
% of Nominee Directors	60
% of Independent Directors	40
% of other External Directors	0

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Type
Ms Esther Alcocer Koplowitz on behalf of Dominum Desga, S.A.	Chairman	Nominee
Ms Alicia Alcocer Koplowitz on behalf of EAC Inversiones Corporativas, S.L.	Member	Nominee
Ms Carmen Alcocer Koplowitz on behalf of Dominum Dirección y Gestión, S.L.	Member	Nominee
Mr Gonzalo Anes y Álvarez De Castrillón	Member	Independent
Mr Fernando Falcó y Fernández de Córdova	Member	Nominee
Mr Jaime Llantada Aguinaga on behalf of Cartera Deva, S.A.	Member	Nominee
Mr Rafael Montes Sánchez	Member	Nominee
Mr Olivier Orsini	Member	Independent
Mr Gonzalo Rodríguez Mourullo	Member	Independent
Mr Gustavo Villapalos Salas	Member	Independent
Mr José María Verdú Ramos	Non-member Secretary	–

% of Executive Directors	0
% of Nominee Directors	60
% of Independent Directors	40
% of other External Directors	0

STRATEGY COMMITTEE

Name	Position	Type
Ms Esther Koplowitz Romero de Juseu on behalf of B-1998, S.L.	Chairman	Nominee
Ms Esther Alcocer Koplowitz on behalf of Dominum Desga, S.A.	Member	Nominee
Ms Alicia Alcocer Koplowitz on behalf of EAC Inversiones Corporativas, S.L.	Member	Nominee
Ms Carmen Alcocer Koplowitz on behalf of Dominum Dirección y Gestión, S.L.	Member	Nominee
Mr Fernando Falcó y Fernández de Córdova	Member	Nominee
Mr Jaime Llantada Aguinaga on behalf of Cartera Deva, S.A.	Member	Nominee
Ms Lourdes Martínez Zabala on behalf of Larranza XXI, S.L.	Member	Nominee
Mr Rafael Montes Sánchez	Member / Secretary	Nominee
Mr Gustavo Villapalos Salas	Member	Independent

% of Executive Directors	0
% of Nominee Directors	88.889
% of Independent Directors	11.111
% of other External Directors	0

C.2.2. Fill in the table below on the number of female Directors on the Board Committees during the last four years:

	Number of Female Directors FY t Number %	FY t-1 Number %	FY t-2 Number %	FY t-3 Number %
Executive Committee	2 29%	2 33%	2 33%	2 33%
Audit Committee	2 40%	2 40%	2 40%	2 40%
Appointments and Remuneration Committee	3 30%	3 33%	3 33%	3 33%
Strategy Committee	5 55%	5 50%	5 50%	4 40%

C.2.3. State whether the following functions are attributed to the Audit Committee:

	Yes	No
Monitor the preparation and the integrity of the financial information prepared on the Company and, where appropriate, the group, checking for compliance with legal requirements, the accurate definition of the scope of consolidation, and the correct application of accounting principles.	X	
Periodically check the internal control and risk management systems, in order that the principal risks are identified, managed and announced adequately.	X	
Monitor the independence and efficacy of the internal audit function; propose the selection, appointment, re-appointment and removal of the head of internal audit; propose the department's budget; receive regular report-backs on its activities; and verify that senior executives are acting on the findings and recommendations of its reports.	X	
Establish and supervise a mechanism whereby employees can report, confidentially and, if necessary, anonymously, any irregularities they detect, in particular financial or accounting irregularities, with potentially serious implications for the Company.	X	
Make recommendations to the Board for the selection, appointment, re- appointment and removal of the external auditor, and the terms and conditions of his/her engagement.	X	
Receive regular information from the external auditor on the progress and findings of the audit programme, and check that senior management are acting on its recommendations.	X	
Monitor the independence of the external auditor	X	

C.2.4. Give a description of the rules of organisation and functioning, together with the responsibilities attributed to each one of the Board committees.

EXECUTIVE COMMITTEE:

Its rules are determined by Article 36 of the Bylaws of FCC, which are extracted below:

"The Executive Committee will be convened by the Chairman, on its own initiative or upon the request of two Committee members. The notice will be sent by letter, telegram, e-mail or fax to each of the Committee members at least 48 hours in advance of the meeting date. However, the Executive Committee may be convened immediately for reasons of urgency, in which case the meeting agenda will be limited to the issues which caused the urgency."

"The meetings shall be held at the Company's registered offices or another location designated by the Chairman and stated in the notice.

In order for the Executive Committee to be quorate, there must be a majority of members present or represented.

Absent members may be represented by another member of the Executive Committee by notifying the Chairman in writing.

The deliberations will be directed by the Chairman who will give the floor to the attendees who request to speak.

If the Chairman of the Executive Committee is absent, or if the position is vacant, his/her functions will be exercised by a Committee member chosen by majority vote of those in attendance.

Resolutions will be passed by absolute majority of the Committee members.

In the event of a tie, the matter will be forwarded to the Board of Directors. In this case, the members of the Executive Committee will request that a meeting be convened as provided for in Article 30 of the Bylaws, […]"

Additionally, Article 40 of the Rules of the Board of Directors establishes that:

"2. *The Board of Directors will designate the directors to form part of the Executive Committee, ensuring as far as possible that its structure is similar to that of the Board itself in terms of the various categories of director. The Secretary of the Board will also be the secretary of the Executive Committee.*

3. *The Executive Committee will be composed of a minimum of five and a maximum of ten members.*

4. *The members of the Executive Committee will step down from the Committee when they cease to be directors or when decided by the Board.*

5. *Any vacancies arising will be filled as quickly as possible by the Board of Directors.*

6. *In the absence of the Chairman of the Executive Committee, or if this position is vacant, a Committee member will be chosen to perform his/her functions.*

7. *The Executive Committee will hold ordinary meetings in the months when a Board of Directors meeting is not scheduled, apart from the month of August, and it may meet on an extraordinary basis when required by the Company's interests. Along with the announcement of each meeting, the members of the Executive Committee will be provided with the pertinent information they need to form an opinion and vote.*

8. *The Executive Committee will be convened by the Chairman, on his/her own initiative or upon the request of two Committee members. The notice will be sent by letter, telegram, e-mail or fax to each of the Committee members at least 48 hours in advance of the meeting date and not less than 10 days. The Executive Committee may be convened immediately for reasons of urgency, in which case the meeting agenda will be limited to the issues which caused the urgency. Along with the announcement of each meeting, the members of the Executive Committee will be provided with the pertinent information they need to form an opinion and to vote […].*

9. *The Executive Committee will be quorate when at least the majority of its members are present or represented at the meeting.*

10. *The Executive Committee, through its Chairman, will inform the Board of the business transacted and the decisions made by the Committee, and a copy of the minutes of each meeting will be given to each director.*

11. *In all other matters, the Executive Committee will be governed by the pertinent provisions of the Bylaws and, specially, by the provisions relating to the Board of Directors contained in the Bylaws and these Rules."*

AUDIT AND CONTROL COMMITTEE:

Its functions are governed by Article 41 of the Board Rules. It must comprise at least three Directors designated by the Board of Directors taking into account their knowledge and experience of accounting, auditing or risk management; all of its members will be external Directors, and the Committee will appoint a Chairman from among its members, who will hold office for no more than four years; it may also appoint a Vice-Chairman. The term of the members of the Committee may not exceed their terms as Directors, notwithstanding the possibility that they may be re-appointed indefinitely so long as they are also re-appointed as Directors.

At least one of the members of the Audit and Control Committee must be an independent Director and will be appointed based on his/her accounting and/or auditing expertise and experience.

The Secretary and Vice-Secretary, if any, shall be chosen by the Committee and need not be Board members.

The members of the Committee may obtain advice from external professionals. These advisors will attend the meetings and may speak but not vote.

The key function of the Audit and Control Committee is to support the Board of Directors in its supervisory duties by periodically reviewing the processes used to prepare the financial and economic information, the internal controls and the independence of the external auditors.

Its main responsibilities include:

- Informing the General Meeting of Shareholders on the questions raised by shareholders which fall within its scope of authority.
- Liaising between the Board of Directors and the external auditor, evaluating the results of each audit.
- Supervising the Company's internal auditing services.
- Analysing the risk control and management policy.
- Supervising the process of drafting the individual and consolidated financial statements and management reports and the regular financial disclosures to the markets.
- Issuing a report each year, prior to the publication of the audit report, expressing an opinion on the independence of the Company's auditors. This report must necessarily address any additional services rendered.
- Issuing reports and proposals as requested by the Board of Directors or the Chairman of the Board and those it deems appropriate for the best performance of its functions, particularly the report on proposed amendments to the Board Rules.

APPOINTMENTS AND REMUNERATION COMMITTEE:

This Committee is organised and governed by Article 42 of the Rules of the Board of Directors.

"1. *The FCC Board of Directors shall permanently establish an Appointments and Remuneration Committee. It will be composed of a minimum of three (3) Board members appointed by the Board of Directors. The majority of its members will be external directors and the Chairman will be appointed from among the latter. The term of the members of the Appointments and Remuneration Committee may not exceed their terms as directors, notwithstanding the possibility that they may be re-elected indefinitely so long as they are also re-elected as directors.*

2. *The Appointments and Remuneration Committee will regulate its own functioning pursuant to the Corporate Bylaws and these Rules. The Committee will designate a Secretary, who need not be a member of the Committee, to aid the Chairman and to ensure the smooth operation of the Committee, duly reflecting, in the meeting minutes, the development of the deliberations, the contents of the deliberations and the resolutions adopted; the minutes must be signed by the members of the Committee who attended the meeting in question. The members of the Appointments and Remuneration Committee will step down from the Committee when they step down as directors or when decided by the Board of Directors.*

There shall be a quorum at the Appointments and Remuneration Committee meetings when the majority of its members are present or represented; its resolutions are to be passed by an absolute majority of the members present or represented and the Chairman shall have a casting vote in the event of a tie.

3. *The Appointments and Remuneration Committee will have the powers to inform, advise and propose within its areas of competence, and it will have the following functions in particular, in addition to those already indicated in these Rules:*
   a) *Evaluating the skills, knowledge and experience needed on the Board, defining the roles and capabilities required of the candidates to fill each vacancy, and deciding the time and dedication necessary for them to properly perform their duties. Any Director member may suggest Directorship candidates to the Appointments and Remuneration Committee for its consideration.*
   b) *Examining or organising appropriately the succession of the Chairman and Chief Executive and, as the case may be, making recommendations to the Board so the handover proceeds in a planned and orderly manner.*
   c) *Proposing the appointment and re-appointment of independent Directors and advising on proposals for the appointment and re-appointment of the other Directors.*
   d) *Advising on proposals to maintain independent Directors in their positions after 12 years and advising on proposals for the removal of independent Directors, in accordance with Article 20.3.*
   e) *Advising on the appointment and removal of senior executives proposed to the Board by the chief executive, and proposing the candidates for senior executive positions in the Company, in addition to those envisaged in Article 2.2 of these rules, and making the proposals for reprimands envisaged in Article 20.2. d) of these Rules. The Committee will also issue a report before any appointment to a position or office whose annual remuneration is equal to or greater than the figure established by the Appointments and Remuneration Committee and reported to the Board of Directors in each case.*
   f) *Overseeing compliance with the Company's remuneration policy and, in particular, proposing to the Board of Directors the remuneration policy for directors and senior executives, the remuneration of the executive directors and the other conditions of their contracts, and the basic conditions for the senior executives' contracts, advising*

and proposing on multi-year incentive plans for the Company's senior executives, particularly those related to the value of the shares. It may also propose to the Board of Directors the distribution among the Directors of the remuneration arising from their membership of the Board that is resolved by the General Meeting of Shareholders, pursuant to the provisions in the Corporate Bylaws and in these Rules.

g) *Preparing and maintaining a record of the status of Directors and senior executives of FCC.*

h) *Ensuring that the procedures for filling vacancies on the Board are not subject to implicit bias against the selection of female Directors, so as to ensure that the Company deliberately seeks and short-lists women with the necessary professional profile, and the Annual Corporate Governance Report must disclose the reason why there are few or no female Directors and the initiatives adopted to correct this situation.*

i) *Advising on the proposed appointment of members of the Board of Directors Committees.*

j) *Advising on the appointment and removal of the Secretary of the Board.*

k) *Verifying the qualifications of the Directors under Article 6.4.*

l) *Receiving the information provided by Directors under Article 24.2 of these Rules.*

m) *Advising, if applicable, on any professional or commercial transactions referred to in Article 25.3 of these Rules.*

n) *Advising on the use, for the benefit of a Director, of business opportunities or assets of FCC which have been previously studied and ruled out by the FCC Group, as referred to in Article 27.1 and 27.3 of these Rules.*

o) *Receiving and safeguard the registration of situations mentioned in section e) above and the personal information furnished by the Directors, as established in article 29 of these Rules.*

p) *Requesting, as the case may be, the inclusion of items on the Agenda of Board meetings, under the conditions and in the terms provided in article 38.3 of these Rules.*

When dealing with matters referring to the Executive Directors and Senior Executives, the Appointments and Remuneration Committee will consult with the Chairman and the Chief Executive of the Company.

4. *The Appointments and Remuneration Committee will regulate its own operations with regard to all matters not stipulated in the Bylaws and these Rules, whose provisions relating to the operation of the Board of Directors will apply specifically insofar as this is possible considering the nature and functions of the Committee.*

5. *The Appointments and Remuneration Committee will have access to all the documentation and information needed to perform its functions. The members of the Appointments and Remuneration Committee may be assisted during their meetings by up to two advisers per Committee member, as required. Such advisors may attend meetings but not vote, and the provisions of Article 31 of these Rules will apply to them.*

6. *The Committee will meet periodically, at least once per quarter, and when convened by the Chairman or requested by two Committee members. On a yearly basis, the Committee will draft an action plan for the coming year which it will submit to the Board.*

   In the absence of the chairman of the Appointments and Remuneration Committee, or if the position becomes vacant, the Committee may be convened by the member of greatest seniority or, if there is equal seniority between members, by the oldest one. In the event of legal persons, the age of the individual representing them will be taken into account.

7. *Discussions will be directed by the chairman, who will give the floor to the attendants wishing to speak.*

In the absence of the chairman of the Appointments and Remuneration Committee, or if the position becomes vacant, his functions will be performed by the member chosen for such purpose by a majority of those attending the meeting."

STRATEGY COMMITTEE:

This Committee is governed by Article 43 of the Rules of the Board of Directors.

"1. *[…] It shall be made up by the Directors appointed by the Board of Directors for a period not to exceed their terms as Directors, notwithstanding the possibility that they may be re-appointed indefinitely to the extent that they are also re-appointed as Directors. The majority of the members of the Strategy Committee will be external Directors.*

2. *The Strategy Committee will choose a Chairman from among its non-executive members. The Committee will also designate a Secretary, who need not be a member of the*

Committee, to aid the Chairman and provide for the smooth operation of the Committee, duly reflecting, in the meeting minutes, the business transacted, the discussions and the resolutions adopted.

3. *The members of the Strategy Committee will step down from the Committee when they cease to be Directors or when it is decided by the Board."*

4. *It is a function of the Strategy Committee to assist the Board of Directors in determining the Group's strategy based on the guidelines set out by the Board, preparing such reports and proposals as may be necessary.*

5. *In particular, the Strategy Committee will inform the Board of proposals regarding investments, divestments, agreements of association with third parties, development of new lines of business and financial transactions which, because of their relevance, in the opinion of the Board may affect the Group's strategy; it will also inform the Board of any other matters which it may submit because they are not allocated to any of the other Committees.*

6. *To perform its functions optimally, the Strategy Committee may seek the advice of external professionals, in which case the provisions of Article 31 of these Rules will apply.*

7. *The members of the Strategy Committee may be assisted during their meetings by up to two advisers per Committee member, as required. These advisers may speak at the meetings but may not vote.*

8. *The Strategy Committee will meet periodically and as convened by the Chairman or requested by two Committee members. On a yearly basis, the Committee will draft an action plan for the coming year which it will submit to the Board.*

   In the absence of the chairman of the Strategy Committee, or if the position becomes vacant, the Committee may be convened by the member of greatest seniority or, if there is equal seniority between members, by the oldest one. In the event of legal persons, the age of the individual representing them will be taken into account.

9. *Discussions will be directed by the chairman, who will give the floor to the attendants wishing to speak.*

   In the absence of the chairman of the Appointments and Remuneration Committee, or if the position becomes vacant, his/her functions will be performed by the member chosen for such purpose by a majority of those attending the meeting."

10. *The minutes of each Committee meeting will be drafted and signed by the Committee members in attendance.*

11. *Any member of FCC Group's management team or personnel who is asked to attend the Strategy Committee's meetings will be obliged to attend, collaborate and provide the information at his/her disposal.*

12. *The Strategy Committee will have access to all the documentation and information needed to perform its functions.*

13. *The Strategy Committee will regulate its own operations with regard to all matters not stipulated in the Bylaws and these Rules, whose provisions relating to the operation of the Board of Directors will apply specifically insofar as this is possible considering the nature and functions of the Committee."*

C.2.5. Indicate, as the case may be, whether the Board Committees are regulated, where the regulations are available to be queried, and any amendments made during the year. Also, indicate whether an annual report on each Committee's activities has been drafted voluntarily.

The Rules of the Board, amended on 10 April 2013, regulates in its articles the functioning of the various Board Committees: Executive Committee (Article 40), Audit and Control Committee (Article 41), Appointments and Remuneration Committee (Article 42), and Strategy Committee (Article 43).

Pursuant to article 38.6 of the Rules of the Board, "the Board in full session will dedicate the first of its meetings in the year to evaluate the quality and efficiency of its own performance during the previous year, valuing the quality of its work, evaluating the efficacy of its rules and, where applicable, correcting aspects found to be dysfunctional. Also, based on a report drawn up by the Appointments and Remuneration Committee, that meeting will assess the performance of the Chairman of the Board and the Company's chief executive, and the performance of the Committees on the basis of the reports issued by them."

Regarding the self-evaluation of the Board and of its Committees, see section C.1.20 herein.

C.2.6. State whether the executive or delegated Committee's composition reflects the participation of the different Directors within the Board based on their type:

YES	NO ☒

If not, detail the composition of the Delegated or Executive Committee
The Executive Committee is made up by 80% of External Directors and 20% of Executive Directors, whereas the Board of Directors has 88.9% of External Directors and 11.1% of Executive Directors. The Board of Directors has six Independent Directors, of which none are members of the Executive Committee.

D. RELATED PARTY AND INTRA-GROUP TRANSACTIONS

D.1. Identify the body authorised to approve related party and intra-group transactions and the procedure for such approval.

Body authorised to approve related-party transactions

The authorised body is the Board of Directors via the Appointments and Remuneration Committee. Article 25 of the Rules of the Board of Directors establishes that:

"1. Directors must refrain from attending and taking part in the discussions affecting related-party transactions and generally matters in which they may be directly or indirectly involved, and from voting on the corresponding decisions, and they must not delegate their vote and leave the assembly room while the Board discusses the matter and votes.

An indirect interest on the part of the Director is considered to exist when that matter affects a related party.

2. Directors must give due advance notice to the Board, via the Corporate Responsibility Department or any other that takes its place, of any situation that may give rise to a conflict of interest with the Company or any of the companies in the FCC group or their related companies.

Body authorised to approve related-party transactions

3. In the following cases, the prior written consent of the Board of Directors of FCC, which may not be delegated, based on a favourable report from the Appointments and Remuneration Committee, will be required for the following cases:

a) Provision by a Director or a related party to companies of the FCC Group of professional services other than those deriving from executive Directors' employment relationship.

b) Sale or disposal by any other means, for good and valuable consideration of any type of supplies, materials, goods or rights in general by a Director, significant shareholder or shareholder represented on the Board, or their related parties, to companies of the FCC Group.

c) Transfer of supplies, materials, goods or rights in general outside the seller's normal course of business by a company of the FCC Group to a Director, significant shareholder or shareholder represented on the Board, or their related parties

d) Provision of works or services or the sale of materials by companies of the FCC Group to a Director, significant shareholder or shareholder represented on the Board, or their related parties, in the normal course of the former's business, at lower than market prices.

The request for authorisation will be submitted to the Corporate Responsibility Department, which will in turn ask the FCC area involved for a report, which will subsequently be sent together with the application to the Appointments and Remuneration Committee.

4. The authorisation referred to in the item above will not be necessary for related-party transactions that fulfil all of the following three conditions:

a) They are governed by standard form agreements applied on an across-the-board basis to a large number of clients.

b) They are performed at market prices or rates generally set by the person supplying the goods or services.

c)Their amount is not more than 1% of the Company's annual revenues.

5. In any event, all material transactions of any kind between Directors and FCC, its subsidiaries or associated companies must be disclosed in the Annual Corporate Governance Report. This obligation extends to material transactions between the Company and its significant shareholders (direct and indirect).

6. For the purpose of the provision herein, related parties will be deemed to be those included in article 231 of the Capital Companies Act."

Procedure for approving related-party transactions
–

Explain whether the approval of related-party transactions has been delegated, stating the body or persons to whom it has been delegated, as the case may be.

This has not been delegated.

D.2. Detail any significant transactions due to the amount or subject matter thereof between the Company or entities in its group and significant shareholders of the Company:

Name or company name of significant shareholder	Name or company name of group company or entity	Nature of relationship	Type of transaction	Amount (thousand euros)
B-1998, S.L.	FCC Medio Ambiente, S.A.	Contractual	Provision of services	2.067
B-1998, S.L.	Servicios Especiales de Limpieza, S.A.	Contractual	Provision of services	0.918

D.3. Detail any significant transactions due to the amount or subject matter thereof between the Company or entities in its group and administrators or executives of the Company:

Name or company name of the administrators or executives	Name or company name of the related party	Relation	Nature of the transaction	Amount (thousand euros)
B-1998, S.L.	FCC Medio Ambiente, S.A.	Contractual	Cleaning services	2.067
B-1998, S.L.	Servicios Especiales de Limpieza, S.A.	Contractual	Cleaning services	0.918

D.4. Detail the significant transactions between the Company and other companies in the group, except those that are eliminated in consolidation or do not form part of the Company's normal operations with regard to their purpose and conditions:

In any event, any intra-group transactions with entities established in countries or territories deemed to be tax havens must be reported:

Name of group entity	Brief description of transaction	Amount (thousand euros)
–	–	–

NOTE:
There are many transactions between group companies in the ordinary course of their business which are eliminated in the process of drawing up the consolidated financial statements.

D.5. Indicate the amount of the transactions with related parties.

D.6. Describe the mechanisms established to detect, determine and resolve possible conflicts of interest between the Company and/or the group and its directors, executives or significant shareholders.

Article 25.2, 25.3, 25.4, 25.5 and 25.6 of the Rules of the Board of Directors establishes that Directors must give due advance notice to the Board, via the Corporate Responsibility Department or any other that takes its place, of any situation that may give rise to a conflict of interest with the Company or any of the companies in the FCC group of companies or their related companies. Under Article 25.3, "In the following cases, the prior written consent of the Board of Directors of FCC, which may not be delegated, based on a favourable report from the Appointments and Remuneration Committee, will be required:

a. Provision by a Director or a related party to companies of the FCC Group of professional services other than those deriving from executive Directors' employment relationship.
b. Sale or disposal by any other means, for good and valuable consideration of any type of supplies, materials, goods or rights in general by a Director, significant

shareholder or shareholder represented on the Board, or their related parties, to companies of the FCC Group. For this purpose, related party is as defined in Article 127 ter 5 of the Public Limited Companies Act.

c. Transfer of supplies, materials, goods or rights in general outside the seller's normal course of business by a company of the FCC Group to a Director, significant shareholder or shareholder represented on the Board, or their related parties.
d. Provision of works or services or the sale of materials by companies of the FCC Group to a Director, significant shareholder or shareholder represented on the Board, or their related parties, in the normal course of the former's business, at lower than market prices.

4. The authorisation referred to in the preceding item will not be necessary for related-party transactions that fulfil all of the following three conditions:
   a) They are governed by standard form agreements applied on an across-the-board basis to a large number of clients.
   b) They are performed at market prices or rates generally set by the person supplying the goods or services.
   c) Their amount is not more than 1% of the Company's annual revenues.

5. In any event, all material transactions of any kind between Directors and FCC, its subsidiaries or associated companies must be disclosed in the Annual Corporate Governance Report. This obligation extends to material transactions between the Company and its significant shareholders (direct and indirect).

Under Article 25.1, "An indirect interest on the part of the Director is likewise considered to exist when that matter affects a related party."

NOTE:
The Director Mr Henri Proglio is also the chairman of Electricité de France (EDF). The rest of the members of the Board of Directors of the Company have declared that they do not hold office or holdings in the capital of entities with the same, similar or supplementary business as that making up the corporate purpose of Fomento de Construcciones y Contratas, S.A.

D.7. Is more than one Group company listed in Spain?

YES ☒	NO

Identify the subsidiaries that are listed in Spain:

Listed subsidiaries
Cementos Portland Valderrivas, S.A.

Has a public definition been established describing precisely the respective business relationships between the parent company and the listed subsidiary, and between the listed subsidiary and other group companies?

YES	NO ☒

Define any business relationships between the parent company and the listed subsidiary, and between the listed subsidiary and other group companies
–

Identify the mechanisms in place to resolve possible conflicts of interest between the listed subsidiary and other group companies:

Mechanisms for resolving conflicts of interest
–

E. RISK CONTROL SYSTEMS

E.1. Explain the scope of the Company's Risk Management System.

FCC Group has an integrated Risk Management Model, which is gradually being extended and will enable the Company to deal effectively with all of the risks to which its business operations are exposed, as it operates in different geographic areas, activities and legal environments which, in turn, entail different risk levels inherent to the activities in which it carries out its operations.

The chosen model includes devising an advance Risk Map using Enterprise Risk Management (Coso II) methodology, which provides senior executives with valuable information and contributes to the definition of FCC Group's strategy.

FCC Group's risk management philosophy is consistent with its business strategy, seeking the maximum efficiency and solvency at all times, for which purpose it has established strict criteria for the control and management of risks, consisting of identifying, measuring, analysing and controlling the risks incurred in the Group's operations, and the risk policy is appropriately integrated within the Group's organisation.

Given the singularity of each one of FCC Group's business areas, the risk management is carried out in each of the areas, drawing up a Risk Map for each one and, subsequently, based on the information that is reported, FCC Group's consolidated Risk Map is drawn up.

With this policy, risk management takes place in each of the business areas, via:

- The identification of key risks for FCC Group based on their potential threat to achieving the organisation's objectives, at the level of each of the business areas.
- Evaluating risks. The risk evaluation scales are defined in terms of the potential impact they could have if they were to materialise and the likelihood that they will occur.
- The identification of the controls and procedures to mitigate the economic impact of the risks and the likelihood of their occurrence.
- The identification of an owner for each of the identified risks, as the first person in charge of keeping the adequate level of internal control.
- Additionally, for risks exceeding the Accepted Risk for each sector of activity, the necessary action plans are established with corrective measures to keep their critical levels within the Accepted Risk area. These action plans include the measures needed to reinforce existing controls and they even incorporate new controls thereto.
- The implementation of specific procedures to carry out Risk Management in each of the business areas, ensuring that it is part of the decision-making process.

Additionally, the results of the Continuous Risk Management are communicated to the Audit Committee, the highest body in charge of supervising the management of the Group's Risks, as set out in the Group's Rules of the Board of Directors.

In this way, the policy will allow FCC Group to:

- Take steps to prevent the materialisation (probability of occurrence) or to minimise their economic impact, by identifying the key risks in advance, whenever an area is identified where internal control may be enhanced.
- Relate the goals sought by the Group both with the risks that could prevent the execution thereof and with the necessary control activities to prevent the materialisation or to minimise the economic impact if the risks materialise.
- Ensure that the legal regulations in force are fulfilled, as well as the Group's rules and internal procedures.
- Review that the processes for preparing financial reports are adequate to ensure the reliability and integrity of said information.
- The safeguarding of assets.

By following the best business practices in this field and applying the Coso II methodology, the Group has classified its risks as follows:

- Strategic risks: These are the risks related to the Group's strategy and hence managed on a priority basis. These risks are related to the markets/countries/sectors where the FCC Group operates. Also included in this category are reputational, innovation and economic planning risks.
- Operating risks: These risks are related to operations management and the value chain of each one of the business areas where the FCC Group operates. They include the risks related to tender and contracting processes, selection of partners, subcontractors and suppliers, human resources management and ongoing personnel training.
- Compliance risks: These are the risks affecting internal and external regulatory compliance, including those relative to the compliance with the FCC Group code of

ethics, compliance with applicable laws regarding legal, fiscal, ICFR, data protection, quality, environment, IT security and occupational risk prevention matters.

- Financial risks: Risks associated with the financial markets and with the generation and management of cash. Financial risks include those related to liquidity, cash management, access to financial market, exchange rates and interest rates.

E.2. Identify the company bodies in charge of drawing up and executing the Risk Management System:

Executive Committee

The Board may permanently delegate in the Executive Committee all the powers of the Board of Directors with the exception of those which are reserved by law, the bylaws, or the Rules of the Board. Like the plenary Board, the Committee ensures that FCC Group's organisation structure, planning systems and operations management processes are designed to deal effectively with the different risks to which FCC Group's business is exposed.

Audit and Control Committee

According to article 41 of the Rules of the Board of Directors and as established in Recommendation 50 of the Unified Code of Corporate Governance for Listed Companies, the principal function of the Audit Committee is to support the Board of Directors in its supervisory and oversight efforts, particularly with regard to risk management and control policies, the monitoring of the Risk Maps and the action plans needed to mitigate the most relevant risks that are identified, and the supervision of the Company's internal audit services.

Strategy Committee

The Strategy Committee supports the Board of Directors in determining the Group's strategy based on the guidelines agreed by the Board, preparing the corresponding reports and proposed agreements in this regard. The Strategy Committee is responsible for ensuring that the objectives of the strategy plan can be achieved by the Company assuming an acceptable level of controlled risk so as to protect the interests of shareholders, other stakeholders and society in general, as well as the Group's reputation.

Steering Committee

The Steering Committee is chaired by the Chairman of FCC Group and composed of members assigned to the Committee by the plenary Board of Directors. Its functions include reviewing FCC Group's consolidated financial information on a monthly basis, especially when the information must be reported to the CNMV.

Risk Committee of each one of the business areas

This committee monitors from time to time the risk exposure level of each one of the FCC Group business areas, analysing the relevant risks that may affect the forecasts and goals to be reached by each of them.

Response Committee

This committee is in charge of supervising the proper functioning of the Whistleblowing Channel, assessing possible improvements of the controls and systems established in the Company, processing communications in order to solve them, encouraging the knowledge of the Code of Ethics and regularly drawing up reports on the level of compliance therewith. It may establish corrective actions and, if it considers it necessary, penalties.

E.3. State the main risks that may affect achieving the business goals.

1. Strategic risks

Strategic planning/Market/Country

FCC Group's strategic planning process identifies the objectives to be met in each business area based on the improvements to be introduced, the market opportunities present and the level of risk considered acceptable. On the basis of this process, the Group designs operating plans specifying the targets to be achieved each year.

To mitigate the market risks inherent to each line of business, the Group maintains a diversified position between businesses related to infrastructure construction and management, environmental services, energy and others. In the field of geographic diversification, in 2013 foreign activity accounted for 42% of total sales, being particularly important in the Group's most significant areas, infrastructure construction and environmental services.

Technological capacity/Innovation

FCC Group is aware that its success in the highly competitive markets where it operates depends on offering clients added value through technical and economic capabilities. In this regard, FCC Group is very active in the field of technological research and innovation and also places a great deal of importance on the on-going training of its personnel.

FCC Group has outsourced the management of its information infrastructure and telecommunications systems. FCC Group has also implemented a common information system which is intended to cover its individual financial reporting needs on the one hand and to standardise the process of consolidating the Group's economic-financial information on the other. Furthermore, the Group is currently in the process of implementing a scorecard that will automatically provide management indicators, which will increase the quantity and quality of the information available to Senior Executives.

Reputation management / Corporate governance

Reputation management is part of FCC Group's Code of Ethics and of the work developed in matters related to Corporate Responsibility and ethics. Social responsibility policies are an inherent part of FCC Group, for which conducting business requires a comprehensive commitment to the society it is part of.

Once again in 2013, the Company's corporate responsibility management and results have been recognised by a number of renowned independent observers. Among these are the selective responsible investment indexes DJSI Stoxx, FTSE4good and FTSE Ibex 35.

The Spanish Carbon Disclosure Project (CDP) report also recognised FCC for its risks and opportunities analysis system in the climate change field.

2. Operating risks

Tendering and contracting.

The risks and opportunities arising during the tendering and contracting process constitute one of the main challenges faced by FCC Group. In this respect, the Group is in the midst of a process of redefining the specific processes related to managing risks in the tender and contracting stages. The Company has formally established policies and procedures that focus on technical quality technological capacity, economic viability and competitive bidding. The process of preparing, presenting and monitoring bids must be authorised at various levels within the organisation, the main bid preparation tasks are entrusted to the highly qualified technical staff of the specific departments.

Selection of partners, subcontracting and suppliers

The Group has a rigorous process for selecting the partners with whom it works in different business areas, which consists of applying the procedures contained in FCC Group's General Standards Manual.

The risks associated with subcontracting are controlled by uniformly applying the subcontracting model established by the FCC Group in accordance with the aforementioned General Standards Manual, which establishes a protocol of action indicating the minimum requirements for FCC Group companies to be able to subcontract public or private sector contracts.

The Human Resources Manual also defines the labour responsibilities assumed by the FCC Group in connection with the personnel subcontracted for projects or services.

Personnel management and ongoing personnel training

FCC Group is working on an ambitious project to modernise its IT and personnel management systems, incorporating all the information into a single, global database for the entire Group in order to support and facilitate the human resources management process.

The project also includes a SAP computer tool to design and implement the payrolls of all FCC Group companies in Spain in order to enhance the security, quality and uniformity of the payroll process.

FCC Group has training procedures in place in Spain and specific subsidiaries which take the form of structured training plans based on both regularly scheduled basic and refresher training courses as well as 'ad hoc' training to cover specific needs as they arise. In particular, FCC Group develops training plans for all personnel involved in the preparation of the Group's financial statements. This plan is constantly being updated to adapt to the business and regulatory environments in which FCC Group's companies are operating and to stay abreast of changes to International Financial Reporting Standards and the regulation and evolution of internal controls on financial reporting.

In the 2013 Corporate Training Plan specific training has been included related to Risk Management, including risks associated to ICFR and its evaluation, as well as criminal risks derived from the responsibility of legal entities.

3. Regulatory and compliance risks

Regulatory or Compliance risks are those arising from the breach of requirements and limitations established by Law and by the specific regulations applying to each business sector, as well as the breach of professional obligations or codes of conduct and contractual obligations.

Risks arising from the breach of the Code of Ethics

FCC Group has a Code of Ethics in place that regulates the guiding principles of Group employees' conduct and the relations between Group employees and other stakeholders. Compliance with the Code of Ethics is mandatory for all Group employees and for those third parties who accept it voluntarily.

FCC Group's Code of Ethics is a tool for guiding the Group's actions in matters of a social, environmental or ethical nature of certain significance. The Group offers an online training tool for the Code of Ethics.

Persons bound by the Code of Ethics have the obligation to report any breaches of the Code. To do so, they may use the established channels and procedures to report incidents confidentially, in good faith and without fear of reprisals. FCC Group has established a general communication procedure for matters related to the Code of Ethics.

As a result of the incorporation of criminal liability of legal persons to the Spanish Criminal Code in 2010, FCC Group, by creating a working group made up by the General Internal Auditing Management, the General Legal Counsel Management and the General Administration Management, with the collaboration of KPMG, decided to carry out a comprehensive study of the identification of the controls needed to mitigate the risk of employees committing any of the crimes incorporated following the reform.

The following work was carried out:

- Study of the FCC Group internal control general framework: components of the control environment, risk management, control, reporting, communication and supervision activities; the working group especially focuses on all the existing protocols on the use of information technology at FCC and on its policy on the use of technological means and its IT security policies, among others.
- Identification of the relevant crimes that may be applicable in FCC Group's business environment, especially in the fields of ethics and integrity, segregation of functions, and authorisations of payments, among others.
- Assessment of the risk of each of the identified behaviours materialising, in terms of impact and probability.
- Identification and setting priorities regarding the main controls and actions aimed at preventing, detecting, publishing and correcting said behaviours.
- Evaluation of the strength of the controls and key actions.
- Identification of areas of improvement for the management of the risk of crimes being committed and the establishment of specific action plans.

As a result of this process, FCC Group has drafted a Crime Response and Prevention Manual which is explained in the following section on legal risk management. In addition to this, the response protocols when a crime is committed were defined.

Also, in the light of the reform of the Criminal Code in this area, the Group is currently carrying out impact studies.

Legal risks

FCC Group has procedures in place to guarantee compliance with the regulations governing each one of the economic activities developed by the Group. The different specialised departments stay abreast of regulatory changes, advising the Group's units accordingly and issuing standards as needed to standardise the Group's criteria and guarantee compliance with the law.

For operations outside Spain, the FCC Group seeks legal advice from local professionals in relation to the specific laws and regulations that affect the Group's business in each country.

Regarding the recent reform of the Criminal Code in relation to the criminal liability of legal entities, FCC Group has drafted a Crime Response and Prevention Manual which has two clearly differentiated parts:

- The first part deals with prevention and consists of identifying and updating any behaviour within the Group that may involve the risk of committing a crime and then planning and implementing controls to mitigate these risks. To do so, the Group has set up certain oversight bodies and mandatory procedures. During the year 2013 a report was drawn up on the functioning of the internal controls established in the catalogue of crime and risk behaviour priorities.

- The second part deals with the bodies and procedures implemented to respond to behaviours which could constitute the commission of a violation within FCC Group, especially behaviour which could be interpreted as illegal.

Risks arising from the breach of fiscal regulations

Within the context of the delegation of powers agreed by the Board of Directors and the Chairman and the business model established in the FCC General Guidelines and the Financial-Economic Manual, in addition to the specific powers vested in the person responsible for the Fiscal Division, the functions of this Division include: proposing criteria relative to the Group's fiscal policies as well as to advise on and coordinate their application, with fiscal efficiency, in corporate acquisitions and reorganisations operations and for those presented by the different business areas in connection with their activities.

In addition, in order to minimise fiscal risks and ensure proper reporting and control on fiscal risks, FCC, along with other large Spanish Corporations and the Spanish tax authorities, is a signatory to the Code of Good Tax Practices approved by the Large Companies Forum, and it complies with the contents thereof. In compliance with the terms of the Code, the Tax Division reports to the Audit and Control Committee on the Group's tax policies through the General Administration Management to the Audit and Control Committee on the Groups tax policies.

Internal Control over Financial Reporting (ICFR)

Publicly listed companies are obliged to disclose information in the Annual Corporate Governance Report (ACGR) on their Internal Control System over Financial Reporting (hereinafter ICFR). Also, the Audit Committees of publicly listed companies have assumed new internal control responsibilities.

In this regard and in connection with the good practices proposed in the report published by the CNMV, FCC Group has prepared an ICFR Report for 2013 which is part of this Annual Corporate Governance Report and it has been subject to an external audit.

Personal data protection systems

The processing of personal data, primarily for compliance with the Data Protection Act (LOPD) is specifically regulated in the markets where FCC operates. To manage the risk of non-compliance, there is a programme that measures the impact on each business area and then establishes the necessary legal, organisational and technical controls in each case.

Quality assurance systems

FCC Group has formally implemented quality management systems in all of its business areas, which are deeply rooted in the organisation. These systems have been UNE-EN ISO 9001 certified and regularly pass the periodic audits performed by external professionals.

The quality control committees in the different areas of the Group are the supreme executive bodies with the authority to establish guidelines, oversee compliance and review systems.

Environmental risks

FCC Group has implemented environmental management systems in the different business areas, which underscore the following:

a) Compliance with the environmental regulations applicable to the activities of each area.
b) Establishment and attainment of continuous improvement targets beyond those required by prevailing legislation or contracts.
c) Minimising environmental impacts through proper operational control.
d) An ongoing analysis of risks and possible improvements.

These management systems have been implemented in the different business units according to UNE-EN and the Group has obtained ISO 14001 certification for its Environmental Management System.

Information security systems

FCC Group has an operating unit entrusted with analysing and mitigating the factors that could lead to a security failure in its information systems.

For each new project that involves changes to FCC Group's information system, the risks are analysed to determine the specific threats and define the pertinent measures. With regard to information processing risk, FCC Group has established a Corporate Information Security Policy laying down common information management criteria to mitigate those risks which could affect the confidentiality, availability and integrity of information. These criteria are based on the internationals standards of the International Standardisation Organisation (ISO) set out in the ISO 27000 family standards.

As a consequence of this policy, the Company has defined a Code for the use of technological means and different protocols for managing incidents in relation thereto. Controls have been implemented to guarantee user access to the resources for which they are authorised based on their need to know and their assigned roles.

FCC Group has a monitoring system known as 'Data Leak Prevention' to detect and prevent the risk of classified data leaks through information systems.

FCC Group has a Security Operation Centre (SOC) that operates 24/7 to address the growing threat of attacks from the internet and possible information leaks.

As mentioned above, FCC Group has outsourced the rendering of information infrastructure management services. Furthermore, investments are being made to standardise the architecture of FCC's systems and to remove any differences between the environments managed by Group companies in terms of availability and integrity.

FCC has thus guaranteed the efficient use of its information systems while ensuring the most effective operation and management of such systems based on best practices model for information technology service management (ITSM).

Occupational risks

One of FCC Group's priorities is to guarantee top level health and safety of its personnel and to strictly comply with all labour legislation, as evidenced by the Occupational Risk Prevention Policy approved by the Board of Directors. To achieve this, occupational risk prevention systems have been implemented in all business areas and the Group companies received OHSAS 18001 certification, successfully passing the periodic audits conducted by external professionals.

For standardisation purposes and as a global management instrument to ensure that the organisation's standards are met, FCC Group has a Corporate Occupational Health and Safety Manual that entered into force in 2012, the guidelines of which are being incorporated into existing management systems. This is aimed at permanently reducing occupational accidents with a horizon of 'Zero Accidents'.

The certification of the occupational risk prevention management systems has been incorporated as a global strategic objective in Human Resources.

4. Financial risks

Financial risk refers to changes in the value of financial instruments contracted by FCC Group due to political, market and other factors, and the effect of such changes on the financial statements. FCC Group's risk management philosophy is consistent with its business strategy, seeking the maximum efficiency and solvency at all times, for which purpose it has established strict criteria for the control and management of financial risks, consisting of identifying, measuring, analysing and controlling the risks incurred in FCC Groups operations, and the risk policy is appropriately integrated within the Groups organisation.

Given the Group's activities and the operations through which it executes these activities, it is currently exposed to the following financial risks:

Capital risk

FCC Group manages its capital to ensure in a reasonable manner that FCC Group companies are able to continue as profitable businesses, while maximising shareholder returns.

FCC Group's overall strategy continues to focus on geographical diversification, developing and expanding activities in OECD countries and selectively in emerging economies.

The Finance Department, which is responsible for the management of financial risks, periodically reviews the capital structure of subsidiaries as well as the debt-equity ratio and compliance with the financing covenants.

Interest rate risk

With the purpose of being in the most adequate position for the interests of FCC Group, an active interest rate risk management policy is followed, continuously monitoring the market and taking different positions mainly according to the assets that are financed.

Exchange rate risk

A noteworthy consequence of 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. 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 relevant ratio for measuring solvency and repayment capacity is: the Net Debt/ EBITDA ratio.

Liquidity risk

This risk exists due to timing differences between the resources generated by the activity and required funding needs.

To properly manage this risk, FCC monitors the maturity dates on the policies and financing agreements of all Group companies very closely in order to negotiate the renewals in a timely manner under the best conditions the market has to offer. The conditions of the financing are analysed on a case-by-case basis and if they are found not to be advantageous to the Group alternatives are considered.

FCC Group is present in various markets in order to facilitate obtaining financing and to mitigate liquidity risk.

Concentration risk

This risk arises from the concentration of financing transactions with common characteristics and is broken down as follows:

- Sources of financing: In order to diversify this risk, FCC Group works with a great number of domestic and international financial institutions to obtain financing.
- Markets/geographical area (Spain, abroad): FCC Group operates in a wide variety of markets in Spain and other countries; the Group's debt is denominated primarily in euros and the remainder in different international markets with other currencies.
- Products: FCC Group uses diverse financial products: loans, credit facilities, obligations, syndicated operations, assignments, discounts, etc.
- Currency: FCC Group finances its operations using a number of different currencies depending on the country where the investment is being made.

Credit risk

Rendering services to or accepting orders from clients whose financial soundness is not guaranteed at the time of acceptance or which cannot be evaluated by FCC Group, as well as situations that may occur during the rendering of the service or fulfilment of the order that can affect a client's financial situation, can give rise to the risk of outstanding balances not being paid.

FCC Group obtains commercial reports and evaluates the financial solvency of clients before entering into agreements with them and then monitors their solvency on a regular basis. There is a procedure in place for dealing with cases of insolvency. For public sector clients, FCC Group has a policy of not accepting work that does not have an assigned budget and prior economic approval. Proposals for work that exceed a particular payment deadline must be authorised by the Director of Finance. Defaults are also monitored continuously with specific bodies such as risk committees.

Risk-hedging financial derivatives

Generally speaking, the financial derivatives contracted by FCC Group are treated, from an accounting perspective, as provided for in the rules governing accounting hedges, as explained in the Notes to the Consolidated Financial Statements. The main financial risk hedged by the FCC Group using derivatives is the variability of the floating interest rates to which the various Group companies' borrowings are indexed. The valuation of the financial derivatives was carried out using generally accepted methods and techniques by experts in the field that are independent from the Group and from its financing entities.

E.4. State whether the company has a risk tolerance level.

FCC Group has incorporated the establishment of Accepted Risk levels for each Business Unit within its Risk Management System.

For risks exceeding the Accepted Risk for each sector of activity, the necessary action plans are established with corrective measures to keep their critical levels within the Accepted Risk area. These action plans include the actions needed to reinforce existing controls and they even incorporate new controls thereto.

E.5. State what risks materialised during the year:

- **Risks that materialised in the year:** Limitations on access and refinancing in financial markets.

Underlying circumstances:
The current financial and economic crisis has caused difficulties in terms of access of financing sources for the Group, as well as for refinancing existing loans in the best possible conditions, with the subsequent negative effect on the Group's financial statements.

How the control systems operated and response plans:
After presenting the new Strategic Plan on 20 March 2013, the company embarked on a global refinancing process involving all of the parent company's syndicated loans and a significant part of the bilateral financing, which contemplates obtaining liquidity lines and extending the current maturities.

Accordingly, there has been an intensive negotiation process throughout 2013 with the major financial suppliers; it ended successfully, reaching an agreement aligned with the fulfilment of the goals contemplated in FCC Group's Strategic Plan, which will start to have an important positive effect on the Group's accounts as from 2014.

- **Risks that materialised in the year:** Adaptation of FCC Group's personnel to planned operations/flexibility of personnel costs.

Underlying circumstances:
The current financial and economic crisis has caused a decline in the Group's turnover, equally affecting the rest of the market operators. This circumstance has led to a loss of efficiency per production unit, which has been seen on the Group's financial statements over the last few years.

How the control systems operated and response plans:
During the year 2013, FCC Group adjusted the Group's structure to the current market demand conditions, by way of various personnel restructuring measures. The Group managed to effectively adjust the headcount to the expected production requirements, which will entail production efficiency improvements that will be noticeable on the Group's financial statements as from 2014.

- **Risks that materialised in the year:** Insecurity in terms of legislation on the Energy Sector.

Underlying circumstances:
Recent legislative changes in the field of Energy, such as the reduction of subsidies for premiums in wind power and the elimination of photovoltaic power rates, have caused the reduction of future revenues from the production of renewable energies, with the subsequent negative impact on the business models.

How the control systems operated and response plans:
After performing a thorough analysis of the returns to be had from the energy projects in the new legislative scenarios, FCC Group made the corporate decision to divest from this activity during 2013.

- **Risks that materialised in the year:** Reprogramming of construction works.

Underlying circumstances:
The current financial and economic crisis has caused a delay in public-sector investment, leading to reprogramming of several construction works in Spain and abroad, with substantial effects on the outcome thereof due to clients' non-fulfilment of their commitments and FCC Group's continuous efforts to meet those commitments.

How the control systems operated and response plans:
In this situation, FCC Group carried out several actions to optimise the costs at each of the facilities, in an effort to adapt to the new deadline commitments, claiming whatever was required from each client in each case. On the other hand, the trade relationship with our clients made it possible to reach an understanding.

- **Risks that materialised in the year:** Delayed payments by certain public-sector clients for the provision of urban environmental services and for construction works executed in Spain.

Underlying circumstances:
Both the entry into force of the Organic Act on the control of trade debts in the Public Sector, so that invoices are paid meeting the legal payment terms, and the new financing plan approved in 2013, allowing to pay suppliers and cancel due liabilities yet to be paid made it possible to bring down the effects of this risk.

How the control systems operated and response plans:
The permanent monitoring and control committees remain in place in order to minimise the volume of generated assets, thereby reducing the associated financial cost and consolidating the gradual reduction in the future. All this has allowed a substantial additional reduction of the average payment period by those clients in Spain throughout 2013 that will continue in 2014.

- **Risks that materialised in the year:** Cut-backs in investments forecast by Public Administration bodies.

Underlying circumstances:
As a consequence of the current economic and financial crisis, there have been cuts and investment restrictions for the construction of infrastructures in Spain.

Budget adjustments required due to the implementation of the Budget Stability Act have led to reviews of services rendered to levels sustainable according to clients' budget availability.

This has led to a lower demand for cement, with a significant decline of sales and EBITDA.

How the control systems operated and response plans:
This situation has been mitigated by selective increased presence abroad and by incorporating new contracts, focusing on a few select territories and complex civil works with high added value, with a growth of the portfolio of works abroad.

The continuing sales relationship with clients involved has allowed for the modulation of the services rendered without losing orders and market share in Spain has been maintained.

Also, a restructuring plan has been implemented in 2013 in the cement area that is achieving an adjustment of the operating and production capacity.

- **Risks that materialised in the year:** Country risk. Existence of certain unstable geographic markets.

Underlying circumstances:
The existence of certain unstable geographic markets in which FCC Group operated led to an ongoing re-planning of works abroad, with a negative impact on the Group's financial statements.

How the control systems operated and response plans:
During 2013 FCC Group carried out a thorough strategic, operational and financial reorganisation in the markets where these risks materialised, aimed at mitigating those risks.

In this way and as part of the Group's strategy starting in 2013, a selective increase of the Group's presence abroad is being carried out, incorporating new contracts and focusing on a few select territories and in complex civil works with high added value.

- **Risks that materialised in the year:** General decline of activity.

Underlying circumstances:
The current financial and economic crisis has caused a widespread decline of economic activity, which has reduced the turnover but has not affected the market share in the sectors where the Group operates.

How the control systems operated and response plans:
In the light of this situation, FCC Group took several measures to adapt its production capacity to the market situation, foreseeing possible greater adverse effects on its financial statements. These measures were related to personnel and the restructuring of assets and divestments.

- **Risks that materialised in the year:** Impairment of intangible assets.

Underlying circumstances:
The current financial and economic crisis has caused a loss of value of some of FCC Group's investments.

How the control systems operated and response plans:
FCC Group recognised, in 2012 and 2013, significant impairments of certain goodwill, adapting the Group's assets to its true recovery capacity.

- **Risks that materialised in the year:** Loss of value of investments.

Underlying circumstances:
In June 2013, Alpine, the construction subsidiary operating in central and Eastern Europa filed for bankruptcy and was then liquidated. This occurred after the impairment of its

activity was clear, especially starting in the second quarter of the year, with the subsequent incapacity to meet the obligations stemming from its refinancing agreements signed on 30 March 2013.

How the control systems operated and response plans:
FCC Group full reflected the impact of this situation on its financial statements, by valuing all Alpine's assets at zero in the first quarter of 2013, without estimating any additional effects.

E.6. Explain the response and monitoring plans for the Company's main risks.

As established in the eighth recommendation of the Unified Code of Good Governance for Listed Companies published by the CNMV, and as described in the eighth article of the Rules of the Board of Directors of the Company approved in December 2013, among the Group's general policies and strategies that are reserved for the approval of the Board of Directors due to their impact on the Group's business, are the risk control and management policies and the regular monitoring of internal reporting and control systems.

In order to develop its responsibilities in this field, the Company's Board of Directors essentially relies on the various Committees and Bodies described in section E.2. In this respect, the Audit Committee, as stated also in the Rules of the Board of Directors approved in December 2013, has among its functions the monitoring and analysis of the risk management and control policy. This policy must identify the different types of risks to which the Company is exposed, with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks; the determination of the risk level the Company sees as acceptable; the measures in place to mitigate the impact of risks identified, should they occur; and the internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks, and submission to the Board for approval.

One of the major risks for FCC Group in 2013 was the inherent risk related to the construction business both in Spain and abroad. In this respect the response plans established by the Group are part of a global restructuring process for the construction business, and were as follows:

- Construction in Spain: Adjustments of the production means to the actual needs of the market, preventing the impairment of returns:
  - Adaptation of headcount to the current market situation.
  - Reduction of the sales structure, adapting it to the current market situation.
- Construction abroad: Returns are boosted by focusing on specific territories, selecting the most profitable works and markets, as well as on the growth of the industrial business in select territories. In addition to this, just like in Spain the sales structure is being reduced, adapting it to the current market situation.

The rest of the response plans carried out by FCC Group for each of the risks materialised in 2013 are set out in the preceding heading E 5.

F. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IN RELATION TO THE FINANCIAL REPORTING PROCESS (ICFR)

Describe the mechanisms in the control and risk management systems in relation to the financial reporting process (ICFR) at your company.

F.1. The Company's control environment

Indicate, at least the following, specifying the main characteristics thereof:

F.1.1. The bodies and/or functions responsible for: (i) the existence and maintenance of an adequate and effective ICFR system; (ii) the implementation thereof; and (iii) supervision thereof.

The bodies and functions that are responsible within FCC Group for the existence, maintenance, implementation and supervision of an adequate and effective ICFR, and the responsibilities attributed to these bodies, are the following:

Board of Directors
As set out in article 8 of the Regulations of the Board of Directors of FCC, S.A., the Board is ultimately responsible for the approval of the Company's general policies and strategies

and, in particular, for the risk management and control policy, identifying the main risks of the Company and implementing and monitoring the adequate internal control and reporting systems, with the purpose of ensuring its future feasibility and competitiveness by adopting the most relevant decisions for the better development thereof.

Executive Commission

As set out in article 40 of the Regulations of the Board of Directors of FCC, S.A, the Board may permanently delegate to the Executive Commission all of the powers pertaining to the former, except those which are reserved to the Board by the Law, the Articles of Association or the Regulations of the Board of Directors.

In addition, just like the Board, the Commission ensures that the organisational structure of FCC Group, the planning systems and the management processes of the operations are designed to face the various risks to which it is exposed in the course of business.

The Board of Directors shall designate the Directors who are to make up the Executive Commission, ensuring that the share structure of the different director categories is similar to that of the Board itself.

The functioning of the Executive Commission is determined in article 36 of the Articles of Association of FCC.

Audit and Control Committee

The Regulations of the Board of Directors of FCC establish, in article 41, the incorporation of a permanent Audit and Control Committee, made up by a minimum of three Directors, designated by the Board of Directors taking into account their knowledge and experience in the field of accounting, auditing or risk management. All members will be external Directors and the committee will name a Chairman among them who will hold the position for a maximum period of four years, and they may also choose a Vice-Chairman. The fundamental function of the Audit and Control Committee is to support the Board of Directors in its surveillance tasks, by reviewing, from time to time, the process of preparing economic and financial reports, the internal controls and the independence of the external auditor. In particular, by way of illustration only, and notwithstanding any other tasks with which it may be entrusted by the Board of Directors, the Audit and Control Committee will be responsible for:

- Supervising the Company's internal auditing services, which see to the proper functioning of the reporting and internal control systems, and the head of the internal auditing function is under the obligation to submit the annual work plan to the Committee and to directly report any incidents arising in the development thereof, as well as submitting a report on its activities at the end of each year.

- Analysing and submitting the risk management and control policy to the Board for approval, identifying at least:
  - (i) The different types of risks that the Group faces, including, among others, financial and economic risks, contingent liabilities and other off-balance sheet risks;
  - (ii) Establishing the risk level that the Company deems acceptable;
  - (iii) The measures provided to mitigate the impact of the identified risks in the event they materialise;
  - (iv) And the reporting and internal control systems that will be used to control and manage said risks, including contingent liabilities and off-balance sheet risks.

- Supervising the process of preparing the individual and consolidated financial statements and management reports, and the financial reports disclosed to the markets from time to time, ensuring the compliance with the legal requirements and the proper application of generally accepted accounting principles, informing the Board of Directors prior to its adoption of the following decisions:
  - (i) The financial reports which the Company, owing to its listed status, must disclose from time to time, ensuring that the interim financial statements are drawn up with the same accounting criteria as annual financial statements and, for such purpose, it must consider whether a limited review by the Company's external auditor is appropriate;
  - (ii) And the incorporation of or acquisition of holdings in special purpose entities or entities domiciled in countries or territories considered tax havens, as well as any other transactions or operations of a similar nature which, owing to their complexity, might detract from the transparency of FCC Group.

- In relation to the reporting and internal control systems:
  - (i) Supervising the process of preparing, and the integrity of, the financial reports referring to the Company and, as the case may be, the Group, reviewing the compliance with the regulatory requirements, the adequate delimitation of the scope of the consolidated group and the correct application of the accounting criteria;

(ii) Reviewing from time to time the internal control and risk management systems, so that the main risks are identified, managed and adequately disclosed, following up on the Risk Maps and the action plans that are necessary to mitigate the most relevant risks that are identified, among which are those arising from the Internal Control over Financial Reporting.

Steering Committee

The Steering Committee is presided over by the Chairman and CEO of FCC Group and it is made up by all of the members designated by the Board of Directors in full session. Its functions related to the Internal Control over Financial Reporting include the monthly review of the financial reports of the consolidated FCC Group, most importantly in periods when said reports are to be filed with the Spanish Securities Exchange Commission (CNMV).

General Administration Management

The General Administration Management performs the following functions related to the Internal Control over Financial Reporting:

- Coordinating the Administration of the different areas, establishing the administrative processes and procedures generally applied in the Group and promoting the uniform application of the accounting and tax policies.
- Defining and issuing the accounting standards applied in the Group.
- Drawing up and supervising the consolidated accounting and management reporting.
- Developing the accounting and tax management of FCC, S.A. and its subsidiaries not allocated to the operating areas.
- Drawing up the Group's consolidated financial statements.
- Defining and publishing the tax criteria that are generally applied to the FCC Group, both individually and at the consolidated group level.
- Advising the different areas in tax matters and taking part in solving any matters brought up by them.
- Preparing the Tax Group's consolidated corporate income tax statement.
- Designing and publishing the procedures, documents and software applications generally used in FCC Group, for accounting and tax purposes.
- Advising the different areas in terms of procedures and taking part in solving any matters brought up by them.

General Finance Management

The General Finance Management is entrusted with the centralised management of the finances of FCC Group. This entails the centralised financial management of the following aspects: financing the Group's activities, managing the Group's debt and financial risks, optimising the cash and financial asset management, the financial control and management of the Group, investor relations, the Stock Exchange and the CNMV, analysing and financing investments, the management, monitoring and control of bonds, guarantees and insurance.

In June 2013, the General Finance Management incorporated the function of Management, Budget and Financial Planning Control, which is in charge of the following functions: (i) coordination and preparation of the Annual Budget; (ii) definition and implementation of various scorecards and key indicators to support the Group Management in its decision making; and (iii) review and validation from time to time of the contract portfolio and the current offers to ensure that, in both cases, the criteria established by the Steering Committee in terms of margin, cash generation, return on investment and risks are fulfilled.

General Internal Auditing Management

The purpose of the General Internal Auditing Management is to provide the Board of Directors, via the Audit and Control Committee, and the Senior Executives of FCC Group, with whom it actively collaborates, with the effective supervision of the Internal Control System, by exercising a unique and independent governance function aligned with professional standards, contributing to Good Corporate Governance, verifying the proper compliance with applicable regulations, both internal and external, and reducing to reasonable levels the possible impact of the risks attached to achieving FCC Group's objectives. *(Additional information included in section F.5.1).*

In June 2013, the General Internal Auditing Management incorporated Risk Management, which until then was part of the General Administration and Information Technology Management, to its Functions, with the following responsibilities and functions in the field of corporate risk management:

a. Identifying the risks that the Company faces, according to their status as potential threats to achieve the organisation's goals.
b. Proposing the procedure that is considered adequate for monitoring and controlling those risks and especially, those with preferential monitoring.

c. Establishing the mechanisms for communicating from time to time the evolution and monitoring of the identified risks.

General Organisation Management

The General Organisation Management, established in June 2013, takes on the remit of the Human Resources (hereinafter HR), Information Systems and Technology, and Aggregate Purchases Areas.

HR seeks to favour and boost the development of individuals, communication and a good working environment climate, in line with the Company's strategic goals and policies, via the efficient management of HR specialised services, in a context of diversity and internationalisation.

Information Systems and Technology has the following goals:

- Efficiently managing the Group's Information Technology (hereinafter IT) and Telecommunication Infrastructures, investing in the transformation, standardisation and improvement of service levels.
- Collaborating with businesses to achieve their strategic and operating goals, by re-engineering business processes and developing and implementing management applications.
- Providing sufficient, efficient and quality information to make it easier for management teams to make decisions.

Additionally, the Information Security Management has been integrated in the IS&T organisation chart with the following functions:

- Preparing on a triennial basis FCC Group's Information Security Strategy Plan and follow up on compliance thereof from time to time.
- Coordinating with the FCC Information Security Committee and support it in the performance of its functions, as well as setting the common strategy on the security of assets for all the Group's business division committees.
- Defining the Corporate Information Security Policies and check from time to time that it is being met.
- Establishing the Risk Analysis and Management guidelines and defining the method to be applied.
- Coordinating with the different Business Areas to ensure Regulatory Compliance in the field of Personal Data Protection.
- Preparing the strategy for the development and gradual start-up of FCC Group's Business Continuity Plan according to ISO 25888 international standard and the guidelines of the *Business Continuity Institute*.
- Defining and implementing Internal Controls to verify the proper compliance with the corporate information security policies.
- Reviewing from time to time the efficacy of the Information Security Management System, as well as measuring the efficiency of the Internal Controls that are implemented.
- Performing internal audits of the Information Security Management System according to planned intervals.

The goal of the Purchase Department is to provide a purchase service satisfying internal customers and contributing to increase FCC's negotiating capacity, in keeping with principles of the Strategic Plan and the Group's general policies.

F.1.2. Whether any of the following elements exist, in particular in relation to the process of preparing financial reports:

- Departments and/or mechanisms entrusted with: (i) designing and reviewing the organisational structure; (ii) clearly defining the lines of authority and responsibility, with an adequate distribution of tasks and functions; and (iii) ensuring that sufficient procedures are in place for their proper dissemination in the company.

As defined in the Regulations of the Board of Directors of FCC, the design and review of the organisational structure and the definition of the lines of authority and responsibility is done by the CEO supported by the Steering Committee, and it is ratified by the Board of Directors.

The Regulations of the Board of Directors define the responsibilities attributed to each of the Board commissions, together with the organisational structure of each of the commissions.

The CEO and the Steering Committee determine the distribution of tasks and functions, ensuring that everyone's powers are adequately known, in order to ensure that there is a proper separation of functions and efficient communication between them, including those related to personnel involved in the drawing up of the Group's financial reports.

The Appointment and Remuneration Commission proposes the appointment of senior executives with the profile best suited to their tasks and functions. Additionally, it is in charge of overseeing the observance of the remuneration policy established by the Company and, in particular, it proposes the remuneration policy for Directors and senior executives to the Board of Directors.

The process to determine the organisational structure is regulated by the Group's General Standards Manual in section 10 "Organisational Structure," which regulates the Bodies directly reporting to the Board of Directors, the distribution of the Group's management functions and the Appointment of Senior Executives.

The Chairman/CEO is entrusted with defining the lines of responsibility and authority and each Corporate Department must define its organisational structure and its lines of responsibility.

On the other hand, the Human Resources area is in charge of updating and reviewing, with the support of the relevant Departments, both the Group's organisational structure and its organisation chart. The detailed organisation chart of all the Group functions is published on the Company Intranet and is reviewed on a yearly basis.

In this respect, the General Human Resources Management is developing a project to modernise the reporting and human resources management system. Among other goals, this project is meant to clearly define the organisational structure and the lines of responsibility in order to optimise the distribution of tasks and functions.

In addition, the General Corporate Communication and Responsibility Management is responsible for establishing the procedures for the proper dissemination of the organisational structure and the lines of responsibility.

- Code of conduct, approval body, degree of dissemination and instruction, principles and values included (indicating whether there are specific references to the recording of operations and the preparation of financial reports), body in charge of analysing breaches and proposing corrective actions and penalties.

FCC Group has a Code of Ethics, the latest version was approved by the Board of Directors on the 27 February 2012, regulating the principles that must guide the Group's conduct and the relations between Group employees and the relations between employees and the rest of their stakeholders groups. It is compulsory for all individuals in the Group and for third parties voluntarily accepting its application.

The FCC Group Code of Ethics is a tool to guide actions in corporate, environmental or ethical issues of particular importance. The guidelines for conduct set down in the Code of Ethics refer to basic behaviour principles, relations with and between employees, internal control and the prevention of fraud, commitment with the market, the company and the community.

The FCC Group Code of Ethics includes a chapter that is closely related to control over the preparation of financial reports called "Internal control and fraud prevention," which deals with the following topics: "Manipulating information", "Use and protection of assets", "Intellectual Property protection", "Corruption and bribery" and "Money laundering and irregular payments".

FCC group communicates and disseminates the Code within the Company, so that it is known by all the employees, who formally accept the commitment of compliance, as well as by third parties voluntarily accepting its application. The Code of Ethics is also published on the Group's corporate website so that anybody may access it.

The Group's training plan for 2013, prepared by the Group's General HR Management, includes specific training on the code of ethics in its induction course for new employees.

The Audit and Control Committee, pursuant to article 41 of the Regulations of the Board of Directors, has the following remits, among others:

- Receiving information from time to time from the Response Committee and from the General Internal Auditing Management (Risk Management), respectively, on the development of their activities and the functioning of the internal controls.
- Ensuring that the internal codes of conduct and corporate governance rules comply with regulatory demands and are adequate for the Company, and reviewing that the persons subject to said codes and rules of governance comply with their reporting obligations to the Company.

The people in connection with the Code of Ethics are under the obligation to report any breaches thereof, and for said purpose they can use the established ethical channels and procedures confidentially, in good faith and without fearing retaliation. FCC Group has established a general reporting procedure for matters related to the Code of Ethics, which is described in the "Whistleblowing Channel" section. The body in charge of analysing possible breaches is the Response Committee, which also establishes the system to propose corrective actions and, if it considers it necessary, penalties. This Committee reports to the Audit and Control Committee. Regarding the functioning of the Response Committee, it met five times in total in the year 2013.

Also, in relation to the recent reform of the Spanish Criminal Code in terms of the criminal responsibility of legal persons, FCC Group has prepared a Manual for preventing and responding to criminal offences. This Manual is being updated, the implications of the regulatory changes are being assessed.

- Whistleblowing Channel, which allows financial and accounting irregularities to be reported to the Auditing Committee, as well as any possible breaches of the code of conduct and irregular activities within the organisation, stating, if appropriate, the confidential nature thereof.

FCC Group has a procedure in place which allows individuals to report, in a confidential manner, any actions which represent inappropriate behaviours or actions in the light of the Code of Ethics.

A specific Response Committee has been set up whose functions are to ensure the proper functioning of the communication channel that has been established, valuing possible improvements of the controls and systems established by the Company, processing communications so that they can be solved, promoting the awareness of the Code of Ethics, and regularly preparing reports on the level of compliance thereof.

The Code of Ethics allows individuals to communicate, confidentially and in good faith, and preferably in their name, any observed actions that are contrary to the Code of Ethics. The communication paths forming the basis of the Whistleblowing Channel are:

- An html page in the Group's Intranet: internal communication channel.
- By letter sent to: Apdo. correos 19312, 28080-Madrid, managed by the Chair of the Response Committee.
- Email addressed to comitederespuesta@fcc.es, managed by the Response Committee.

In order to guarantee confidentiality in the Whistleblowing Channel, communications are centrally received by the General Manager of Internal Auditing who chairs the Response Committee, which is the body responsible for this procedure.

The Response Committee values the admissibility of the communication that is received, according to a preliminary review of its contents, placing on record the reasoned decision it makes. In any case the documentation that is generated is filed and the acceptance thereof entails the opening of proceedings, with the related information being incorporated to the Whistleblowing Management System.

- Training and periodical refresher programs for the personnel involved in the preparation and review of financial reports, and in the evaluation of the ICFR system, covering at least accounting standards, auditing, internal control and risk management.

Training at FCC is not a corporate benefit but rather it is a tool to help the Company grow, and enables employees to grow with it. The main goals of training at FCC are:
- To obtain better performance and efficiency from personnel in the performance of their functions and the functioning of the Company.
- To achieve the personnel's career development goals (improving their employability).

The General Administration Management and the General Human Resources Management of FCC jointly develop training plans for all the personnel involved in the preparation of the Group's Financial Statements. This Plan includes the permanent updating of the regulations affecting financial reporting and internal control in order to guarantee the reliability of the financial reporting, providing professionals at FCC with the necessary know-how and tools to optimise financial decision-making at all levels and in all the departments, developing their analytic capacity and their understanding of the impact of business decisions on the Company's financial statements.

In the year 2013, within the Corporate Training Plan, the Management School included training for the management team in Corporate Finance, Economic Environment, Financial Management, Financial Administration, Analytical Accounting, Management Control and Planning, Taxation, and Mergers & Acquisitions. The Process School includes training in Finance for Non-financial Personnel, Advanced Finances for Non-financial Personnel, Project Finance, Business Valuation, Analysis and Valuation of Investment Projects, Valuation, Monitoring and Financial Control of Investment Projects, Payment Means for International Trade and the Accounting thereof, Financing Foreign Trade, Corporate Income Tax, Value Added Tax (VAT), International Taxation, Derivative Financial Products, Accounting, Advanced Accounting, Consolidation of Financial Statements, the New International Financial reporting Standards (IFRS), Advanced Financial Excel, Management Control, FCC Group Risk Management, The Scorecard as a Management Tool, and Risk Management in International Engineering and Construction Projects.

Also in 2013 an information sheet was edited and disseminated titled "FINANCIAL TRAINING: The true common language in the company", which publicises the financial training offer at the Process School. FCC relies on first-rate suppliers in the fields which are not its core business.

During the year 2013, 833,356 training hours were provided, of which 40,076 hours (4.8%) were for acquiring, updating and recycling economic and financial knowledge including accounting and auditing standards, internal control and risk management and control, as well as other regulatory and business aspects that must be known for the adequate preparation of the Group's financial reports, benefiting approximately 2,539 people.

The Corporate Training Plan prepared for the year 2014 completes the financial training offer with the inclusion, within the Management School, of the Scorecard for Management course: an approach based on business diagnosis. Also, the FCC Process School includes e-learning for the courses on Project Finance, Payment Means for International Trade and the Accounting thereof, International Taxation, and International Financial Reporting Standards (IFRS). Finally, three self-training courses have been published with open access on the intranet: Finances for Non-financial Personnel, Accounting, and Financial Excel.

F.2. Evaluation of financial information risks

Indicate at least the following:

F.2.1. What are the main characteristics of the risk identification process, including error or fraud, in respect of:

- Whether the process exists and is documented.

The Group has implemented an integrated risk management model, which allows it to face the financial reporting risks as well as other risks to which its activities are subject. The adopted model allows it to develop a high level risk map, using the Enterprise Risk Management (Coso II) method, enabling reporting to Management and contributing to the definition of the Group's strategy.

For this purpose the risk maps of each of the Business Areas have been prepared. Given the uniqueness of the different business areas, each one is responsible for its risk management, and then the Group's corporate risk map is drawn up using the information that is reported.

FCC Group's risk model is described in the Risk Management procedure, as part of the Management Systems of the various Business Areas in the Group.

These Risk Maps take stock of the identification of the main risks of the Business Areas, together with the controls established by Management to mitigate the effect of said risks and the assessment, in terms of likelihood of occurrence and their impact on the financial statements of the area being analysed. Therefore, with support from the risk managers in the different Business Areas, acting as 'risk management coordinators', the Group's Management is being guided in a process of redefining and improving those risks, including the risks related to financial reporting and the preparation of those reports, both in terms of the definition and the allocation of responsibilities in risk management in the field of operations and in the preparation of procedures and methods, which include:

- Identifying the key risks for FCC Group according to the potential threat they represent for achieving the objectives of the organisation.
- Evaluating risks. The risk assessment scales are defined according to their potential impact in the event they are materialised and their probability of occurrence.
- Additionally, for risks exceeding the Accepted Risk level for each of the sectors of activity, the necessary action plans are established with the possible corrective measures to make their critical level fall within the Accepted Risk level. These action plans include the necessary actions to reinforce existing controls and they may even incorporate new controls.
- From time to time, the Management of each Business Area analyses, together with the General Internal Auditing Management (Risk Management), what risks have materialised in each of the Group Areas, reporting it to the Audit and Control Committee.
- From time to time Risk Committees are held in the different Business Areas, to analyse the risks that were identified and then monitoring those risks.
- The mechanisms for reporting from time to time the results of the risk evaluation and the monitoring thereof.
- Implementation of specific procedures to document risk management when making business decisions.

From time to time Risk Committees are held in the different Business Areas, to analyse the risks that were identified and then monitoring those risks, the results are reported subsequently to the Audit and Control Committee. The implementation model is described in a risk management procedure as part of the management systems of the Group's Business Areas.

This process of identifying and monitoring risks is carried out for all the Group's risks, particularly including the risks arising from the reliability of high-level economic and financial reporting.

Regarding the risks arising from the Group's criminal responsibility, in particular the risks of error or fraud that are considered in the Criminal Code, a preventive identification of risks has been carried out with controls to mitigate them, as well as how to respond to those risks.

In summary, the main characteristics of the Integrated Risk Management Model at FCC Group consist of:

- Preventing and controlling the risks that may affect achieving the goals set by the Group;
- Ensuring compliance with the legal regulations in force and with the Group's standards and internal procedures;
- Guaranteeing the reliability and integrity of the accounting and financial reports.

- Whether the process covers all the financial reporting objectives (existence and occurrence; integrity; assessment; presentation, breakdown and comparability; and rights and obligations), whether it is updated and how often.

The Operational Risks identified in the Risk map include the risk of reliability of the economic and financial reports affecting each one of the business areas. For the global assessment of this risk, the risk of errors in the financial reporting in each of the business Areas analysed, to cover all the objectives of the financial reporting, mainly the registration, integrity, cut-off of operations, homogeneity of the reports, validity and assessment, are generally considered. The risk maps described herein are updated at least annually.

- The existence of a process to identify the consolidated group, taking into account, among other aspects, the possible existence of complex corporate structures, shell companies or special purpose companies.

The Group has a register of companies that is permanently updated, which includes all of the Group's holdings, whatever their nature, whether they are direct or indirect, as well as any companies that the Group is able to control regardless of the legal form of said control, therefore including both shell companies and special purpose companies. This companies' register is managed and updated according to the procedures regulated by the Group's Economic and Financial Manual.

The Corporate Intranet includes an individual file for each company with all the relevant information on each of the companies: shareholders, company purpose, governing body, etc.

Each of the areas in which FCC Group is organised is responsible for the maintenance and updating of the scope of consolidation corresponding to its business area. The Consolidation and Accounting Standardisation Department keeps the database updated in the Corporate Intranet mentioned in the preceding paragraph, as well as the Economic and Financial Manual on the list of the Group companies within the scope of consolidation, based on the data provided by the Business Areas. Additionally, controls are carried out from time to time on the proper accounting of the companies included in the scope of consolidation.

- Whether the process takes into account the effects of other types of risks (operational, technological, financial, legal, reputational, environmental, etc.) to the extent they affect the financial statements.

The risks associated to achieving the financial reporting objectives are an integral part of FCC Group's risk map, and therefore they take into account the effects of other types of risks.

In this respect, FCC Group's global risk management system, following the best business practices in this field and applying the Coso II method, has categorised risks as follows:

- Strategic risks. These are key risks for the Group and managing them is a priority. They include the risks related to the markets/countries/sectors in which FCC Group operates. They also include risks related to reputation, innovation, economic planning, definition of the structure and the objectives and the effectiveness of communication and the information flow.
- Operational risks. These are risks related to the operational management and the value chain of each of the businesses in which FCC Group operates. They include the risks related to bidding and contracting processes, the selection of partners,

subcontracting and suppliers, labour risks, collection processes and customer satisfaction, as well as the risks that have an impact on the reliability of the financial reporting.

- Compliance risks. These are risks affecting internal or external regulatory compliance. They include risks related to compliance with the applicable laws (in the field of quality, the environment, information security, occupational risk prevention, etc.), performance of agreements with third parties, and the FCC Group Code of Ethics.
- Financial risks. These are risks associated to financial markets and to generating and managing cash flows. They include risks related to liquidity, managing working capital, access to financial markets, exchange rates and interest rates.

These risks are aligned with the FCC Group global risk policy.

- What company governance body supervises the process.

The financial reporting risk identification process is supervised by the Audit and Control Committee via the General Internal Auditing Management that includes Risk Management, as part of its function of supervising FCC Group's internal control and risk management systems, as provided in Article 41 of the Regulations of the Board of Directors.

In the year 2013 the Audit and Control Committee has regularly been informed of the results of the risk map updating over the year.

F.3. Control activities

Disclose, identifying the main characteristics, whether you have at least:

F.3.1. Procedures for reviewing and authorising the financial reports and the description of the ICFR system, which are to be disclosed to securities markets, indicating who is responsible for these, as well as for the documentation describing all of the activities and controls (including those related to the risk of fraud) of the different types of transactions that may materially affect the financial statements, including the procedure for closing the accounts and the specific review of the relevant judgments, estimates, appraisals and projections.

As stated in the preceding section of this document, the Group has implemented an integrated risk management model, which allows it to appropriately face the financial reporting risks as well as other risks to which its activities are subject.

This integrated risk management model is geared to the fulfilment of the four major objective categories established by said model:

- Effectiveness and efficiency of operations.
- Safeguarding of assets.
- Reliability of the financial reporting.
- Compliance with applicable laws and regulations.

This is how the objectives are related to the risks that could prevent the execution thereof and to the control activities necessary to ensure that the response to these risks is adequate and that the proposed objectives are reached:

OBJECTIVES => RISKS => CONTROL ACTIVITIES

The control activities are documented in the policies and procedures that are meant to ensure that the guidelines set by the FCC Group management are complied with, and that the necessary steps are taken to face any risks jeopardising the achievement of the Group's objectives. The control activities are carried out in any part of the organisation, at all levels, in all of the functions, and they comprise a number of very different activities. The Company personnel use the application systems and other resources established to ensure that the control objectives are achieved and that the risk mitigation strategies are executed.

FCC Group has control activities implemented both centrally and in each of the Business Areas, such as to mitigate the risks included in the risk maps indicated under 2 above. These control activities can be grouped as follows:

- **High level reviews:** Reviews related to approvals, authorisations, checking and reconcilement. Senior executive reviews the evolution of actual data compared to the forecasts included in the Strategic Plans and the data from prior periods.
- **Direct management of specific functions or operating activities:** Reviews of the operating functions carried out in relation to the goals to be reached and the risks jeopardising them.
- **Information processing and security:** Controls related to checking the exactness, integrity and authorisation of the transactions.

- **Physical controls:** Reconcilements done from time to time of the inventory and security of assets.
- **Performance indicators:** These are applied when comparing operational and financial data.
- **Separation of functions:** Functions are divided between different people to reduce the risk of error or fraud.

In order to cover all the above activities, the various Business Areas have defined, within their procedures, the controls they consider necessary to cover the risks existing in each of the Areas. With regard to reporting system controls, a distinction can be made between general controls such as IT management, IT infrastructures, security management, and software acquisition, maintenance and development, among others, and application controls such as control digits, reasonability tests, logical tests, and predefined data lists, among others.

The control weaknesses detected by the General Internal Auditing Management in the Internal Control System are notified to the Audit and Control Committee by means of a report listing the recommendations that are considered necessary for the weaknesses that were identified.

On the other hand, the specific review of the relevant judgments, estimates, assessments and projections used to quantify certain assets, liabilities, income, expenses and commitments recorded and/or broken down in the financial statements is carried out by the General Administration Management, supported by the rest of the General Managements. Any hypotheses and estimates based on business developments are reviewed and analysed together with the corresponding Business Departments.

Additionally, a review is carried out by an external auditor, supervised by the Audit and Control Committee.

The main procedures are included in the General Standards Manual and in the Group's Economic and Financial Manual. These procedures include the closing of accounts and the maintenance of the Accounting Plan. Also, the Group's accounting managers are given instructions on how to record operations that have not taken place previously in the Group, and these criteria are included in the next update of the Manual.

FCC Group furnishes financial reports to the securities market on a quarterly basis and from time to time whenever relevant facts that must be reported occur, in accordance with the law in force.

Financial reports are prepared by the Group's General Administration Management, which carries out certain control activities in the closing of the accounts to ensure the reliability of said information. Once a financial report is consolidated in a software application running in SAP environment, it is reviewed by the General Administration Management, the Steering Committee, the General Internal Auditing Management and the external auditor.

Last of all, the Audit and Control Committee informs the Board of Directors of its conclusions on the financial reports that are presented so that, once they are approved by the Board of Directors, they may be disclosed to the securities markets.

Article 10 of the Regulations of the Board of Directors states the following with regard to the specific functions in relation to the Financial Statements and the Management Report:

- The Board of Directors shall draw up the individual and consolidated financial statements and the management report, so that they give a true and fair view of the net worth, the financial position and the results of FCC's operations, as provided by Law, following the favourable report of the Audit and Control Committee. The integrity and exactness of said accounts will be certified beforehand by the General Administration Management and the General Finance Management, with the Approval of the Chairman, if he has executive powers, and otherwise of the CEO.
- The Board of Directors, after studying the reviews mentioned in the item above, may request any relevant clarifications from those who drafted them.
- The Board of Directors will particularly ensure that the above accounting documents are drafted in clear and precise terms enabling an adequate understanding of their contents. In particular, they shall include any remarks that are useful for said purpose.
- A member of the Board of Directors shall place on record that, prior to undersigning the preparation of the financial statements required by Law, he/she has reviewed the report on same that must be drawn up by the Audit and Control Committee and, in general, the necessary information for this purpose, and such member may place on record any remarks that are considered relevant.
- On a quarterly basis, the Board will review FCC Group's accounts, following a report from the Audit and Control Committee.

- Likewise, article 11 of those same Regulations establishes the following with regard to the specific functions in relation to the Securities Market:
- In particular, the Board will perform the following specific functions in relation to the Securities Market, in the manner provided in these Regulations:
  - The performance of any actions and the adoption of any measures required to ensure the transparency of FCC for the financial markets.
  - The performance of any actions and the adoption of any measures required to foster the proper price formation of FCC shares, particularly avoiding manipulations and the abuse of insider information.
  - The approval and updating of the Internal Conduct Regulations in matters related to Securities Markets.
  - The approval of the Annual Report on Corporate Governance stated in section 116 of the Spanish Securities Exchange Act.

Last of all, article 14, "Market relations" states the following:

- The Board of Directors will adopt the necessary measures to ensure that the financial reports it discloses from time to time and any other information made available to markets is prepared according to the same principles, criteria and professional practices as the financial statements and is just as reliable as the latter.

On the other hand, the Group's Basic Standard for Internal Auditing establishes, among the functions and attributions of the General Internal Auditing Management, the "review of the (individual and consolidated) accounting information, the management reports, and the financial reports disclosed from time to time to the markets, evaluating that they are correct and reliable, their compliance with the law in force and the proper application of the generally accepted accounting principles" and "suggesting internal control measures enabling the compliance with the regulations in preparing and disclosing financial reports".

F.3.2. Internal control policies and procedures for IT systems (including among others, security of access, control of changes, operation thereof, continuing operations, separation of functions) supporting the company's relevant processes in relation to the preparation and disclosure of financial reports.

The General Organisation Management is responsible for FCC Group's Information Systems and Technologies Department. This department has the following functions:

- Managing the Group's technology resources and keeping them updated.
- Defining the business process reporting needs and setting priorities with users.
- Guaranteeing that the systems are suited to the management reporting needs.
- Supporting processes to improve the business processes for which the division is responsible.
- Guaranteeing that users have adequate technology support.
- Implementing the security measures proposed to guarantee the confidentiality, integrity and availability of information systems.
- Managing the Area suppliers.

FCC Group's internal control model considers computer processes, which comprise the IT environment, architecture and infrastructures and the applications supporting Business operations and the related financial accounting. The Business processes are supported by automatic controls implemented in the applications and manuals.

FCC Group applies an internal control model to the Reporting Systems and in particular to the control of the systems supporting the Group's financial statements, focusing on guaranteeing the integrity, confidentiality, availability and reliability of the financial reporting in the closing of accounts process and therefore of the information disclosed to the markets.

With reference to these indicators, priority is given to the following areas:

- Access to programs and data.
- Change management.
- Managing developments.
- Operations management.
- Documentation management.

Within these five areas, the following controls of the applications supporting the financial environment are considered particularly relevant:

- User management in the applications (registration-removal and modification).
- Information management policy.
- Information security policy.
- User role matrixes in the applications.
- Managing the demand for developments and functional changes.
- Managing the demand for infrastructure changes.

- Specification and approval of tests and acceptance by users.
- Specification of technical and functional requirements
- Managing jobs
- Operations contingency plan.
- Infrastructure backup policies.

Agreements

- Service level agreements and management thereof with third parties.
- Physical security of the Data Processing Centres (DPC).

It should be noted that the Company has a certified information security management system, based on the ISO/IEC 27001 international standard, for the Construction and Water business areas. This standard defines and establishes the principles of functionality, security and responsibility, and it may be extrapolated to different areas within the organisation.

FCC Group, fully aware of the importance of the security of the information it processes, has developed a set of policies and standards allowing it to ensure the confidentiality, integrity and availability of its IT systems. The aspects related to the Internal Control over Financial Reporting are regulated in the Corporate Standard called "Information Security."

This document defines the functional principles and who is responsible in terms of Information Security and it directly involves the business, evidencing the support in the first paragraph of the Policy itself:

The CEO and the Steering Committee will be responsible for:

- Establishing the general criteria for classifying and managing information assets.
- Approving:
  - The Organisation and Security Management Model.
  - The Classification and Information Assets Management Model.

One of the fundamental principles governing the application of said standard is the Principle of Information Integrity. Information management will be governed by policies, standards, procedures and guides ensuring the confidentiality, integrity and availability thereof.

FCC Group has a security model that requires an organisational structure and the allocation of roles and responsibilities in the field of security in order to function:

- The Information Technology Committee is the highest body coordinating the information security in the Group.
- Information Security defines the security requirements of the projects developing new applications and it successively validates the functionality of the mechanisms and controls implemented in the applications before they go on to the production stage.
- Information Security is integrated within the Change Management Committee with the purpose of checking that the changes proposed for the IT infrastructure are compatible with the security requirements established in FCC Group's Information Security Policy.
- Information Security uses a number of monitoring tools that analyse the operation of FCC Group's information systems, which are able to generate alerts in real time whenever they detect possible security incidents.

Information security is evaluated from time to time. In this respect, Information Security carries out the following audits:

- Regulatory compliance in the field of the Personal Data Protection, every two years.
- Analysis of IT system vulnerability.
- IT systems intrusion tests.

Since 2011, FCC Group outsources the management of the technology infrastructures of its information systems. The contract with the external firm incorporates a clause ensuring the performance of services according to best market practice regarding IT.

F.3.3. Internal control policies and procedures designed to supervise the management of activities outsourced to third parties, together with evaluations, calculations or assessments entrusted to independent experts, which may materially affect the financial statements.

FCC Group has not outsourced any relevant activities destined to execute or process transactions that are recorded in the Group's financial statements, with the exception of the assessment of financial derivatives, the performance of actuarial calculations, and the performance of certain property appraisals from time to time.

There is an internal procedure for the hiring of external advisors which require certain levels of approval according to the sum involved, including, as the case may be, approval by the Company's CEO. The results or reports commissioned in the accounting, tax or legal areas are supervised by the heads of the General Administration Management, the General Legal Counsel Management and the General Internal Auditing Management, or of other Departments if it is considered necessary.

As indicated under the preceding item, FCC Group has outsourced the management services for its IT and telecommunication infrastructures. As part of the contract, investments will be made with a view to standardising the architecture of FCC systems, so that there are not any differences in terms of availability and integrity in the environments managed by the companies making up the Group.

FCC Group has two Data Processing Centres in Madrid configured with high availability. It also has implemented a Service Desk through which any incidents involving the Information Systems are channelled.

The following stand out among the projects carried out:

- Full renewal of workstations where key personnel will have an automatic backup to guarantee the availability of the information.
- Consolidation of global centres for operation services with standard tools.
- Implementation of a single telecommunications network (WAN) allowing the homogenisation of user access capacity to the Group's IT systems.

As an internal control procedure to supervise the management of these outsourced activities, a catalogue of services has been launched managed with unified service quality and measures according to pre-arranged Service Level Agreements (SLAs).

Last of all, it should be noted that FCC Group has procedures in place for the supervision of businesses in which it operated via corporate structures in which either it does not have a controlling interest or they are not directly administrated by the Group, for instance Joint Ventures (UTEs).

F.4. Reporting and communication

Indicate whether at least the following exist and describe their main characteristics:

F.4.1. A specific function to define and update the accounting policies (accounting policies area or department) and to solve any doubts or disputes arising from the interpretation thereof, maintaining fluid communications with the operations managers in the organisation, together with an updated accounting policy manual that is communicated to all the units through which the Company operates.

The responsibility to apply the Accounting Policies of FCC Group is centralised in the General Administration Management, to which the Group's Consolidation and Accounting Standards Department belongs, and its functions, among others, are the following:

- Defining the Group's accounting policies.
- Issuing the accounting standards applied in the Group.
- Solving doubts or disputes arising from the interpretation or application of the Group's accounting policies to any of its Companies.
- Analysing the individual operations and transactions that the Group has carried out or those that are planned, to ensure that they are booked according to the Group's accounting policies.
- Monitoring the new draft regulations being considered by the IASB, and the new standards approved by said body, as well as the process of validation thereof by the European Union, determining the impact they will have on the Group's Consolidated Financial Statements.

The Group's Consolidation and Accounting Standards Department regularly informs all those in charge of preparing the financial statements at the various levels in the Group of the amendments in the regulations, clarifying any doubts that may arise, and it in turn gathers the information required from the Group companies to ensure the consistent application of the Group's Accounting Policies and to determine the impact of the application of new accounting regulations.

FCC Group's General Internal Auditing Management details in its Internal Auditing Plan, among the various functions included within its responsibilities that of providing from an accounting regulation perspective, solutions to the technical enquiries received from any of the business areas in which the Group operates.

In cases where the application of accounting regulations is subject to different interpretations, the General Internal Auditing Management and/or the General Administration Management may take part in the explanation to the external auditor, stating the grounds on which the interpretation of FCC Group is based.

FCC Group is made up of a large number of companies operating in different countries and it is obliged to prepare its consolidated financial statements according to the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS) adopted by the European Union, as detailed in the Group's Economic and Financial Manual.

The Group's Economic and Financial Manual establishes, in its first chapter, the accounting basis that should apply for FCC Group, enabling the preparation of the Group's annual consolidated financial statements, together with any other financial statements and reports that are to be disclosed from time to time.

In FCC Group's subsidiaries, joint ventures and associated companies, where what has been established cannot be applied, the necessary information must be available in order to homogenise the reporting by introducing the relevant adjustments, so that the resulting information complies with the established criteria.

In order to homogenise FCC Group's economic and financial reporting according to international standards, financial statement models and a corporate accounting table have been developed, and these are also included in the Economic and Financial Manual.

This Manual is updated by the Administrative Coordination Division, according to the evolution of accounting standards, and it is available on the Group Intranet (FCCnet) in the chapter called "Regulations" and may be consulted by Group employees. Also, there is the possibility for users to create alerts that inform them of any updates of the manual.

The regulations are updated in a unified manner by the departments that are aware of, experienced and involved in the matter, and they are ultimately approved by the General Administration Manager. Throughout 2013 several updates have been performed according to the needs identified by the Group.

F.4.2. Mechanisms for gathering and preparing financial reports with standardised formats, to be applied and used by all of the units in the Company or the Group, supporting the main financial statements and the notes to the financial statements, as well as any financial reports on ICFR.

FCC Group has implemented a shared reporting system based on the application in a SAP environment, which is meant, on the one hand, to meet the reporting needs for the individual financial statements and, on the other hand, to standardise and systematise the consolidation process of economic and financial reporting in the Group. This application gathers, by reporting units, at a 'company-sector' level or as legal persons, according to what is required, the information needed to put together economic and financial reports, whatever their nature, whether internal or external, the latter involving disclosures to public bodies and institutions.

This tool manages to centralise in a single system all the information corresponding to the accounting for the individual financial statements of the subsidiaries making up the Group. The system is centrally managed and it uses a single accounting plan, and the information is automatically loaded into this consolidation system from SAP.

The procedures for gathering and preparing financial reports are documented in the Economic and Financial Manual, which establishes the dates when the following will be available from the Administration Area: the economic and financial information to be furnished by the Administration and Finance Departments of the Business Areas (standard 8.01.01); the consolidated economic and financial documentation, on the one hand, and that corresponding to FCC, S.A. (Profit Centres and Joint Ventures), on the other hand, which is to be furnished to the Administration Area by the Administration and Finance Departments of the Business Areas (standards 8.01.02 and 8.01.03 respectively). Said procedures do not specifically consider information on the Internal Control over Financial Reporting System, said information having been obtained via specific requests to the areas involved.

Additionally, for the annual closing of accounts and with the objective of disclosing the annual financial report within the two months following the end of the financial year, pursuant to Royal Decree 1362/2007, of 19 October, in relation to the transparency requirements related to the information on issuers whose securities are listed on an official secondary market or on any other regulated market in the European Union, the General

Manager of Administration sends out the financial year closing plan by e-mail, which includes a number of instructions for those in charge of providing the relevant financial reports. The Administrative Coordination Division will establish, clarify or extend said instructions whenever it is required.

The internal accounting policies, procedures and standards related to the account closing, reporting and consolidation processes are described in the Group's Economic and Financial Manual, which also details the information that must be furnished for consolidation purposes and defines the basic documents / forms to be used for that purpose.

Another procedure for gathering the financial reports is the implementation of a tool in a SAP environment which allows the Corporate Finance Division of FCC Group to obtain all the banking information for each of the companies and with all the financial institutions with which they operate.

Regarding the description of the Internal Control over Financial Reporting Systems (ICFRS), FCC Group has identified the controls it has available to respond to the indicators proposed in CNMV circular 5/013 of 12 June 2013.

F.5. Supervision of the operation of the system

Indicate and describe the main characteristics of at least the following:

F.5.1. Whether the ICFR system supervision activities performed by the Auditing Committee, and whether the company has an Internal Auditing function authorised to support the Committee in its task of supervising the Internal Control System, including ICFR. Information will also be given on the scope of the ICFR system evaluation carried out during the year and on the procedure whereby the person in charge of performing the evaluation communicates the results, whether the company has an action plan detailing any corrective measures, and whether the impact on the financial reporting has been considered.

The FCC Group's Internal Auditing Basic Standards, in their third heading, state that "The purpose of the General Internal Auditing Management is to provide the Board of Directors, via the Audit and Control Committee, and the Senior Executives of FCC Group, with whom it actively collaborates, with the effective supervision of the Internal Control System, by exercising a unique and independent governance function aligned with professional standards, contributing to Good Corporate Governance, verifying the proper compliance with applicable regulations, both internal and external, and reducing to reasonable levels the possible impact of the risks in achieving the objectives of FCC Group."

The General Internal Auditing Management, by delegation of the Audit and Control Committee, has as its objective, as stated in the Group's Internal Auditing Basic Standards, under headings 4 and 5, that of evaluating the adequacy and effectiveness of the Internal Control Systems. To this end, the Internal Auditing function applies to the entire FCC Group everything referring to:

- The reliability and integrity of the economic and financial reports, both internal (management information) and for external disclosure.
- Review of the systems and operations to check the compliance with the policies, procedures and regulations approved by Senior Executives, and with the laws in force.

Also, heading 9 of these standards establishes the functions and powers of the General Internal Auditing Management:

- "The General Internal Auditing Management has the fundamental mission of assisting the Audit and Control Committee in the compliance with the powers and responsibilities conferred to said Committee by article 41 of the Regulations of the Board of Directors in force."
- "The functions of the General Internal Auditing Management are to supervise the efficiency of the internal controls, ensuring the compliance with legal requirements, the evaluation and enhancement of the risk management processes, and also to ensure that the financial reports that are prepared are correct and suitable for FCC Group. These functions are specifically the following:
  - Analysing and evaluating the systems, ensuring the compliance with the policies, procedures, standards, regulations and plans. The sufficiency and effectiveness of the internal control systems, making suggestions for the enhancement thereof.
  - Reviewing the application and effectiveness of the risk management procedures and of the systems for assessing them.
  - Watching over compliance with the standards and guidelines established by Management, especially the Code of Conduct and the General Standards Manual.

- Reviewing the (individual and consolidated) accounting information, the management reports and the financial information disseminated to the markets from time to time, evaluating that they are correct and reliable, in compliance with the law in force, and that the generally accepted accounting principles are applied. Suggesting internal control measures to enable compliance with standards applying to the preparation and disclosure of financial reports.
- Checking that assets really exist and the systems guaranteeing the integrity and safeguarding thereof.
- Supporting the different areas in their technical relations, control and monitoring with external auditors.
- Assisting the members of the Group's Organisation, furnishing them with analyses, recommendations, advice and information on the activities reviewed. Reporting any incidents that are detected to the Management and recommending corrective actions.
- Complying with the Annual Auditing Plan, reporting from time to time on the evolution thereof.
- Supervising the work of the external auditors, asking for and receiving information on any aspects related to the progress of the audits, acting as a communication channel between the external auditors and the Audit and Control Committee, submitting the conclusions of the review by the external auditors and, especially, any circumstances that might jeopardise their independence. They shall also make proposals on the appointment of the external auditors to enable the Audit and Control Committee to meet its obligations with the Board of Directors.
- Any other functions entrusted by the Audit and Control Committee.

The General Internal Auditing Management will act independently of the management areas. A resolution of the Board of Directors, passed on 26 October 2004, establishes that the General Internal Auditing Management is functionally dependent upon the Audit and Control Committee and organically dependent upon the Chairman of FCC Group. The members of the General Internal Auditing Management perform their functions independently, without sharing their responsibilities with other management areas.

As commented in section 2.1 above, the Group has implemented an integrated risk management model, which is to allow it to appropriately face the financial reporting risks as well as other risks to which its activities are subject. To this end, in June 2013 the General Internal Auditing Management incorporated Risk Management among its functions; until then it was part of the General Administration and Information Technology Management.

The worsening of the economic environment over recent years has increased the exposure of companies to a number of different risks. In this respect, the Group's General Internal Auditing Management, according to the provisions in the Auditing Plan prepared in compliance with the Basic Auditing Standards, considers that it is necessary to analyse and evaluate, via a number of different indicators, the impact on the business areas, with the purpose of advising the Audit and Control Committee and preparing the relevant recommendations to allow it to minimise the impact of risks related to the financial reporting that may affect the Group.

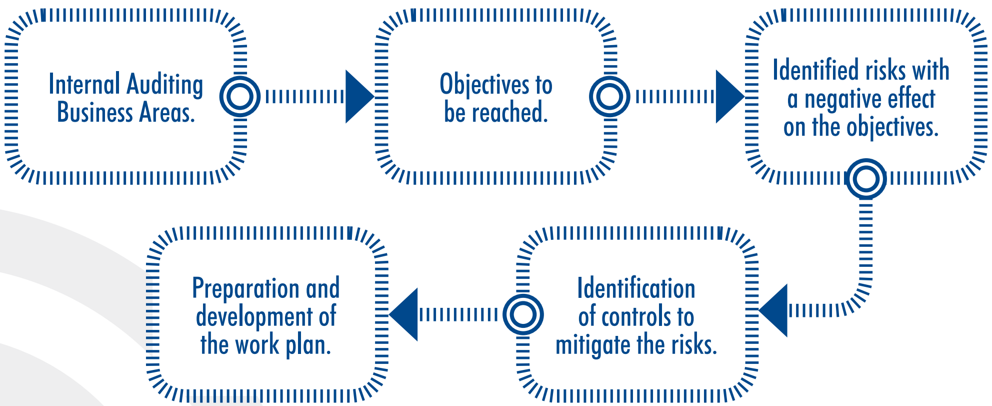
The scope of the auditing tasks is defined according to these variables, in order to provide the Audit and Control Committee and Management in general with reasonable security on the proper functioning of the internal control systems, on the compliance with the policies for managing the main risks of the Group and on the reliability of the economic and financial reports prepared by Management and submitted to the Board of Directors for approval.

The fundamental role of the Audit and Control Committee is to support the Board of Directors in its surveillance tasks, by reviewing from time to time the process of preparing the economic and financial reports, its internal controls and the independence of the external Auditor.

The Audit and Control Committee holds meetings with the external auditor and listens to the explanations given by the General Manager of Finance and the General Manager of Administration.

The auditing plan does not include the tasks that may be carried out by the Internal Auditing Departments of the FCC Group listed companies Cementos Portland Valderrivas and Realia, notwithstanding the coordination tasks performed by the different Internal Auditing Departments, with the purpose of reporting to the FCC Group Audit and Control Committee the effect that the risks of said Groups may have on the consolidated financial statements of FCC Group.

The Auditing Plan (prepared pursuant to the Basic Auditing Standards) follows the plan given below:



According to the 2013 Auditing Plan, communicated to the Auditing Committee for the year 2013, the General Internal Auditing Management has carried out the following tasks in relation to the review of the Group's Internal Control over Financial Reporting system in a number of different areas:

- **IT auditing:** There have been reviews of the security model defined in SAP/Integra (the Group's financial application) and Incorpora (the Payroll application), reviews of the General IT Controls in the Construction areas, work to validate the effectiveness of automatic controls in the FCC Construcción Machinery SAP, Auditoría 27001 in the FCC CO and Aqualia areas, half-yearly reviews of SAP Integra (the FCC Group financial system) and reviews of the removal process implemented in the Employee and Identity Management Master Program.
- **Environmental auditing:** Review of the FCC Environment models for estimating environmental provisions.
- **Work to review the financial reporting in the different business areas:** Construction, Environment, Water, Energy, Waste, and Versia, mainly the reporting that refers to provisions, judgments and estimates.
- **Analysis of the audit opinions on the companies audited:** Systematic analysis of the audit opinions on companies in FCC Group, with the objective of monitoring any companies that are not given a favourable report from the auditor.
- **Monitoring of the reporting obligations in respect of financial entities (covenants):** Coordination of the work between the external auditors and the business areas, analysing and reviewing the information prepared by said areas, which must be certified by the auditor. Involvement in the process of certifying financial ratios determined regarding statutory financial statements that were already audited.
- **Criminal liability of the Legal Entity:** Evaluation of the design of the controls implemented in FCC in relation to the modification of the Spanish Criminal Code, verification of the measures and controls established in the Group in order to prevent and detect any such offences (currently undergoing modification, assessing the implications of the regulatory changes).
- **Internal communication channel:** Review of the compliance with the communication obligations established in the FCC Group Internal Conduct Regulations and the Code of Ethics.
- **Monitoring of the internal control recommendations issued in prior years.**
- **Other functions of the review of financial reports:** Supervision of the quarterly, half-yearly and annual financial statements and notes to the financial statements. Internal Auditing reviews the consolidated and individual financial statements, in order to identify whether the sums and the information broken down in these statements are in compliance with the IFRS or PGC (Spanish General Chart of Accounts) standards. In addition, the reports sent from time to time to the CNMV are reviewed.
- **Technical queries:** Internal Auditing collaborates in responding to queries related to the accounting treatment of certain transactions owing to their complexity.

The results of the reviews carried out by the General Internal Auditing Management, together with any incidents that were detected, have been communicated to the Audit and Control Committee during the year.

F.5.2. Whether there is a discussion procedure whereby the account auditor (in accordance with what is provided in the Technical Auditing Standards (NTA)), the Internal Auditing function and other experts may communicate to senior executives and to the Auditing Committee or directors of the company, any significant internal control weaknesses identified during the process of reviewing the financial statements or any others entrusted to them. In addition whether there is an action plan to correct or mitigate the observed weaknesses.

The FCC Group Internal Auditing Basic Standards, in heading seven, section i), states that "The Audit and Control Committee will be informed, via the General Internal Auditing

Management and its relations with the external auditors, of the preparation process of the financial reports, of the proper application of generally accepted accounting principles, and of compliance with legal requirements and on the functioning of the Internal Control Systems."

As stated in the preceding paragraph, the purpose of the General Internal Auditing Management is to provide the Board of Directors, via the Audit and Control Committee, and the Senior Executives of FCC Group, with the effective supervision of the Internal Control Systems.

This objective consists of furnishing the Management of FCC Group with an independent opinion on the Organisation's ability to achieve its objectives, by means of a systematic and methodological approach towards the evaluation, management and enhancement of the effectiveness of these processes:

- **Risk Management:** Processes used by Management to identify, evaluate and respond to the potential risks that may affect whether the organisation achieves its business plans set out in the Strategic Plan.
- **Internal Control:** The policies, standards, procedures and activities making up the control system established by FCC Group to ensure the proper management and risk reductions.

As stated under the preceding item, heading 9 of the Group's Internal Auditing Basic Standards establishes, among the functions and remits of the General Internal Auditing Management, that of: "Assisting the members of the Group's Organisation, furnishing them with analyses, recommendations, advice and information on the activities reviewed. Reporting any incidents that are detected to the Management and recommending corrective actions."

FCC Group's General Internal Auditing Management reports to the Audit and Control Committee from time to time any significant internal control weaknesses identified during the performance of their tasks, giving recommendations to adequately correct them. In 2013, it attended all the meetings of the Audit and Control Committee.

With the purpose of ensuring that the financial reports submitted to the Audit and Control Committee have been prepared according to generally accepted accounting principles and that they offer a true and fair view of the state of affairs of FCC Group, the General Internal Auditing Management performs a number of processes for the review of the accounting information (both individual and consolidated), the management reports and the financial reports disclosed to the markets from time to time.

Additionally, the Group's auditor has direct access to the Group's Senior Executives, and has meetings with them from time to time, both to obtain the information needed to perform his work and to communicate any control weaknesses detected. The external auditors present the conclusions of their reviews to the Audit and Control Committee at least three times a year, detailing the internal control weaknesses that have come up while reviewing the Group's financial statements, including any aspects they consider relevant. In 2013, the external auditor attended 5 meetings of the Audit and Control Committee.

F.6. Other relevant information

N/A

F.7. External auditors report

Report on:

F.7.1. Whether the ICFR system information disclosed to the markets has been reviewed by the external auditor, in which case the Company must include the relevant report as an Appendix. Otherwise, the reason why said report is not available must be explained.

The information included here on the Internal Control over Financial Reporting System was reviewed by the External Auditor, and the report thereof is attached as an Appendix to this document.

G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

State the Company's degree of compliance with the recommendations of the Unified Code of Good Governance.

In the event of not complying with some recommendations or only partial compliance, include a detailed explanation of the reasons so that the shareholders, investors and the market at large may have sufficient information to assess the Company's procedures. General explanations will not be acceptable.

1. The Articles of Association of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the Company by means of share purchases on the market.

See headings A.10, B.1, B.2, C.1.23 and C.1.24.

COMPLIANT ☒	EXPLAIN

2. When a parent and a subsidiary company are stock market listed, the two should provide detailed disclosure on:
   a) The type of activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies;
   b) The mechanisms in place to resolve possible conflicts of interest.

See headings D.4 and D.7.

COMPLIANT	COMPLIES PARTIALLY	EXPLAIN ☒	NOT APPLICABLE

Although article 7.2.i of the Rules of the Board of Directors entrusts the Board with "defining the structure of the Group and coordinating, within the legal limits, the Group's general strategy in the interests of the Company and its subsidiaries with the support of the Strategic Committee and the CEO, and disclosing in the Annual Corporate Governance Report the respective areas of activity and any business relations between the Company and its listed subsidiaries that are part of the group, and between those companies and the other Group companies, and the mechanisms established to resolve any conflicts of interest that may arise," the Company has not yet publicly defined these two points.

3. Even when not expressly required under company Laws, any decisions involving a structural corporate change should be submitted to the General Meeting of Shareholders for approval or ratification, especially the following:
   a) The transformation of listed companies into holding companies through the process of subsidiarisation, i.e. reallocating to subsidiaries core activities that were previously carried out by the original company, even though the latter retains full control of the former;
   b) Any acquisition or disposal of key operating assets that would effectively alter the company's corporate purpose;
   c) Operations that are equivalent to winding-up the Company.

See heading B.6.

COMPLIANT	COMPLIES PARTIALLY ☒	EXPLAIN

Article 8.6 of the Rules of the Board of Directors establishes that the Board must seek the authorisation of the shareholders at the General Meeting prior to an acquisition or disposal of key operating assets that would effectively alter the corporate purpose of the Company or prior to any operations that are tantamount to winding-up the Company.

To avoid impairing the Board of Directors' ability to operate, this does not include subsidiarisation operations, since these operations often require quick decisions for opportunity reasons and are governed by ample legal mechanisms to protect the interests of the shareholders and the Company. Nevertheless, the Board duly reports such operations at the General Meeting.

4. Detailed proposals of the resolutions to be adopted at the General Meeting of Shareholders, including the information stated in Recommendation 27 should be made available at the same time as the publication of the Meeting notice.

COMPLIANT ☒	EXPLAIN

5. Separate votes should be taken at the General Meeting of Shareholders on materially separate items, so shareholders can express their voting preferences separately. This rule shall apply in particular to:
   a) The appointment or ratification of Directors, with separate voting on each candidate;
   b) Amendments to the Articles of Association, with votes taken on all articles or groups of articles that are materially different.

COMPLIANT ☒	EXPLAIN

6. Companies should allow split votes, so that financial intermediaries representing different clients may issue their votes according to instructions.

COMPLIANT ☒	EXPLAIN

7. The Board of Directors should perform its duties with unity of purpose and independent judgement, affording all shareholders the same treatment. It should be guided at all times by the Company's best interest and, as such, strive to maximise its value over time in a sustained manner.
   It should likewise ensure that the Company abides by the laws and rules in its dealings with stakeholders; fulfils its obligations and contracts in good faith; respects the customs and good practices of the sectors and territories where it does business; and upholds any additional social responsibility principles it has subscribed to voluntarily.

COMPLIANT ☒	EXPLAIN

8. The Board should seek, as core components of its mission, to approve the Company's strategy and the organisation required to carry it forward, and supervise and control that the management meets the objectives set while pursuing the Company's interests and corporate purpose. For such purpose, the Board in full should reserve the right to approve:
   a) The Company's general policies and strategies, and, in particular:
      i) The strategic or business plan, management targets and annual budgets;
      ii) The investment and financing policy;
      iii) The design of the corporate group structure;
      iv) The corporate governance policy;
      v) The corporate social responsibility policy;
      vi) The remuneration and evaluation of senior officers policy;
      vii) Risk control and management, and the regular monitoring of internal information and control systems policy;
      viii) The dividend policy, as well as the policies and limits applying to treasury stock.

See sections: C.1.14, C.1.16 and E.2.

   b) The following decisions:
      i) On the proposal of the Company's chief executive, the appointment and removal of senior officers, and their severance clauses;
      ii) Directors' remuneration and, in the case of executive Directors, the additional remuneration for their management duties and other contract conditions;
      iii) The financial information that all listed companies must disclose periodically;
      iv) All types of investments or operations considered strategic by virtue of their amount or special characteristics, unless their approval corresponds to the General Meeting of Shareholders;
      v) The creation or acquisition of shares in special purpose vehicles or entities resident in jurisdictions considered tax havens, and any other transactions or operations of a similar nature whose complexity might impair the transparency of the group.
   c) Transactions which the Company performs with Directors, significant shareholders, shareholders with Board representation or other persons related thereto (“related-party transactions”).
      However, Board authorisation need not be required for related-party transactions that simultaneously meet the following three conditions:
      1. They are governed by standard form agreements applied on an across-the-board basis to a large number of clients;
      2. They are arranged at market rates, generally set by the person supplying the goods or services;
      3. The amount is not more than 1% of the Company's annual revenues.
      It is advisable that related-party transactions should only be approved on

the basis of a favourable report from the Audit Committee or some other Committee entrusted with the function in question; and that the Directors involved should neither exercise nor delegate their votes, and should leave the meeting room while the Board debates and votes.

Ideally the above powers should not be delegated with the exception of those mentioned in b) and c), which may be delegated to the Executive Committee in urgent cases and later ratified by the full Board.

See headings: D.1 and D.6.

COMPLIANT ☒	EXPLAIN

9. In the interests of maximum effectiveness and participation, the Board of Directors should ideally comprise no fewer than five and not more than fifteen members.

See heading: C.1.2.

COMPLIANT	EXPLAIN ☒	NOT APPLICABLE

Article 27 of the Articles of Association states that the Board of Directors shall comprise a minimum of five and a maximum of 22 members; as of 31 December 2013 there were 18 Directors.

Given the characteristics of the Company, the size of the Board is considered to be appropriate for proper management, running and administration of the Company's businesses. This easily allows different types of Directors on the Board without jeopardising its operativity.

10. External Directors, both nominee and independent, should occupy an ample majority of Board places, while the number of executive Directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control.

See sections: A.3 and C.1.3.

COMPLIANT ☒	EXPLAIN

11. Among external Directors, the relation between nominee members and independents should match the proportion between the capital represented on the Board by nominee Directors and the remainder of the Company's capital.

This proportional criterion can be relaxed so the weight of nominee Directors is greater than would strictly correspond to the total percentage of capital they represent:

1. In large capitalization companies where few or no equity stakes attain the legal threshold for significant shareholdings, but where there are shareholders with blocks of shares with high absolute value.
2. In companies with a plurality of shareholders represented on the Board that are not otherwise related.

See sections: A.2, A.3 and C.1.3.

COMPLIANT ☒	EXPLAIN

12. The number of independent Directors should represent at least one third of all Board members.

See section: C.1.3.

COMPLIANT ☒	EXPLAIN

13. The nature of each Director should be explained to the General Meeting of Shareholders by the Board, which will make or ratify his or her appointment. Such determination should subsequently be confirmed or reviewed in each year's Annual Corporate Governance Report, after verification by the Appointments Committee. This Report should also disclose the reasons for the appointment of nominee Directors at the request of shareholders controlling less than 5% of capital; and explain any rejection of a formal request for a Board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a nominee Directorship.

See sections: C.1.3 and C.1.8.

COMPLIANT ☒	EXPLAIN

14. When there are few or no women directors the Appointments Committee should take steps to ensure that:
    a) The process of filling Board vacancies has no implicit bias against women candidates;
    b) The Company makes a conscious effort to include women with the professional profile among the candidates for Board places.

See sections: C.1.2, C.1.4, C.1.5, C.1.6, C.2.2 and C.2.4.

COMPLIANT ☒	COMPLIES PARTIALLY	EXPLAIN	NOT APPLICABLE

15. The Chairman, as the person responsible for the proper operation of the Board of Directors, should ensure that Directors are supplied with sufficient information in advance of Board meetings, and work to procure a good level of debate and the active involvement of all members during board meetings, safeguarding their rights to freely express and adopt positions; he or she should organise and coordinate regular evaluations of the Board and, where appropriate, the Company's chief executive, along with the chairmen of the relevant Board Committees.

See sections: C.1.19 and C.1.41.

COMPLIANT ☒	COMPLIES PARTIALLY	EXPLAIN

16. When the Chairman of the Board is also the Company's chief executive, an independent director should be empowered to request the calling of Board meetings or the inclusion of new items on the agenda; to coordinate and give voice to the concerns of external directors; and to lead the Board's evaluation of the Chairman.

See section: C.1.22.

COMPLIANT	COMPLIES PARTIALLY	EXPLAIN	NOT APPLICABLE ☒

17. The Secretary of the Board should take care to ensure that the Board's actions:
    a) Adhere to the spirit and letter of laws and their implementing regulations, including those issued by regulatory agencies;
    b) Comply with the Company Bylaws and the Rules of the General Meeting of Shareholders, the Board of Directors and others;
    c) Are informed by the governance recommendations of the Unified Code that the Company has subscribed to.

    In order to safeguard the independence, impartiality and professionalism of the Secretary, his or her appointment and removal should be proposed by the Appointments Committee and approved by a full Board meeting; the relevant appointment and removal procedures being those determined in the Rules of the Board of Directors.

See section: C.1.34.

COMPLIANT ☒	COMPLIES PARTIALLY	EXPLAIN

18. The Board should meet with the necessary frequency to properly perform its functions, in accordance with a calendar and agendas set at the beginning of the year, each Director may propose the addition of other items to the agendas.

See section: C.1.29.

COMPLIANT ☒	COMPLIES PARTIALLY	EXPLAIN

19. Director absences should be kept to the bare minimum and quantified in the Annual Corporate Governance Report. When Directors have no choice but to delegate their vote, they should do so with instructions.

See sections: C.1.28, C.1.29 and C.1.30.

COMPLIANT ☒	COMPLIES PARTIALLY	EXPLAIN

20. When Directors or the Secretary express concerns about some proposal or, in the case of Directors, about the Company's performance, and such concerns are not resolved at the Board meeting, the person expressing them can request that they be recorded in the minute book.

COMPLIANT ☒	COMPLIES PARTIALLY	EXPLAIN	NOT APPLICABLE

21. The Board in full should evaluate the following points on a yearly basis:
    a) The quality and efficiency of the Board's operation;
    b) Starting from a report submitted by the Appointments Committee, how well the Chairman and chief executive have carried out their duties;

c) The performance of its Committees on the basis of the reports furnished by them.

See sections: C.1.19 and C.1.20.

COMPLIANT ☒	COMPLIES PARTIALLY	EXPLAIN

22. All directors should be able to exercise their right to receive any additional information they require on matters within the Board's competence. Unless the Articles of Association or Rules of the Board of Directors indicate otherwise, such requests should be addressed to the Chairman or Secretary.

See section: C.1.41.

COMPLIANT ☒	EXPLAIN

23. All directors should be entitled to call on the Company for the advice and guidance they need to carry out their duties. The Company should provide suitable channels for the exercise of this right, extending in special circumstances to external assistance at the Company's expense.

See section: C.1.40.

COMPLIANT ☒	EXPLAIN

24. Companies should organise induction programmes for new directors to acquaint them rapidly with knowledge about the Company and its corporate governance rules. Directors should also be offered refresher programmes when circumstances so advise.

COMPLIANT ☒	COMPLIES PARTIALLY	EXPLAIN

25. Companies should require their Directors to devote sufficient time and effort to perform their duties effectively, and, as such:
  a) Directors should inform the Appointments Committee of any other professional obligations, in case they might interfere with the necessary dedication;
  b) Indicate whether the Company has established rules about the number of Directorships its Board members can hold.

See sections: C.1.12, C.1.13 and C.1.17.

COMPLIANT ☒	COMPLIES PARTIALLY	EXPLAIN

26. The proposal for the appointment or re-appointment of Directors which the Board submits to the General Meeting of Shareholders, as well as provisional appointments by the method of co-optation, should be approved by the Board:
  a) When proposed by the Appointments Committee, in the case of independent Directors.
  b) Subject to a report from the Appointments Committee in the case of all other Directors.

See section: C.1.3.

COMPLIANT ☒	COMPLIES PARTIALLY	EXPLAIN

27. Companies should post the following particulars on the Directors on their websites, and keep them permanently updated:
  a) Professional experience and background;
  b) Directorships held in other companies, listed or otherwise;
  c) An indication of the Director's classification as executive, nominee or independent; in the case of nominee Directors, stating the shareholder they represent or have links with;
  d) The date of their first and subsequent appointments as a Company Director, and;
  e) Shares held in the Company and any options thereon.

COMPLIANT ☒	COMPLIES PARTIALLY	EXPLAIN

28. Nominee Directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to appoint nominee Directors, the latter's number should be reduced accordingly.

See sections: A.2, A.3 and C.1.2.

COMPLIANT ☒	EXPLAIN

29. The Board of Directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the Bylaws, except where just cause is found by the Board, based on a proposal from the Appointments Committee. In particular, just cause will be presumed when a Director is in breach of his or her duties or comes under circumstances leading to the loss of independent status, according to the provisions in Order ECC/461/2013.
The removal of independent Directors may also be proposed when a takeover bid, merger or similar corporate operation produces changes in the Company's capital structure, in order to meet the proportionality criterion set out in Recommendation 11.

See sections: C.1.2, C.1.9, C.1.19 and C.1.27.

COMPLIANT ☒	EXPLAIN

30. Companies should establish rules obliging Directors to inform the Board of any circumstance that might harm the company's name or reputation, tendering their resignation as the case may be, with particular mention of any criminal charges brought against them and the progress of any subsequent proceedings.
The moment a director is indicted or tried for any of the crimes stated in Article 213 of the Capital Companies Act, the Board should examine the matter as soon as possible and, in view of the particular circumstances and potential harm to the Company's name and reputation, decide whether or not he or she should be called on to resign. The Board should also disclose all such determinations in the Annual Corporate Governance Report.

See sections: C.1.42, C.1.43.

COMPLIANT ☒	COMPLIES PARTIALLY	EXPLAIN

31. All directors should express clear opposition when they feel a proposal submitted for the Board's approval might damage the corporate interest. In particular, independents and other Directors unaffected by the conflict of interest should challenge any decision that could go against the interests of shareholders lacking Board representation.
When the Board makes material or reiterated decisions about which a Director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next recommendation.
The terms of this Recommendation should also apply to the Secretary of the Board, regardless of whether he or she has director status.

COMPLIANT ☒	COMPLIES PARTIALLY	EXPLAIN	NOT APPLICABLE

32. Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the Board. Irrespective of whether such resignation is filed as a relevant event, the motive for the same must be explained in the Annual Corporate Governance Report.

See section: C.19.

COMPLIANT ☒	COMPLIES PARTIALLY	EXPLAIN	NOT APPLICABLE

33. Remuneration comprising the granting of shares in the Company or other companies in the group, share options or other share-based instruments, payments linked to the Company's performance or membership of pension schemes should be confined to executive Directors.
The granting of shares is excluded from this limitation when Directors are obliged to retain them until the end of their tenure.

COMPLIANT ☒	COMPLIES PARTIALLY	EXPLAIN	NOT APPLICABLE

34. External Directors' remuneration should sufficiently compensate them for the dedication, abilities and responsibilities that the post entails, but should not be so high as to compromise their independence.

COMPLIANT ☒	COMPLIES PARTIALLY	EXPLAIN

35. In the case of remuneration linked to company earnings, any qualifications stated in the external auditor's report which may reduce said earnings should be considered.

COMPLIANT ☒	COMPLIES PARTIALLY	EXPLAIN

36. In the case of variable remuneration, the remuneration policies should include technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the Company's sector, or other circumstances of this kind.

COMPLIANT ☒	COMPLIES PARTIALLY	EXPLAIN

37. When there is a Delegated or Executive Committee (hereinafter, "Delegated Committee"), the representation structure of the different director categories should be similar to that of the Board and the Secretary of the Board should be the Secretary of that Committee.

See sections: C.2.1 and C.26.

COMPLIANT	COMPLIES PARTIALLY ☒	EXPLAIN

The Executive Committee is made up by External Directors (80%) and Executive Directors, whereas 88.9% of the members of the Board of Directors are External Directors and 11.1 % are Executive Directors.

The Secretary of the Board is the secretary of the Executive Committee.

38. The Board must always be informed of the matters discussed and the decisions adopted by the Delegated Committee, and all the Board members must receive a Copy of the minutes of Delegated Committee meetings.

COMPLIANT ☒	COMPLIES PARTIALLY	EXPLAIN

39. In addition to the Audit Committee required under the Securities Market Law, the Board of Directors should form a Committee, or two separate Committees, for Appointments and Remuneration.

    The rules governing the composition and operation of the Audit Committee and the Appointments and Remuneration Committee or Committees should be set forth in the Rules of the Board, and include the following:

    a) The Board of Directors will designate the members of the Committees, taking into account the directors' knowledge, skills and experience and each Committee's area of competence; discuss their proposals and reports; and at the first Board meeting following each Committee meeting, should inform on the business and activities performed, and respond to the work carried out.
    b) These Committees should be formed exclusively by external directors and have a minimum of three members. Executive directors or senior officers may also attend meetings, for information purposes, at the Committees' invitation.
    c) Committee Chairmen must be independent directors.
    d) These Committees may engage external advisors when they feel this is necessary to carry out their duties.
    e) Committee meetings should draw up minutes and a copy must be sent to all Board members.

See sections: C.2.1 and C.2.4.

COMPLIANT	COMPLIES PARTIALLY ☒	EXPLAIN

The Board of Directors has taken into account the knowledge, skills and experience of the directors and the mission of each Committee when appointing Committee members. Committees are also expressly given the power to obtain external advice and the Board has debated the proposals and reports presented by the Committees, which reported on their activities and performance at the first full Board meeting after each of their meetings.

When appointing the Committee members and chairs, the Board has given priority to the skills, experience and qualifications that will enable directors to contribute to better performance by the Committees of the duties entrusted to them (rather than to the directors' categories).

The Audit and Control Committee is chaired by Mr Gustavo Villapalos Salas, an independent director of FCC.

40. The task of supervising compliance with internal codes of conduct and corporate governance rules should be entrusted to the Audit Committee, the Appointments Committee or, as the case may be, separate Compliance or Corporate Governance Committees.

See sections: C.2.3 and C.2.4.

COMPLIANT ☒	COMPLIES PARTIALLY	EXPLAIN

41. All members of the Audit Committee, particularly its Chairman, should be appointed with regard to their knowledge and background in accounting, auditing and risk management matters.

COMPLIANT ☒	COMPLIES PARTIALLY	EXPLAIN

42. Listed companies should have an internal audit function, under the supervision of the Audit Committee, to ensure the proper operation of internal reporting and control systems.

See section: C.2.3.

COMPLIANT ☒	COMPLIES PARTIALLY	EXPLAIN

43. The head of internal audit should present an annual work programme to the Audit Committee; report to it directly on any incidents arising during its implementation; and submit an activities report at the end of each year.

COMPLIANT ☒	COMPLIES PARTIALLY	EXPLAIN

44. The Control and risk management policy should specify at least:
   a) The different types of risk (operational, technological, financial, legal, reputational, etc.) to which the Company is exposed, with the inclusion of contingent liabilities and other off-balance-sheet risks under financial or economic risks;
   b) The determination of the risk level the Company considers as acceptable;
   c) Measures in place to mitigate the impact of identified risks should they occur;
   d) The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.

See section: E.

COMPLIANT ☒	COMPLIES PARTIALLY	EXPLAIN

45. The Audit Committee's role should be:
   1. With respect to internal control and reporting systems:
      a) The major risks identified as a consequence of the monitoring of the efficacy of the Company's internal control and its internal auditing, as the case may be, must be adequately managed and disclosed;
      b) Monitor the independence and efficacy of the internal audit function; propose the selection, appointment, re-appointment and removal of the head of internal audit; propose the department's budget; receive regular report-backs on its activities; and verify that senior executives are acting on the findings and recommendations of its reports;
      c) Establish and supervise a mechanism whereby staff can report, confidentially and, if necessary, anonymously, any irregularities they detect in the course of their duties, in particular financial or accounting irregularities, with potentially serious implications for the company.
   2. With respect to the external auditor:
      a) Receive regular information from the external auditor regarding the audit plan and the results thereof, and verify that senior executives act on the recommendations of the external auditor;
      b) Ensure the independence of the external auditor, to which end:
         i) The Company should notify any change of auditor to the CNMV as a relevant event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same;
         ii) Investigate the issues giving rise to the resignation of any external auditor, in the case thereof.

See sections: C.1.36, C.2.3, C.2.4 and E.2.

COMPLIANT ☒	COMPLIES PARTIALLY	EXPLAIN

46. The Audit Committee should be empowered to meet with any Company employee or manager, even ordering their appearance without the presence of another senior officer.

COMPLIANT ☒	COMPLIES PARTIALLY	EXPLAIN

47. The Audit Committee should prepare information on the following points from Recommendation 8 for input to Board decision-making:
    a) The financial information that all listed companies must disclose periodically. The Committee should ensure that interim statements are drawn up under the same accounting principles as the annual statements and, to this end, may ask the external auditor to conduct a limited review;
    b) The creation or acquisition of shares in special purpose vehicles or entities resident in jurisdictions considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group;
    c) Related-party transactions, except where their scrutiny has been entrusted to some other supervision and control Committee.

See sections: C.2.3 and C.2.4.

COMPLIANT ☒	COMPLIES PARTIALLY	EXPLAIN

48. The Board of Directors should seek to present the annual accounts to the General Meeting of Shareholders without reservations or qualifications in the audit report. Should such reservations or qualifications exist, both the Chairman of the Audit Committee and the auditors should give a clear account to shareholders of their scope and content.

See section: C.1.38.

COMPLIANT ☒	COMPLIES PARTIALLY	EXPLAIN

49. The majority of Appointments Committee members, or Appointments and Remuneration Committee members, as the case may be, should be independent directors.

See section: C.2.1.

COMPLIANT	EXPLAIN ☒	NOT APPLICABLE

As mentioned under recommendation 44, when appointing the Appointments and Remuneration Committee members, the Board has given priority to the skills, experience and qualifications that will enable Directors to contribute to better performance by the Committees of the duties entrusted to them.

All members of the Appointments and Remuneration Committee are external Directors and 40% of the members are independent Directors.

50. The Appointments Committee should have the following functions in addition to those stated in earlier recommendations:
    a) Evaluate the balance of skills, knowledge and experience required on the Board, define the roles and capabilities required of the candidates to fill each vacancy, and decide the time and dedication necessary for them to properly perform their duties;
    b) Examine or organise, in appropriate form, the succession of the chairman and chief executive, making recommendations to the Board so the handover proceeds in a planned and orderly manner;
    c) Report on the senior officer appointments and removals which the chief executive proposes to the Board;
    d) Report to the Board on the gender diversity issues discussed in Recommendation 14 of this Code.

See section: C.2.4.

COMPLIANT ☒	COMPLIES PARTIALLY	EXPLAIN

51. The Appointments Committee should consult with the Company's Chairman and Chief Executive, especially on matters relating to executive Directors.
    Any Board member may suggest Directorship candidates to the Appointments Committee for its consideration to fill vacancies.

COMPLIANT ☒	COMPLIES PARTIALLY	EXPLAIN

52. The Remuneration Committee should have the following functions in addition to those stated in earlier recommendations:
    a) Make proposals to the Board of Directors regarding:
        i) The remuneration policy for Directors and senior officers;
        ii) The individual remuneration and other contractual conditions of executive Directors;
        iii) The standard conditions for senior officer employment contracts.
    b) Oversee compliance with the remuneration policy set by the Company.

See sections: C.2.4.

COMPLIANT ☒	COMPLIES PARTIALLY	EXPLAIN

53. The Remuneration Committee should consult with the Chairman and chief executive, especially on matters relating to executive Directors and senior officers.

COMPLIANT ☒	COMPLIES PARTIALLY	EXPLAIN

H. OTHER INFORMATION OF INTEREST

1. If you consider that there are any relevant principles or aspects of corporate governance applied by your Company which has not been assessed in this report but which is necessary to include in order to provide more complete and reasoned information on the structure or governance practices of the company or group, state and explain the contents thereof below.

2. This section may include any other information, clarifications or nuances related to the previous sections of the report, insofar as they are relevant and not repetitive.
   Specifically, indicate whether the company is subject to laws other than those of Spain in the field of corporate governance and, as the case may be, include any information that it is obliged to furnish other than that required in the report herein.

3. The company may also indicate whether it has voluntarily adhered to other codes of ethics or good practices, or international, industry or other codes. If applicable, identify the relevant code and the date of adherence.

FCC has its own Code of Ethics, approved by the Board of Directors on 10 June 2008, subsequently reviewed in 2010 and 2012.
FCC adhered to the United Nations Global Compact on 7 May 2007.
This annual corporate governance report was approved by the Board of Directors of the company at its meeting held on 31st March 2014.

State whether any of the Directors voted against or abstained from voting the approval of the report herein.

YES	NO ☒

Name or company name of any directors not approving this report with their vote	Reasons (against, abstained from voting, did not attend meeting)	Explain the reasons
–	–	–

Deloitte.

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AUDITORS' REPORT ON THE INFORMATION RELATING TO THE SYSTEM OF INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR) OF FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. FOR 2013

To the Directors of
FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.:

As requested by the Board of Directors of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. ("the Entity") and in accordance with our proposal-letter of 27 January 2014, we have applied certain procedures to the information relating to the ICFR system included in section F) of the accompanying Annual Corporate Governance Report of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. for 2013, which summarises the internal control procedures of the Entity in relation to its annual financial reporting.

The Board of Directors is responsible for adopting the appropriate measures in order to reasonably guarantee the implementation, maintenance and supervision of an adequate internal control system and for making improvements to that system and for preparing and establishing the content of the information relating to the ICFR system included in section F) of the accompanying Annual Corporate Governance Report.

It should be noted in this regard, irrespective of the quality of the design and operating effectiveness of the internal control system adopted by the Entity in relation to its annual financial reporting, that the system can only permit reasonable, but not absolute, assurance in connection with the objectives pursued, due to the limitations inherent to any internal control system.

In the course of our audit work on the financial statements and pursuant to Technical Auditing Standards, the sole purpose of our assessment of the internal control of the Entity was to enable us to establish the scope, nature and timing of the audit procedures to be applied to the Entity's financial statements. Therefore, our assessment of internal control performed for the purposes of the aforementioned audit of financial statements was not sufficiently extensive to enable us to express a specific opinion on the effectiveness of the internal control over the regulated annual financial reporting.

For the purpose of issuing this report, we applied exclusively the specific procedures described below and indicated in the Guidelines on the Auditors' Report on the Information relating to the System of Internal Control over Financial Reporting of Listed Companies, published by the Spanish National Securities Market Commission (CNMV) on its website, which establishes the work to be performed, the minimum scope thereof and the content of this report. Since the work resulting from such procedures has, in any case, a reduced scope that is significantly less extensive than that of an audit or a review of the internal control system, we do not express an opinion on the effectiveness thereof, or on its design or operating effectiveness, in relation to the Entity's annual financial reporting for 2013 described in the information relating to the ICFR system included in section F) of the accompanying Annual Corporate Governance Report. Therefore, had we applied procedures additional to those performed, or performed an audit or a review of the internal control over the regulated annual financial reporting, other matters or aspects might have been disclosed which would have been reported to you.

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.

Also, since this special engagement does not constitute an audit of financial statements and is not subject to the Consolidated Spanish Audit Law, approved by Legislative Royal Decree 1/2011, of 1 July, we do not express an audit opinion in the terms provided for in that Law.

The procedures applied were as follows:

1. Perusal and understanding of the information prepared by the Entity in relation to the ICFR system - disclosure information included in the directors' report- and assessment of whether this information addresses all the information required in accordance with the minimum content described in section F, relating to the description of the ICFR system, of the model Annual Corporate Governance Report established in CNMV Circular no. 5/2013, of 12 June 2013.

2. Inquiries of personnel in charge of preparing the information detailed in point 1 above for the purpose of achieving: (i) familiarisation with the preparation process; (ii) obtainment of the information required in order to assess whether the terminology used is adapted to the definitions provided in the reference framework; (iii) obtainment of information on whether the aforementioned control procedures have been implemented and are in use at the Entity.

3. Review of the explanatory documentation supporting the information detailed in point 1 above, including mainly the documentation furnished directly to the personnel in charge of preparing the information describing the system of ICFR. In this respect, the aforementioned documentation includes reports prepared by the senior executives and other internal or external experts providing support functions to the Audit and Control Committee.

4. Comparison of the information detailed in point 1 above with the knowledge on the Entity's ICFR obtained through the procedures applied during the financial statement audit work.

5. Perusal of minutes of meetings of the Board of Directors and of other committees of the Entity in order to assess the consistency between the ICFR system issues addressed therein and the information detailed in point 1 above.

6. Obtainment of the representation letter in connection with the work performed, signed by those responsible for preparing and formulating the information detailed in point 1 above.

The procedures applied to the Information relating to the ICFR system did not disclose any inconsistencies or incidents that might affect the Information.

This report has been prepared exclusively in the framework of the requirements of Spanish Securities Market Law 24/1988, of 28 July, amended by Sustainable Economy Law 2/2011, of 4 March, and by CNMV Circular no. 5/2013, of 12 June 2013, for the purposes of the description of the ICFR system in Annual Corporate Governance Reports.

DELOITTE, S.L.

Javier Parada Pardo
31 March 2014

CORPORATE SOCIAL RESPONSIBILITY REPORT

FCC Group is one of the leading European citizen service companies; it is present in the areas of environmental services, water and infrastructure. FCC focuses its activity on the design and delivery of smart services to citizens. To this end, it has developed an extensive range of services whose common denominator is the pursuit of eco-efficiency.

Every day, over 63,000 employees world-wide interact with citizens in search of increased day-to-day sustainability.

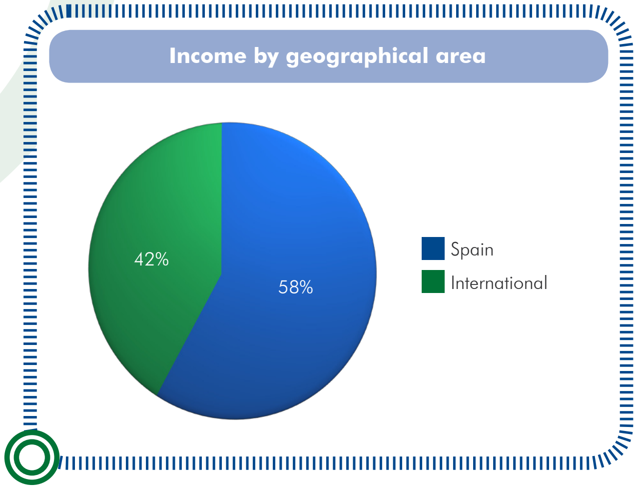
COMPANY PROFILE

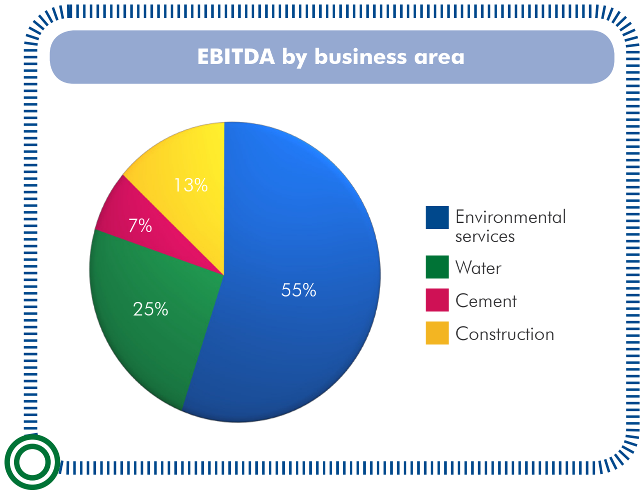
MAIN FINANCIAL INDICATORS

	2011	2012*	2013*
Turnover	11,897	7,429.3	6,726.5
EBITDA	1,256	820.3	719.9
Margin (%)	10,6	11.0	10.7
EBIT	393	-303.1	147.4
Margin (%)	6,5	-2.0	-4.5
Backlog	35,309	30,896.4	32,865.1
Net debt	6,593.3	7,087.7	5,975.5

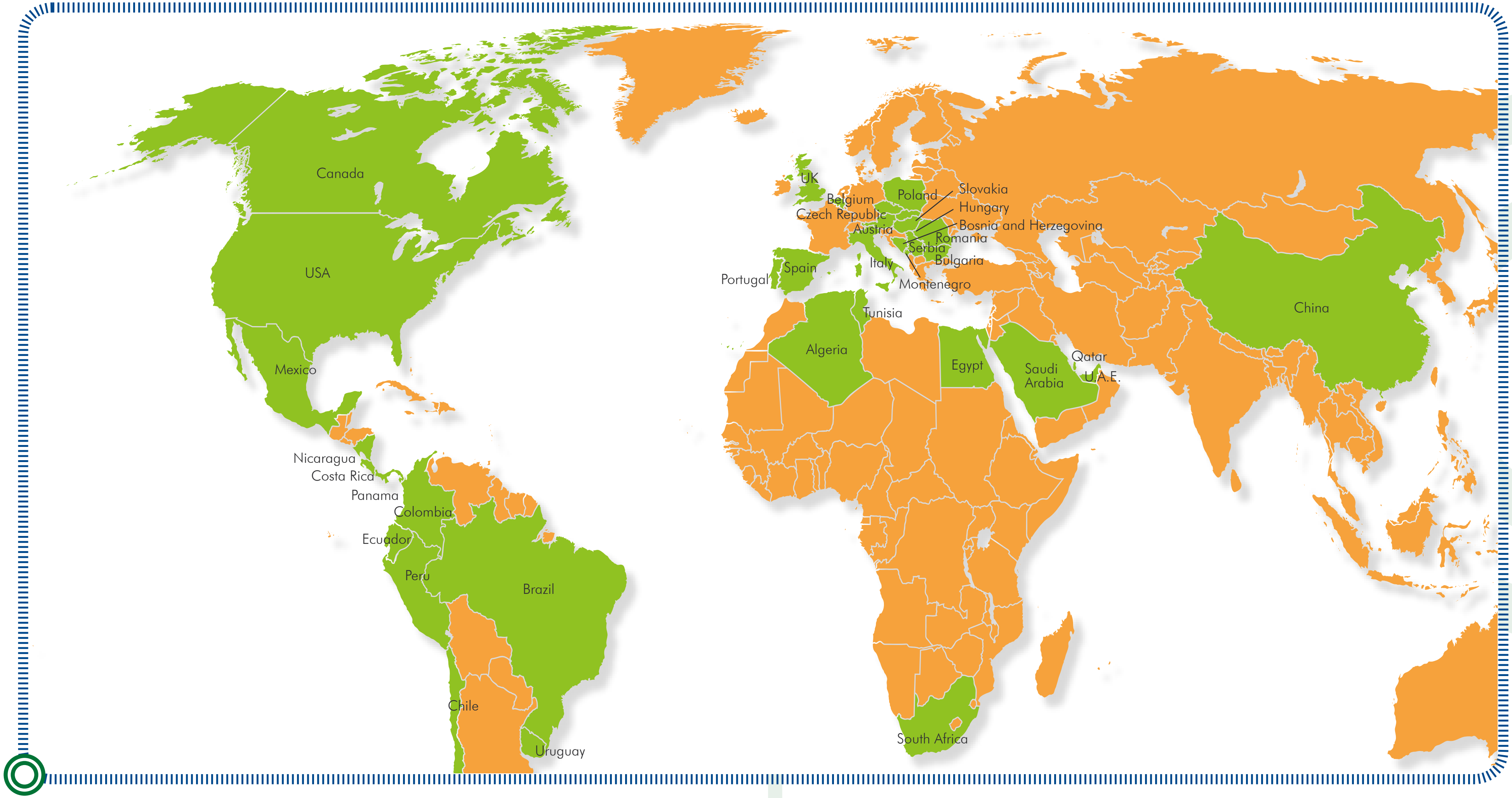
*Alpine deconsolidation

	Revenue in 2013 (M€)	Var./2012 (%)	EBITDA 2013 (M€)	Var./2012 (%)
Environmental services	2,770.4	-2.0%	425.4	-14.5%
Water	930.0	+3.2%	191.7	+1.5
Construction	2,589.2	- 11.8%	98.8	+ 10.5%
Cement	540.9	- 17.3%	50.4	- 27.9%
Corporation and adjustments	(104.0)	- 193.7%	(46.4)	+ 84.9%
Total	6,726.5	- 95%	719.9	- 12.2%





PRESENCE OF FCC GROUP



THE WAY FORWARD

2013-2015 Strategic Plan

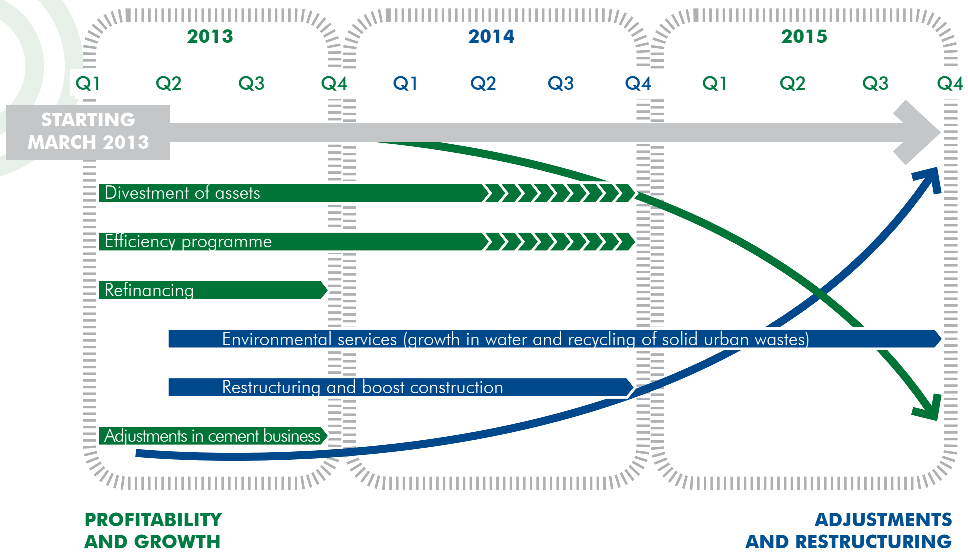
In an adverse economic environment, and given the current downturn in the financial market, FCC Group has designed a strategy that will focus on its core businesses to increase cash flow and reduce debt levels to those appropriate for the cash flow generated.

Concentrating on strategic businesses enables the company to make the most of the activities where there is a strong track record and to restore investor and market confidence. In the construction business, where FCC Group has more than a hundred years' experience, the company is promoting strategic projects in countries with large growth opportunities and infrastructure needs. In the integrated water cycle management business, customer management is what sets apart FCC Aqualia, the third largest company in the world in its sector, apart. The environmental services business has close ties to the cities it serves, and is seeking to improve its service offerings.

At economic and financial level, FCC Group's goal is to reduce debt by 1.9 billion euros, return to an EBITDA of 1.2 billion euros and generate an annual cash flow from the activities of 850 million euros. Following the implementation of the Strategic Plan, FCC Group will be in the position to address the recovery of some of the markets in which it operates, continue to work in a leading position in markets with more favourable economic conditions and capitalise on new opportunities for profitable growth.

Lines of action

- **Divestment of non-core assets** worth 2.2 billion euros.
- **Implementation of the efficiency programme** through structural cost reduction in all areas, both in central services and business units.
- **Long-term refinancing plan** in line with the strategic objectives.
- **Strengthening the leadership in Environmental Services in Spain** and in waste management in Central Europe through ASA. Repositioning in UK towards waste-management-related activities. Strengthening the leadership international expansion in Water.
- **Restructuring of Infrastructure** by adjusting production resources in FCC Construcción and Cementos Portland Valderrivas. Promoting International Construction profitability towards more profitable geographies. Optimisation of Cementos Portland Valderrivas operations in the United States.



A FORWARD-LOOKING COMPANY

An attractive business project for investors…

Meetings and presentations to institutional investors and analysts carried out by FCC Group in 2013 in cities such as London, Paris, Geneva and New York have resulted in obtaining capital for the company. The Group carried out a first round of road shows after the March 2013 presentation of the new Strategic Plan. Its objectives focused on reducing debt and returning to profit have successfully captured the interest of new funds to invest in the company, attracted by projects in the backlog, divestments and planned refinancing.

During the second half of the year, several FCC Group treasury stock placement processes amounting to over 9% of the share capital took place. These placements include the October purchase of 5.7% of FCC's treasury stock by entities related to Microsoft cofounder Bill Gates, who thus becomes the second largest shareholder in the company, behind Esther Koplowitz, who controls 50.1% through B-1998.

The transaction was carried out at a share price of €14.865, resulting in a gross amount of 113.5 million euros which increases FCC Group's capital and reserves with no effect on the income statement for the year.

After this transaction, the U.S. investor George Soros bought 3% of FCC Group in a transaction valued at around 60 million euros, thus becoming the third largest individual shareholder in FCC Group.

The appearance of these two entrepreneurs has been interpreted by the markets as a sign of confidence in FCC Group's project and highlights the company's attractiveness to the international investment community due to its growth potential, solvency and attractive prices.

ENTRY OF A THIRD INTERNATIONAL FUND INTO GLOBALVIA

Globalvia has successfully completed the fund-raising process to facilitate the development of its existing concession portfolio as well as to undertake future investments with a commitment by the Universities Superannuation Scheme (USS) to provide 150 million euros, continuing with the agreement signed two years ago with the PGGM (Netherlands) and OPTrust (Canada) pension funds, and as a result Globalvia achieves its goal of obtaining the 750 million euros envisaged.

These new financial resources allow Globalvia to continue to strengthen its role as a major player in the infrastructure sector by taking a qualitative and strategic leap forward in its management policy and its commitment to a sector with great opportunities.

USS, PGGM and OPTrust are three pension funds of internationally recognised standing, leaders in their sector and committed to a long-term presence.

…supported by financial markets…

On the 31 March, FCC signed the Group's largest and most important credit facility, a syndicated loan totalling 4,512 million euros, which was accepted by 99.98% of the credit institutions involved, with a 4 year maturity. Several agreements were added to the facility to significantly prolong the maturity of the Group's debt and to strengthen the capital structure.

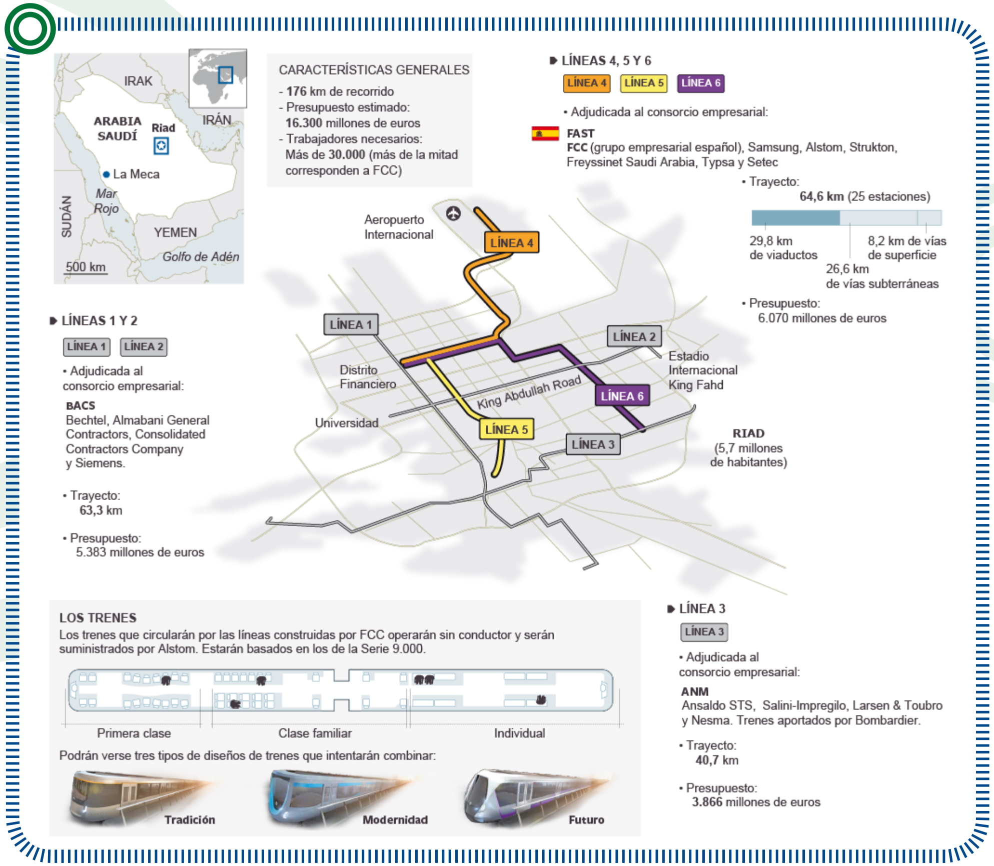
The fact that almost all the credit institutions signed the refinancing agreement represents a vote of confidence from the financial markets in favour of the management principles that the Company has been applying. The reduction of the Group's debt and the increase of profitability and the generation of cash flow in all the business activities, as a result of this refinancing process, has cleared the financial horizon and put FCC Group back on the growth path.

This refinancing was one of the key pillars for the consolidation necessary to implement and achieve the objectives established in the Strategic Plan, however its coming into effect is subject to the fulfilment of certain conditions precedent.

...that generates confidence for the implementation of key projects worldwide.

Riyadh metro construction project in Saudi Arabia

In July 2013, FCC Group achieved a milestone in the history of international construction. The Authority for the Development of Riyadh (ADA) awarded the consortium led by the company, a package for the construction of the Saudi capital's underground train system.



FCC Group leads the consortium, which also includes Samsung, Alstom, Strukton, Freyssinet Saudi Arabia, Typsa and Setec, to build Lines 4, 5 and 6 of the city's underground train system worth 6,070 million euros. The completion period for the works will be five years and more than 15,000 people will be employed in its construction.

With these figures, this contract also became the second largest for the Spanish sector operating abroad. It also demonstrates the potential of Spanish engineering and the confidence that FCC Group generates in the international public infrastructure market.

The project includes tunnelling, building and equipping three lines of the infrastructure, one of which connects the city centre to the airport, totalling 72.5 kilometres in length. Twenty-five stations, some of which are elevated, will also be built.

The association between FCC Group and Alstom had recently already won another large infrastructure contract, this time for Line 1 of the Panama Metro, valued at 1.1 billion euros, and which is now operational.

Construction project for the bridge over the River Mersey in the United Kingdom

FCC Group was awarded the contract for the design, construction, financing, maintenance and operation of the bridge over the River Mersey in Liverpool (UK), worth around 700 million euros. This is the largest contract won to date by the company in the British Isles.

The project involves the construction of a six-lane cable-stayed bridge of up to 125 metres high and 2.23 kilometres long which will serve about 80,000 vehicles per day. It is expected to open to traffic towards the end of the first half of 2017.

The contract also includes the remodelling of seven kilometres of access roads, 2.5 miles of new motorway and the renovation of another 4.5 kilometres of motorway as well as various link roads.

The Group anticipates that 4,600 jobs, both direct and indirect, will be generated throughout the construction, operation and maintenance processes. This project strengthens FCC's internationalisation and experience with bridges, following the recent opening of the bridge it built over the River Danube between Bulgaria and Romania.

By winning this project, FCC takes a step forward in the UK market, where it has a presence in the construction and services businesses (through FCC Environment (UK) and, through Globalvia, in the concessions business. It also strengthens its internationalisation, one of the pillars of the company's strategic plan, especially for the construction business.

Public-private, multi-country collaboration for the New Cairo wastewater treatment plant

The New Cairo (Egypt) wastewater treatment plant funded, designed, built and operated by FCC Aqualia has been selected by the International Finance Corporation (IFC) (part of the World Bank), and the Infrastructure Journal publication, as the third best public-private participation project in the region encompassing Europe, Central Asia, the Middle East and North Africa.

THE CEAL AWARD FOR THE EXPANSION OF FCC GROUP IN LATIN AMERICA

In Panama, FCC Group's Chairwoman Esther Alcocer Koplowitz, received the Grand Award for Business Expansion from the Business Council of Latin America (CEAL).

The Business Council appreciated the expansion carried out by the company in major Latin American countries, where it has been operating for fifteen years through companies of local origin and resources, such as the subsidiaries in Panama and Costa Rica. This region accounts for 11.5% of the Group's turnover according to figures from the first half of 2013, most of which comes from infrastructure development.

The ceremony was attended by HRH the Prince of Asturias, Felipe de Borbón, the Panamanian Minister for Canal Affairs, Roberto Roy, and the Spanish Minister of Foreign Affairs and Cooperation, José Manuel García Margallo, who described FCC Group as "an example of doing things well".

Features such as the design of innovative financing structures, technological innovation, the impact on regional development, or the real possibility to replicate each model in other projects, have been key to the selection of the New Cairo treatment plant. This recognition is in addition to the prizes awarded by Global Water Intelligence and Project Finance by Euromoney.

The ten largest FCC Group contracts in progress

Project	Country	Project value
Riyadh Metro	Saudi Arabia	6,070 million euros
Line 1 of the Panama Metro	Panama	1,112 million euros
Relizane-Tissemsilt railway line	Algeria	934 million euros
Three railway line projects in Transylvania	Romania	830 million euros
Mersey Bridge	United Kingdom	700 million euros
Gerald Desmond Bridge	USA	540 million euros
Hospital Complex in Panama	Panama	440 million euros
Port of Açu	Brazil	402 million euros
Tizi-Ouzou Stadium	Algeria	359 million euros
Toronto Metro	Canada	304 million euros

TRANSPARENCY IN FINANCIAL MANAGEMENT

Share price performance

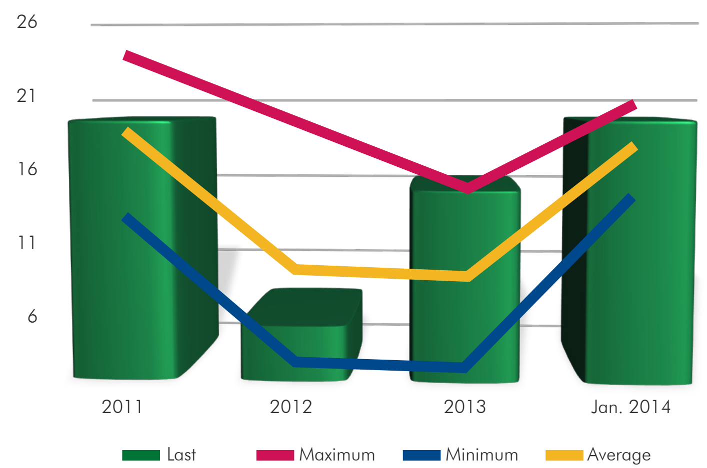
FCC Group's share capital consists of 127,303,296 ordinary shares with a nominal value of one euro each. All FCC shares have full voting and dividend rights. They belong to the same class and series without any preference shares and are free of liens and encumbrances.

The company's shares are listed on the four Spanish stock exchanges (Madrid, Barcelona, Valencia and Bilbao).

Main shareholders	Shares	% Share capital
B-1998, S.L.	55,334,260	43.46%
Azate, S.L.	8,353,815	6.56%
William H. Gates III	7,301,838	5.73%

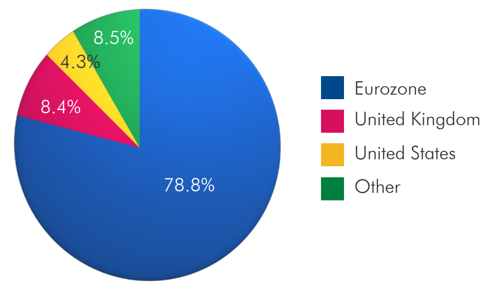
Historical information on FCC Group share prices shows a rise in the price towards the end of 2013.

Trading price



The FCC Group's floating capital is 44%. Its estimated distribution is 16.7% Spanish minority shareholders, 5.8% Spanish institutional investors and the remaining 21.5% foreign institutional investors.

Geographical distribution of free-float
Figures as of 31 May 2012



	2010	2011	2012	2013
Total volume (millions of shares)	158.23	150.88	113.90	203.56
Total Cash (M€)	3,464	2,997	1,395	2,378
Capital turnover (%)	124	119	89	160
Capitalisation (M€)	2,503	2,551	1,193	2,059
Share capital (millions of shares)	127.30	127.30	127.30	127.30

Distribution of dividends

In 2013, several factors have caused a contraction of the resources generated by FCC Group and the need to assume losses in the year as the result of the write-down of certain company assets. The two exceptional circumstances that took place in the first half of the year are the Alpine liquidation process, an FCC Construcción subsidiary for Central and Eastern Europe, and the value adjustment made at FCC Energía as a result of regulatory changes made by the Spanish government.

To prevent the deconsolidation of the Austrian subsidiary affecting the Strategic Plan and the objectives to 2015, the Group launched a plan for additional cost savings.

In this sense, in December 2012 the FCC Board of Directors, in accordance with a principle of prudent management and in the best interest of all company shareholders, decided not to distribute an interim dividend in 2013, as was customary in previous years.

This decision, which aims to strengthen the Group's balance sheet by retaining the resources generated, in order to support the future creation of shareholder value, and to sustain the profitable growth of operations, will have to be ratified by the General Meeting of Shareholders to be held in June 2014.

Managing social and environmental risks for finance providers: FCC complies with the Equator Principles

For FCC Group, managing social and environmental risks begins simultaneously with the planning, design and search for financing. Entities that are signatories to the Equator Principles take part in financing the company's major projects.

The Equator Principles are a voluntary framework adopted by financial institutions to identify, assess and manage the social and environmental risks of projects. Launched in 2003 by ten financial institutions, today the initiative has 79 institutions in 35 countries worldwide which apply a framework with the following features:

- It provides a standard for due diligence in decision-making on social and environmental risk management.
- Based on the IFC's Performance Standards on Environmental and Social Sustainability, and on the Environmental, Health and Safety Guidelines of the World Bank.
- The Principles apply to all new project financing at a global level, with a total capital cost for the project of at least 10 million dollars, and in all industrial sectors.

The application of the Equator Principles at FCC Construcción

For technical advice from the social and environmental perspectives of the large Riyadh Metro project, FCC Construcción has hired the services of an expert company that has supported FCC in the four different phases that can be derived from the analysis of a project's conformity with the framework of the Equator Principles:

- PHASE I: review and classification of the project
- PHASE I: socio-environmental assessment and Action Plan
- PHASE III: enquiries and complaints
- PHASE IV: independent monitoring and periodic reporting

In 2013, the Riyadh Metro project was subject, firstly, to PHASE I, consisting of a classification according to the social and environmental assessment criteria of the International Financial Corporation (IFC), an entity attached to the World Bank, responsible for promoting the economic development of countries through the private sector.

As a result of this classification, the project was classified Category B, which corresponds to projects with limited possible adverse social or environmental impacts, which are few in number, and in general, located in specific sites, mainly reversible and easy to tackle using mitigation measures.

Then the project was subjected to PHASE II, and its Socio-Environmental Management Plan (Principle 4) was assessed, and at the same time phases 3 and 4 were started and will be subject to a planned follow-up while the project is being executed.

THE APPLICATION OF THE EQUATOR PRINCIPLES AT FCC CONSTRUCCIÓN

PHASE I
REVIEW AND CLASSIFICATION OF PROJECT

The EPFI (Equator Principles Financial Institutions) must classify the project based on the magnitude of its impacts and potential risks in accordance with the IFC's environmental and social assessment principles. The following three categories are established:

- A. Projects with possible significant adverse social or environmental impacts that are diverse, irreversible or without precedent.
- B. Projects with possible limited adverse social or environmental impacts that are few in number and, in general, located at specific sites, mostly reversible and easily addressed through mitigation measures.
- C. Projects with minimum or non-existent social or environmental impacts.

Based on the **AECOM** review, **a report shall be prepared** that will establish the classification of the project (A, B or C) and a justification for the category chosen will be given.

PHASE II
SOCIO-ENVIRONMENTAL ASSESSMENT AND ACTION PLAN

Based on Principle 2, for projects classified as A or B, the borrower will carry out an assessment process to address the relevant social and environmental risks and impacts. This assessment must provide mitigation and management measures that are pertinent and appropriate for the nature and scale of the project.

In addition, for non-OCDE countries, the assessment to be performed must take into account the Environmental, Health and Safety (EHS) Guidelines established by the IFC.

In any event, whatever assessment is conducted, it must check that the project complies with the laws, rules and authorisations relative to social and environmental matters in Saudi Arabia.

In line with what is set out in Principle 4, in the event that the project is classified as A or B, an **Action Plan** that varies depending on the measures and actions identified in the Assessment.

PHASE III
CONSULTATIONS AND COMPLAINTS

In accordance with Principle 5, in the event the project is classified as A or B, a consultation period must be provided for the communities involved without exclusions and in a culturally appropriate manner. In projects with adverse impacts that are significant for the communities, the consultation process will ensure a free, early and informed consultation and facilitate their participation as a means for establishing whether the project has appropriately included their concerns.

The documentation for the Assessment and the Action Plan will be made available to the public by the borrower for a reasonable period of time in the languages of the communities and in a culturally appropriate manner. The borrower must document the process and the outcome, including the actions agreed. For projects with adverse impacts, disclosure should take place early in the assessment process and before the beginning of the construction of the project. A mechanism for resolving complaints must be established.

PHASE IV
INDEPENDENT MONITORING AND PRESENTATION OF REGULAR REPORTS

Lastly, Principles 9 and 10 establish that, in the event the project is classified as Category A or Category B, the appointment of an independent environmental and/or social expert is required in order to verify the monitoring information, which may be shared with the EPFIs.

Every EPFI that adopts the Equator Principles undertakes to provide public notification at least yearly of its processes and experience in applying the Equator Principles, taking into account the appropriate confidentiality issues.

FCC Construcción's compliance with the International Finance Corporation's Performance Standards on Social and Environmental Sustainability

From the risk management, auditing and internal control functions carried out by central services, to the activities taking place in the different countries, FCC Group has a compliance system that enables the Company to state to interested third parties (providers of capital, customers, etc.) that they comply with legislation and with international rules and standards.

FCC Construcción's due diligence in financing processes

The evaluation process of the social and environmental risks related to the Riyadh Metro project, according to IFC's criteria, has been performed by the finance entity, based on the main elements of the due diligence to ensure the Company's compliance.

Elements of the due diligence in the evaluation process of the social and environmental risks

1. Policies and procedures / management systems

Policies

Quality, environment, occupational health and safety, customers, employees, suppliers, R+D+I, information security.

Management and sustainability system

Best Practices® system: this adds actions to the legislative and contractual requirements, or those of any other origin that ensure truly better environmental results.

Certifications

- Quality: UNE-EN ISO 9001
- Environment: UNE-EN ISO 14001
- Energy efficiency: UNE-EN ISO 50001
- EMAS (EU Eco-Management Regulation and Audit Scheme) Registries: Regulation 121/2009
- Occupational health and safety: OSHAS 18001
- Healthy Company: AENOR FREMAP model
- GHG emissions: ISO 14064
- Information security: ISO 27001
- R+D Management: UNE 166002

2. Risk management

- **Pre-bidding process**

  Quantitative assessment of a project's risks prior to presenting the tender. The decision to tender is assessed by rating a number of issues divided into six sections: Customers, Partners and Third Parties, Tender Documents, Location, Contract and Strategy. Risk of the tender.
- **Tender process**

  Risk management tool for identifying and assessing the risks in the tender phase. A Risk Register allowing the execution to be monitored from the perspective of risks. A Final Report on Risks with the main data from the analysis performed. The decision of whether to submit the tender is based on this.
- **Execution process**
  - Final Reports on Risks and on the Dynamic Risk Matrix; a comprehensive approach of the construction work in terms of anticipated problems and basic methodologies,

economic objectives and technical planning. In addition, the identification of risks for each activity associated with the construction work and for possible developments.
- The Quality and Environmental Auditing Department plans the construction work audits based on the level of risk.

- **Special Accident Risk Treatment Programme "PETRA"**
  A set of measures that are applied to certain construction works that may cause serious accidents with great social impact, as well as those which may cause high financial losses to the company.
- **Other actions related to FCC's risk management**
  - Strategic Risks Monitoring Committee
  - Dynamic Risk Map: A tool used to identify, assess and prioritise risk treatment. Relationships among risks can be seen, their scope measured and plans to be made when monitoring is needed to mitigate them.
  - Action and Risk Mitigation Plans: For risks resulting in a high rating when the product of Impact*Probability is obtained. Procedures in the Management and Sustainability System to mitigate social, environmental and health and safety risks.

3. Organisation and definition of responsibilities

Organisational charts

Organisational charts showing the allocation of responsibilities at different levels of the company. Included in a general organisation chart with senior management and the CEO.

Procedure No. 120

Definition of hierarchical and functional relationships. It determines: the updating of organisational charts, the division of FCC Construcción into Central Services and Production Areas, and the responsibilities for legal and technical consultants, area managers, administrators, construction managers, quality and environment technicians, training technicians, CSR technicians and health and safety technicians.

Skills development

FCC Construcción's Training Plan includes courses designed to increase knowledge and skills in the areas most relevant to each employee's job. There are courses on the following topics, among others: sustainability, quality, labour relations, environmental management, general environmental concepts, environmental assessment schemes for buildings, bioclimatic architecture, energy-efficient and renewable energy systems for buildings, sustainable building refurbishment, waste management, occupational health and safety, safety on scaffolding and metal structures, safety in high-rise work and first aid.

4. Supplier management

Procedure No. 310

This ensures that the materials, equipment and services purchased meet the compulsory requirements. The company has a software application that includes historical information on ratings of different suppliers and subcontractors. These are classified into: suitable providers, problematic suppliers, restricted suppliers and suppliers with financial anomalies.

Once potential licensees have been selected, they are included in a catalogue and rated in the relevant sectors for the drafting of contracts with the preparation of the Report on the Preliminary Assessment of the Supplier based on criteria of quality, health and safety, environment and financial capacity. Once they have been assessed, a Report on the Final Assessment of the Supplier is prepared.

5. Monitoring and reporting

Procedure No. 315

This provides guidelines for verifying compliance with the established legal and contractual requirements imposed on the project units under construction.

System Support Visits (SSVs)

Visits conducted by quality and environment technicians for the purpose of providing the training needed for the construction works to correctly implement the Management and Sustainability System.

Internal System audits

Conducted by the Quality and Environmental Auditing Department and the Occupational Health and Safety Department, it ensures compliance with the requirements outlined in ISO 9001, ISO 14001, ISO 27001, ISO 14064, OSHAS 18001 and UNE 166002.

Procedure No. 306

A planning review will be carried out every four months to update the relevant sections of the various documents and, in addition, when a major change occurs with respect to the current planning approaches. FCC Construcción's central services integrate the information and prepare the System Status Report published in June and October and with the information from job sites active in the first four to eight months of the year, respectively. At year end, the System Review Report is prepared.

Procedure No. 720

As a result of the internal audits, the auditor prepares a draft audit report that includes any relevant aspects detected and sends it to the person responsible for the audited organisation to make any necessary comments.

Procedure No. 130 and the Sustainability and Environmental Management Report

The Sustainability Management System defines the list of indicators to follow-up all construction areas and their integration into central services. In addition, these indicators are also defined and published in the Sustainability and Environmental Management Report.

Procedure No. 317

The Management and Sustainability System defines how incidents related to social and environmental matters are detected, stored, assessed and managed.

6. Commitment to stakeholders

Notification of environment-related matters

Notifications to stakeholders regarding environment-related matters takes places as follows:

- The Group's Environmental Policy is provided
- The Environment Department will answer written requests for other information required.
- The project management will resolve potential impacts and environmental changes by communicating with the relevant environmental institutions and local authorities.

- A record is made of the different institutional relations that have taken place and the reports on the environmental measures implemented.
- Any suggestions, complaints and penalties received are recorded.

FCC volunteers

This programme was launched to address specific social needs.

Procedure No. 400

This lays out the guidelines to follow with customers regarding information, notification, verification and resolution of complaints and claims and the degree of satisfaction after the projects are completed.

The system for managing relationships with customers after project completion is based on: assessments of customer satisfaction through end-of-project surveys, the processing of complaints and claims and the appointment of interlocutors.

7. Violations, notifications and disputes

There is currently no information about this stage of the process.

FCC GROUP'S CORE BUSINESSES

ENVIRONMENTAL SERVICES

Focused on citizen satisfaction

A wide range of citizen services aimed at well-being

With over 100 years' experience, FCC Group's Environmental Services Area provides urban sanitation services across Spain and in other countries in Europe, Africa and America. Applying the latest collection and treatment technologies, the company has a strong commitment to the environment and to the society it serves.

GLOBAL TRENDS

- The environmental services market is significant and growing, driven in part by increased environmental regulations and the change in consumer preferences. Source: Trade and Environment Briefings: Environmental Services: UNEP
- Today, the market for environmental services is a major market and demand is expected to increase considerably over the coming years. In 2006, the market was estimated at 690 billion dollars and is expected to increase to 1,900 billion by 2020. Source: Trade and Environment Briefings: Environmental Services: UNEP

Business strategy

FCC's Environmental Services division is one of the largest businesses in the world in its industry and it renders its services through subsidiaries: FCC Medio Ambiente, FCC Environment (UK), .A.S.A. and FCC Ámbito. The FCC Group is a leader in urban waste management in Spain and is one of the largest operators in the United Kingdom, Austria, Portugal, Egypt and the following eastern European countries: the Czech Republic, Slovakia, Hungary, Poland, Romania, Bulgaria and Serbia. It provides services to more than 72 million citizens. In addition, as part of the environmental services offered by the Group, FCC Ámbito provides services in the field of integrated management of industrial waste, industrial cleaning, decontamination of soil and external intervention in case of accidents, spillages, discharges, etc.

As part of its strategy, the company is seeking to strengthen its leadership in the domestic market for environmental services, enhance its waste management and treatment business in the UK, reduce structural costs (eliminating duplication and improving efficiency) and divest non-core assets.

FCC MEDIO AMBIENTE, S.A.

FCC Environment

·A·S·A·

FCC ambito

The Environmental Services Division has the following certifications

Company	Management area	Certification	Scope*
FCC Medio Ambiente	Quality Environment ORP	ISO 9001 ISO 14001 OHSAS 18001	87.2% 87% 100 %
FCC Ámbito	Quality Environment ORP	ISO 9001 ISO 14001 OHSAS 18001	61.4% 61.4% 55%
ASA	Quality Environment ORP	ISO 9001 ISO 14001 OHSAS 18001	99% 91% —
FCC Environment (UK)	Quality Environment ORP	ISO 9001 Carbon Trust Standard ISO 14001 OHSAS 18001	13% 100% 84% —

* Scope: % turnover, except ORP, where the scope of coverage is the percentage of workers covered

2013 milestones

- The first company in the environmental services sector to receive the AENOR Healthy Workplace certification for contracts managed by the Catalonia II office of FCC's Medio Ambiente division.
- Design of the methodology and of the calculation model for intensity indicators that will enable the expression of efficient management in the use of resources, both energy and water, and in the reduction of GHG in the services provided by the Medio Ambiente division in urban services activities[1].
- Adjustment of the workforce to the environmental services business's turnover in Spain.

2014 Challenges

- To obtain the second certification of the carbon footprint of FCC's Medio Ambiente division and verify the methodology to calculate the intensity indicators for urban services.

Awards and recognitions in 2013

- Finalists in the third edition of the international awards for eco-efficiency for the initiative consisting of the production of steel aggregates from the recycling and recovery of steel slag. This project has been awarded by KPMG and the influential El Confidential digital daily in 2014, the prize for best business practices.
- The SEDRUS® (Sharing Data to Reflect Urban Environmental Sustainability) platform was a finalist in the third edition of the FCC International Eco-Efficiency Awards and received a diploma of merit.
- FCC received a prize at the Innovation + Sustainability + Network Awards held by the EXPANSION business daily newspaper in the category of Large Sustainable Business for its electric refuse collection lorry.
- FCC Ámbito is the first Spanish company to be audited in compliance with Regulation 1179/2012 which sets out the criteria to determine when recovered glass ceases to be waste under Directive 2008/98/EC of the European Parliament and Council.

[1] Waste collection, street cleaning and parks and gardens maintenance activities.

WATER MANAGEMENT

Transparency, quality of service and proximity

Solutions for all phases of the integrated water cycle

FCC Aqualia is the main FCC company and one of the largest European public services groups that provides integrated water management. Aqualia offers solutions to the market to cover all the needs of public and private institutions and organisations for all stages of the integrated water cycle and for all uses, including human as well as agricultural and industrial uses. Its main business activity is the management of municipal water services. The company has quickly become a benchmark in the industry.

GLOBAL TRENDS

- Achieving the Millennium Development Goals for the water sector in developing countries (to reduce by half the proportion of people lacking access to drinking water and sanitation by 2015) will involve investments of $72 billion per year. Source: OECD
- Water stress is one of the major problems for the sector. It is predicted that there will be an increase of up to twice the number of people living in water-stressed river basins between 2000 and 2050, reaching 3.9 billion people (about half of the world population). Source: OECD, Water: The Environmental Outlook to 2050.
- According to the United Nations in 2011, 768 million people still lacked access to an improved drinking water source. Source: United Nations

Business strategy

Aqualia FCC's commitment to social responsibility and excellence has enabled it to consolidate a leading position in the domestic market. This commitment is also materialised in foreign markets with a defined strategy to consolidate an ambitious but prudent internationalisation. FCC Aqualia has a stable presence in various countries around the world, where it acts directly or through its local companies, subsidiaries and holdings.

The company is committed to diversification and is able to offer every possible solution to manage the integrated water cycle, whatever its use: domestic, agricultural and industrial, serving a population of over 28 million people. FCC Aqualia has become a cutting-edge, benchmark brand in the industry, thanks to a highly specialised and committed team whose ongoing goal is to improve efficiency in the production process and to optimise resources.

FCC Aqualia's corporate purpose is to obtain water, adapt it for human consumption in accordance with strict quality control measures, distribute and subsequently treat it, with the aim of returning it back to nature in the right quantity and quality, using the resources and materials employed in the process in an efficient and sustainable manner.

FCC Aqualia

The Water Management Division has the following certifications

Management area	Certification	Scope*
Quality	ISO 9001	96.8%
Environment	ISO 14001	96.8%
ORP	OSHAS 18001	71%
R+D+i management	UNE 166002	—
Information security	ISO 27001	—
Energy management	ISO 50001	2.8%
Management of testing laboratories	ISO 17025	—

* Scope: % turnover, except ORP, where the scope of coverage is the percentage of workers covered

2013 milestones

- AENOR verified the carbon footprint for the integrated cycle in Lerida.

2014 Challenges

- Measuring the water footprint of the integrated water cycle as one of the top priorities for the sector, in collaboration with the Complutense University and the Botín Foundation.
- To consolidate initiatives to improve service provider companies services, strengthening FCC's collaboration on projects such as AquaRating and Benchmarking.

Awards and recognitions in 2013

- Awarded the third "Aragon, Committed to Prevention" Award for its exemplary record of five occupational accident-free years in Depurteruel. In addition, FCC Aqualia received other recognitions for preventive management in the services it manages in the Valencian Community and the Region of Murcia.
- The 'Territorio y Marketing' Channel granted an award as finalist of the 'Territorio y Marketing' Awards to the educational activities that FCC Aqualia is carrying out in Oviedo. The activities organised were aimed at making a contribution to water management education in order to showcase this activity and help the sustainable development of water resources.
- The Global Water Intelligence (GWI) magazine awarded the financial closure of the New Cairo Waste Water Treatment Plant the prize for the Water Deal of the Year, which recognises the greatest contribution to the development of public-private partnership projects in the industry worldwide.
- The Department of Education, Training and Employment of Murcia has publicly acknowledged FCC Aqualia's concern and good management with regard to health and the prevention of occupational risks at work, granting it the 'Safe Company' distinctive mark of the Region of Murcia, the purpose of which is to recognise the merit of the industries that show a greater concern for safety at work.

INFRASTRUCTURE

Building bridges to improve the lives of citizens

A benchmark company in infrastructure construction and cement production

FCC Construcción engages in the development of infrastructure, both in Spain and in the global market. Its activities cover all areas of the construction industry, and FCC Construcción is a world reference in the execution of civil engineering works (roads, railways, airports, hydraulic and maritime works) and building projects (both residential and non-residential). It also has a proven track record in developing projects under concession regimes. In addition, it has a number of subsidiaries that are engaged in the construction industry. Cementos Portland Valderrivas is also a multinational company and is present in Spain, the U.S. and Tunisia. The company works to use the most advanced technologies in all its production processes with the objective of achieving economic optimisation and being environmentally-friendly

GLOBAL TRENDS

- It is expected that 4,900 billion people will be living in cities in 2030, along with a growth of 44% in urban markets in cities by 2035. Source: "Expect the unexpected: Building business value in a changing world". KPMG
- Worldwide, over one billion people lack access to roads, and over four million are lacking modern communication services. Population growth remains the main driver of demand for infrastructure. It is estimated that the global population will reach 8.4 billion by 2030. Source: OECD, World Bank
- According to OECD recommendations, in 2020 infrastructure projects will have to be carried out taking into account the scarcity of natural resources and the design life of the project (the use of recyclable materials and recycled materials, the measurement of the impact over the expected useful life and the recovery of ecosystems). Source: OECD

Business strategy

With over 100 years' experience, FCC Construcción is a national and international leader in the civil infrastructure market.

The return to **profitability**, the **generation of cash flow** in its domestic markets and the concentration of international business on more **profitable geographies** will enable FCC Construcción to regain its leadership in the sector.

The company will rely on the following five strategic initiatives to improve profitability and to generate cash flow:

1. Restructuring of domestic construction
2. Drive towards profitability in international construction
3. Reduction of overheads
4. Divestment of concessions and real estate assets

Meanwhile, Cementos Portland Valderrivas will adjust its capacity and production resources, along with developing levers to increase efficiency in both Spain and the United States.

FCC Construcción

CEMENTOS PORTLAND VALDERRIVAS

The Infrastructure Division has the following certifications

Company	Management area	Certification	Scope*
FCC Construcción	Quality	ISO 9001	97.2%
	Environment	ISO 14001	66.2%
	R+D+i management	UNE 166002	42.4% (75.1% in Spain)
	Information security	ISO 27001	42.4% (75.1% in Spain)
	Greenhouse gases	ISO 14064	42.4% (75.1% in Spain)
	ORP	OHSAS 18001	65%
Cementos Portland Valderrivas	Quality	ISO 9001	72.7%
	Environment	ISO 14001	64%
	ORP	OHSAS 18001	61%

* Scope: % turnover, except ORP, where the scope of coverage is the percentage of workers covered

2013 milestones

- Major projects awarded, such as the Riyadh Metro and Mersey Bridge in the UK
- The workforce has been adapted to the company's turnover in Spain.

2014 Challenges

- Consolidation of international mobility policies in order to adapt them to the international nature of the company's business activities. Hiring local staff in each country for a long-term stay as a general challenge for the company.

Awards and recognitions in 2013

- FCC Industrial, the subsidiary that builds FCC Infraestructuras' industrial constructions, was awarded CLH Group's "Zero Occupational Accidents" prize.
- FCC Construcción was named Global Environmental Ambassador for 2014. The company received this title in a ceremony held in the House of Commons in London in recognition of the environmental project carried out by FCC at Enniskillen Hospital (Northern Ireland).

FOCUSING ON THE PRIORITIES OF THE DIFFERENT BUSINESSES

Based on the requirements of the new G4 Global Reporting Initiative guidelines, it should be mentioned that the information collected for the preparation of this report meets the criterion of materiality, focusing therefore on the aspects identified by the different business as the most relevant in 2013. The milestones and challenges mentioned in the document are divided according to each company business and according to each strategic line in the company's 2012-2014 Corporate Responsibility Master Plan: Exemplary behaviour, smart services and connecting citizens.

This new approach to materiality means that the 2013 Corporate Social Responsibility Report focuses on certain issues. It is important to point out that FCC manages a wide range of additional sustainability-related aspects which are key to the operational management of its activities and which are collected by the Company's scorecards using the Horizonte tool.

	Environmental services	Water	Infrastructure
Exemplary behaviour	1. Training and education 2. Diversity and equality of opportunities 3. Occupational Health and safety 4. Employment 5. Fight corruption	1. Training and education 2. Health and safety of customers 3. Fight against corruption 4. Diversity and equal opportunities 5. Relationship between employees and managers	1. Fight against corruption 2. Training and education 3. Occupational Health and safety 4. Employment 5. Diversity and equal opportunities
Intelligent services	1. Emissions 2. Wastes 3. Energy 4. Compliance 5. Water	1. Water 2. Wastes 3. Emissions 4. Energy 5. Biodiversity	1. Emissions 2. Biodiversity 3. Wastes 4. Energy 5. Water
Connecting citizens	1. Local communities 2. Mechanisms to make claims related to social impacts	1. Local communities 2. Marketing communication	1. Local communities 2. Indirect economic consequences

Figure: FCC's material issues by business area

EXEMPLARY BEHAVIOUR

FCC's framework for action in integrity and business ethics.

FCC Group's integrity framework is supported by benchmark ethical principles (the Global Compact, FTSE4Good ethical criteria, Dow Jones Sustainability Index, Federal Sentencing Guidelines (USA) and the Equator Principles) and is the basis for the Company's exemplary behaviour. It is also committed to the development and health and safety of the people that make up FCC. Lastly, the principles of responsible procurement are a reflection of the company's sustainable approach to the value chain.

Contents

1. Commitment to Good Governance

FCC Group's governance team bases its work on the highest international corporate governance standards and complies with the recommendations of the Unified Good Governance Code, with the exception of three which are partially fulfilled and three others, for which an explanation is given. The professionalism, the focus on efficiency and the commitment of FCC's Board of Directors to shareholders is reflected by the following characteristics: a coherent size and composition, sound principles of diversity and clearly defined responsibilities.

FCC Group's commitment to good governance	
1. Quality and complementarity of FCC's managers	⦿ Separation of the figures of Chairman and CEO. ⦿ Six independent directors (33% of the Board) ⦿ Five women on the Board of Directors (28% of the Board). ⦿ The Audit and Control Committee presided by an independent director.
2. Monitoring risks and the Group's strategies as main responsibilities	⦿ Integrated risks model. ⦿ Crime Prevention and Response Manual. ⦿ Code of Ethics

Good Governance. 2013 milestones

- Increase in the number of independent directors on the Board of Directors. From five directors to six.
- Approval of the Board's self-evaluation process.
- Chair of the Sustainability Excellence Club's Corporate Governance Committee.
- Management of the study of the social, environmental and ethical requirements requested by institutional investors through Sustainability Excellence Club and Georgeson.
- Presence in various working groups of the Emisores Españoles association: collaboration on the publication of the Study of the Committee of Experts' work on Improving Corporate Governance in Spain and on the Criminal Liability of Legal Persons.

Good Governance. 2014 challenges

- Adapting to the new environment of good governance planned by the Spanish government before the end of 2014.

1.1 Quality and complementarity of FCC managers

1.1.1. Complementarity and balance of the governance team

FCC Group has a Board of Directors capable of working as a team making use of the complementarity of their skills, experience and personal characteristics.

To this end, FCC Group's Board of Directors currently has what it considers the best structure and composition to carry out its strategic mission effectively. Currently comprising 18 directors, the company's Board offers the talents of a highly qualified team to its shareholders.

Reflecting the company's commitment to the interests of its shareholders, this includes the separation of the figure of the President and that of the CEO. FCC Group is thus able to ensure both the proper functioning of the Board and the attention to the interests and expectations of Group shareholders.

Moreover, the Board also includes six independent directors, one third of all Board members, who work to ensure that the interests of the free float capital are appropriately protected.

In addition, it should be noted that FCC Group is one of the IBEX 35 companies with the greatest number of women on its Board. Article 42.3.h of the Board Regulations includes within the functions of the Appointments and Remuneration Committee that of: "Ensuring that the procedures for filling vacancies on the Board are not subject to implicit bias against the selection of female directors".

1.1.2. Ensuring the proper functioning of the Board

The Regulations of the Board of Directors ensures minimum attendance levels and states that Board members may participate via telephone or video conference.

In order to comply with the obligation imposed by Article 38.6 of the Regulations of the Board of Directors, on 31 January 2013 FCC Group's Board of Directors issued the report assessing the quality and efficiency of its operation and that of its committees for 2012.

All Board members are involved and participate actively in preparing the report, taking into account the comments, assessments, opinions and suggestions that they all contribute to the process.

In 2013, the evaluation process was conducted by assessing the various aspects that affect the performance, efficiency and quality of the Board's actions and decision-making, and the contribution of its members to exercising the functions and achievement of the goals that the Board has assigned to it.

FCC's Board of Directors spends the first plenary session of the year assessing the quality and efficiency of its own performance during the previous year.

1.2 Monitoring the Group's risks and strategy as its main responsibilities

1.2.1. Integrated risk model

To appropriately address the risks to which the company's activities are subject, FCC Group has an integrated risk model that is extended progressively. The model enables a high-level risk map to be developed using the Enterprise Risk Management (Coso II) method which provides Management with information and contributes to the definition of the Group's strategy.

Supported by the people responsible for risk management in the different business areas, the General Internal Auditing Management coordinates their activities. The model is currently in the process of updating and improving both the definition and assignment of risk management responsibilities at operational level and the following risk management procedures and methodologies, including:

- The identification of the key risks for FCC Group.
- Risk evaluation. Risk evaluation scales are defined in terms of the potential impact they could have if they were to materialise and the likelihood that they will occur.
- Risk categorising.

- Optimising risks and control by establishing and implementing action plans for the most relevant risks.
- Mechanisms for periodically reporting the results of the risk evaluation and monitoring and the materialisation of risks.
- Implementation of specific procedures to document risk management in the decision-making process.
- Periodically and systematically updating the risk evaluation process and the controls described above.

As a consequence of the economic and financial crisis, one of the main risks materialised in 2013, has been the decrease in the activities and profitability of the construction business, both in Spain and abroad. The response plans established by the Group have been part of an overall restructuring process of the construction business and were as follows:

- Domestic construction: Adjustments of the production resources to the reality of the market, avoiding a reduction in profitability:
- Adaptations of the workforce to the current market situation.
- Reduction of the commercial structure, adapting it to the current market situation.
- International construction: drive towards profitability focused on specific geographies by selecting the most profitable construction works and markets, along with growth in industrial business in selected geographies. In addition, a reduction in the commercial structure is being carried out in the same manner as in domestic construction, adapting it to the current market situation.

1.2.2. Oversight of the strategy as the main responsibility

Furthermore, with a view to the proper management of its shareholders' interests over the long term, the main function of FCC Group's governance team is to oversee and strategically guide corporate decisions.

In order to conduct the comprehensive monitoring and control of the most relevant issues for the good functioning of the company, and to achieve greater efficiency and transparency in the exercise of its powers and in the performance of its duties, the Board of Directors has four committees: the Strategy Committee, Appointments and Retributions Committee, Executive Committee and Audit and Control Committee.

2. FCC's integrity framework, a guarantor of compliance

A culture based on integrity

In line with the Federal Sentencing Guidelines, (the US rules establishing a uniform policy for the conviction of companies and individuals in federal courts) FCC Group reinforces its commitment to ethics and due diligence in preventing, detecting and eradicating irregularities. In accordance with the requirements of these guidelines, FCC has developed a series of elements that ensure the proper implementation of its compliance system and, specifically, to ensure its Code of Ethics is known, understood and complied with by all the organisation's employees.

THE SEVEN ELEMENTS OF DUE DILIGENCE RELATED TO FCC'S ETHICS AND INTEGRITY

Rules and standards	FCC has a defined Code of Ethics with a global geographic scope and for all operating environments. The Code includes guidance on all relevant or risk-related elements with regard to ethics and compliance, including matters which are relevant from the standpoint of criminal acts.
Responsibilities and integrity	FCC has assigned the responsibilities of managing the impetus of the ethics and compliance programme. The Response Committee fulfils the pertinent related functions at FCC Group. In accordance with the principle of integrity, the company has made a commitment to not assign responsibilities related to ethics and compliance to people with a history of non-compliance in this area.
Communication	FCC communicates the existence of the Code on a regular basis in order to ensure that both employees and third parties know and understand what is expected of them.
Monitoring, assessment and resolution	FCC has made a commitment to periodically review the elements implemented regarding ethics and compliance, and to assess the effectiveness of the overall programme for the prevention, detection and eradication of irregularities. An ethics channel has also been set up to report ethical malpractice. The company adopts disciplinary measures in the event of non-compliance; it assesses risks and aligns the ethics and compliance programme with the risks identified. FCC has a procedure implemented to resolve reported or detected irregularities.

Integrity framework. 2013 milestones

- There were 22 complaints received via the Ethics Channel regarding: respect among people, corruption and bribery, professional development, equal opportunities and non-discrimination and the principle of integrity.
- The Response Committee met five times.

Integrity framework. 2014 Challenges

- The launch of the plan for dissemination and training on FCC's compliance management system:
  - Communications from the CEO.
  - Training on the Code of Ethics and on the Crime Prevention and Response Manual.
  - Communication campaign on the web, intranet and physical mediums.

2.1 FCC Group strives to be a leader in ethical behaviour

2.1.1. FCC's Code of Ethics

The **Code of Ethics** is the tool that sets out the principles that guide behaviour at FCC Group. It consolidates a culture of ethics and integrity among all employees and in the company's business relationships with third parties.

Moreover, FCC Group has complementary mechanisms, such as the Internal Code of Conduct in the Stock Market and the communications channel for incidents related to ethical matters, financial irregularities or workplace or sexual harassment.

With this **Crime Prevention and Response Manual**, FCC Group is establishing a system to prevent crime through actions and controls implemented in FCC Group in order to mitigate the risk of the crime being committed. The preparation of this manual is in response to the 2010 reform of the Spanish Criminal Code that includes the criminal responsibility of the legal persons in relation to crimes committed by employees.

The manual includes two sections that are differentiated based on logic and experience in the Company's management of risks:

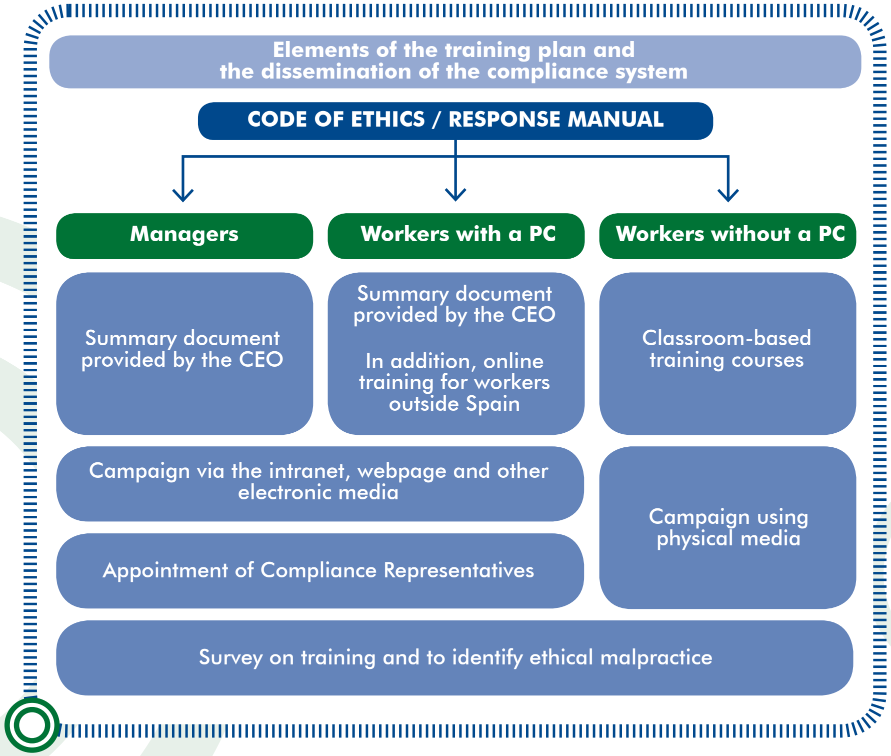
- The first part deals with prevention and consists of identifying and updating any conduct within the Group that may involve the risk of committing a crime as well as the planning and implementation of monitoring mechanisms to mitigate these risks.
- The second part corresponds to the bodies and procedures that provide a response to any indications that might lead to irregularities taking place within FCC Group.

It is also important to point out that the procedures established in this manual are binding and are ranked the highest priority within FCC Group's regulations.

2.1.2. Responsibility for the Code of Ethics

Through its **Audit and Control Committee**, FCC Group ensures the adoption of disciplinary measures should the Code of Ethics be breached and assesses risks in relation to issues related to ethics, integrity and compliance with the risk management and control systems.

Approved by the FCC Group's Board of Directors, the **Response Committee** is the body whose general role is to promote the dissemination, awareness of, and compliance with the Code of Ethics in the Company. It consists of the General Manager of Internal Auditing, who chairs the Committee, the General Manager of Legal Counsel, the General Manager of Human Resources and the Manager of Corporate Responsibility, who serves as Committee Secretary and Coordinator. Monitoring the communication procedure in matters relating to criminal offences and in general with FCC Group's Code of Ethics, rests with the Response Committee.



2.1.3. Communication of the Code

FCC Group designed a new training course to be launched in 2014. It includes the latest features and changes made to the Code of Ethics.

This purpose of this course is for all Group employees to know, understand and identify with the benchmark principles and conduct laid out in the process that defines FCC's Code of Ethics. The ultimate goal of the course is to support the company's strategic objective to develop a global company culture at FCC based on corporate principles and desired attitudes.

The online training modules are structured around the importance of compliance with the legal, regulatory and professional requirements assumed by FCC Group and the obligation to report any breaches, as well as around understanding the conduct commitments included in the Code of Ethics and the procedures and protocols associated thereto.

The main channels identified for the dissemination and training on FCC's compliance system, will therefore be the following:

- Web page: specific module on the Code of Ethics, the Crime Prevention and Response Manual and the Response Channel.
- Intranet: Welcome Manual; CEO's blog; informative tips; specific module on the Code of Ethics, the Manual and the Response Channel
- Physical materials: Informative tips by topic at workplaces.

2.1.4. Monitoring irregularities and disciplinary measures

To report irregularities in a confidential manner, or for enquiries or suggestions to improve the company's existing systems in relation to the matters covered by the Code, FCC provides its employees with an **Ethics Channel**. All FCC Group personnel are required to report any breaches they discover related to the Code of Ethics.

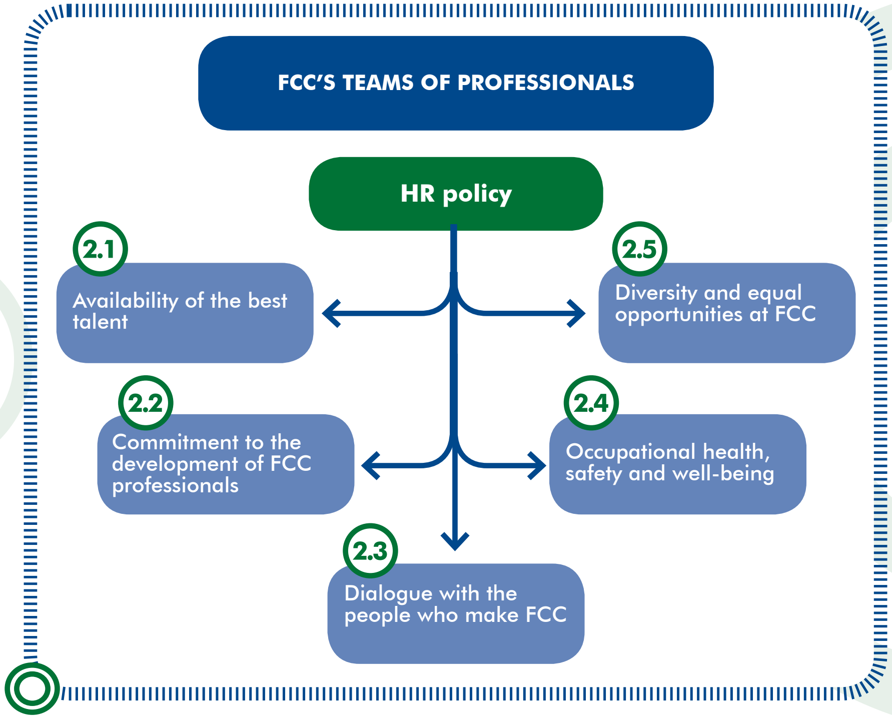
3. FCC's team of professionals

A working environment based on communication and "doing things well"

Each of the Group's businesses has a team of professionals with the best training to perform the specific activities of each area. Infrastructure activities are increasingly requiring the integration of complex equipment for large projects; equipment that can provide solutions to challenges such as the Riyadh Metro or the Vidin Bridge. These are professionals with specific technical skills that are highly valued in the market. The people at FCC Medio Ambiente have significant local roots wherever they operate, a real necessity when building good neighbourly relations and taking care of the cities. In diversifying its services, FCC Aqualia's activities require multidisciplinary teams that are specialists in customer management. Based on the characteristics of the teams that each business requires, FCC Group strives to identify needs related to training, talent management and career development plans for groups, job categories and, where appropriate, personalised plans.

FCC Group's Human Resources Policy aims to promote and encourage the development of people, communication and a good working environment in line with the Group's strategic objectives and policies through the efficient management of specialised human resources services in the context of diversity and internationalisation. This policy aims to promote an internal environment of productivity, safety, training, personal satisfaction and integration within the company. The Human Resources objectives that are directly linked to the satisfaction of the people in FCC are:

1. Reinforce the motivation of key people within the Group
2. Strengthen the sense of belonging to the Group on an international level
3. Make the corporate values and culture part of life
4. Promote employee participation in projects at Group level
5. Support the integration of new employees
6. Improve the managers' skills
7. Develop a broad, comprehensive perspective with healthy workers who are dedicated and prepared as group and individual investments in the future



FCC's professional team. 2013 milestones

- Motivation of the Riyadh team: the relocation of large numbers of people that took place, enabled the measurement of the team's ability to integrate and the definition of new policies for FCC Construcción staff.
- Panama and Mexico established as major centres for human resources activity, which ensures safety and security for FCC Construction employees.
- The Equality Seal was obtained by FCC Aqualia and FCC and FCC Construcción's Equality Plan was renewed, with new proposals on equality, diversity and combatting gender-based violence.
- The signing of the agreement on "Companies supporting a violence-free society" and FCC's accession to the "Principles for the empowerment of women" of the United Nations Global Compact.
- Enhancement of training that supports FCC's internationalisation process.
- Creation of a new management development environment with the participation of over 400 executives and managers.
- Preparation of the catalogue of experiences within the capabilities model.
- Within the new intranet, publication on how to manage knowledge communities and the launch of the first two communities.
- Joint project with the Red Cross to carry out job internships for women who are victims of gender violence at FCC Aqualia's call centre.
- Launch of management skills development programmes at FCC Aqualia with the School for Industrial Organisation (EOI).
- FCC, an official partner of the 2012-2013 European Healthy Workplaces Campaign "Working Together for Risk Prevention"
- Second edition of FCC's Health and Safety s with an international scope.
- Implementation of FCC's Healthy Community with activities promoting health, nutrition and physical activity.
- The first Healthy Workplace certification was obtained from AENOR by FCC Medio Ambiente's Catalonia II office (Tarragona) (OHSAS 18001 and applicable audits).
- The signing of the cooperation agreement on road safety with the Alcobendas (Madrid) City Council and the First Children's Road Safety Day for the children of FCC workers at the Road Education Park in Alcobendas.

FCC's professional team. 2014 Challenges

- Finish reviewing the requirements (skills, knowledge and languages, and experience) for the different jobs, ensuring that these meet needs in accordance with the business strategy.
- Define career paths for technical and management careers, i.e., the criteria for mobility and career progression, inside and outside the job type and/or functional family.
- Launch the new performance management process which concludes with the development of individual development plans.
- Prepare a new welcome manual
- Give new impetus to the policy on language training, to make it even more streamlined and flexible.
- Launch new human resources training programmes for managers.
- Launch an executive development program for 25 high-potential individuals.
- Extend the use of webinar technology so that part or all of the expat or employees at off-site locations can follow the face-to-face training sessions in real time.
- Increase resources to support the professional development of women in the Development Programme for Pre-Management Women at the School for Industrial Organisation (EOI).
- Renewal of agreements for the employment of socially excluded groups.
- Obtain certification in health and safety in the South American countries where FCC Construcción works.
- Consolidate FCC Construcción's international mobility policies. Training teams with local staff in each country where FCC has long-term plans.
- Develop and update the internal tools for managing on-line knowledge, loading information and feedback for FCC Construcción's sustainability system.
- Extend the Training and Development Plan for managers, developed by the Group to FCC Aqualia's middle management.
- Internationalise FCC Aqualia's training to Italy and Portugal.
- Launch a mentoring plan for women and ex-pats at FCC Aqualia.
- Implementation of FCC's healthy company model and the launch of the Sport Social Network and the Healthy Portal. Celebrate Occupational Health and Safety Week.
- Renew the 2014 European Road Safety Charter
- Participate in the 2014-2015 European Campaign on Occupational Health and Safety dedicated to stress management

OUR MANAGEMENT IN A RATHER DIFFICULT YEAR FOR EMPLOYMENT

2013 has been a difficult year for FCC Group and its employees. The difficult economic situation in which the company found itself in a year of losses and divestments has led to significant restructuring of the Group's workforce. However, it is important to note that the situation was preceded by a strict employment protection policy. In fact, in the early years of the recession, it was one of the most important that the company has ever worked with.

FCC Group has gone through a restructuring process this year in order to adapt the company to the context of each business. The restructuring of the workforce thus falls within a general process of adaptation to different geographies and clients, together with a new growth model based on the consolidation of businesses in economies that will be profitable in the long term. Worthy of mention is the effort made to try to reach agreements and ensure that the restructuring processes were as least traumatic as possible. Thus, the total number of redundancies has been lower than initially proposed and an attempt has been made to favour measures other than redundancies. In addition, fewer workers have been terminated in collective redundancies than were initially agreed at the end of the consultation period. The criterion of responsibility applied by FCC Group during all the phases of consultation and negotiation with unions, employees and their legal representatives, that fully respecting the workers' rights, is worthy of mention.

The willingness and ability to reach agreements has been fully accredited. Of the workers affected by the collective redundancy procedures, 98.39% have been within the framework of procedures that ended in an agreement with the representative committee. The restructuring processes were carried out in a transparent fashion, Monitoring Committees were set up, and employees were provided with the information available, which was accessible to the workers' representatives, trade unions and employees via the Intranet. In addition, this capacity for dialogue has also been reflected a reduction in the number of strikes over the previous year. Thus, in 2012 the total number of days lost to strikes was 29,317 while in 2013 the number of total days lost to strikes was 11,125.

Concurrent measures

All the restructuring processes were carried out by company personnel, experts in Human Resources and Labour Relations, who were provided with continual support and backing by external consultancy firms.

In addition, the company included a number of improvements or concurrent measures in the negotiations, including:

- Considering cases in which workers have special circumstances (people with disabilities, only income-earner in the household, etc.).
- Alternative arrangements, less traumatic than dismissals:
  - Contract suspensions
  - Facilitate access to partial retirement
  - Modifications intended to make hours, shifts or wages more flexible
  - Internal mobility programmes and the possibility of working abroad
- A job bank with two different levels:
  - 1. Linked to the company making the collective dismissal. People who have left the company and can return.
  - 2. The possibility of some preferences for job offers from other companies
- Wage adjustment measures
- Worthy of note is how the Company was ahead of other companies in signing partial retirement agreements. This meant that some collective dismissal processes could be carried out with an accompanying measure that suspended contracts of people aged 59-60, enabling them access to partial retirement when they were 61. Apart from this, the partial retirement plans agreed enable them to be legally entitled to accept partial retirement until 31 December 2018, with the same legal conditions and requirements at the time the aforementioned agreements were signed. This results in rejuvenation, as well as the gradual access to retirement without drastic cuts (phasing out).

3.1. Allocation of the best talent

While it is true that the company is undergoing a process of staff restructuring, FCC Group believes that a priority, as part of its responsibilities as an employer, is to continue programmes to develop the talent of employees at FCC group. In 2013, the policies for attracting and retaining talent were decentralised as a reflection of the Group's commitment to this staff management aspect.

FCC carried on with the internal mobility programme, both nationally and internationally, in 2013 and this led to more than 40 transfers made through this procedure. The company has improved its recruitment sources, as the usual channels (receipt of CV on the web page, searches in databases, job portals, etc.) have been added to searches for candidates through social networks.

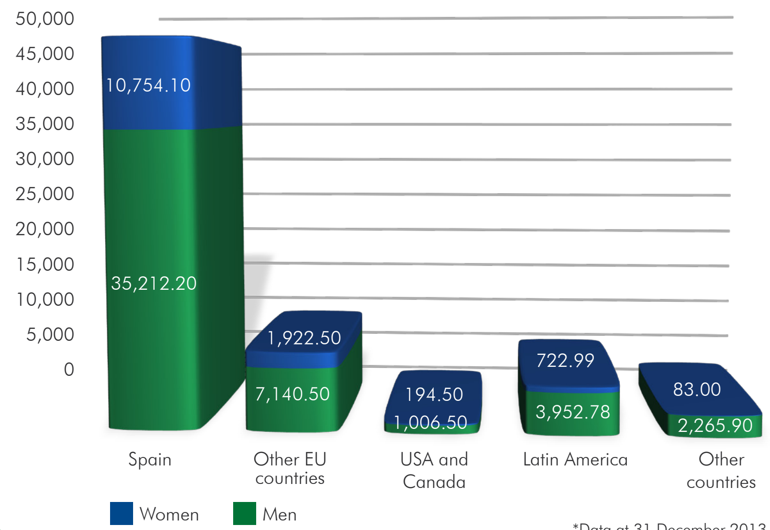
Through FCC's Recruitment and Employment Department, efforts are made to create an environment that successfully attracts, manages, motivates, develops and retains the best professionals. FCC has launched several projects to attract new talented professionals as part of its framework for the company's internationalising policy and the plan to internationalise its talent.

With regard to employer branding, special interest was given to company presentations and to participating in employment forums throughout the year.

The interest in improving FCC's brand image as an employer was rewarded when it received the 2013 Randstad Award.

In terms of professional practices, FCC has made an effort to recruit students from different universities and academic institutions, so that they could do their internships in the company through agreements with their educational centres.

Distribution of employees by gender and location



*Data at 31 December 2013

To this end, the company has signed educational cooperation agreements with the best universities and business schools in Spain and in other countries where it is present.

3.1.1. Talent retention policies

Different human resources policies have favoured retaining talent within the organisation. Thanks to these policies, FCC continues to operate with the best professionals year after year and promotes the mobility of people within the Group. The internationalisation policy also allows the company to offer opportunities for development with very competitive conditions.

FCC develops tools that facilitate global internal mobility, to consolidate a results-orientated culture and implement compensation and benefits policies. In addition, the company is improving an organisational structure model based on responsibilities and competencies. It is working on re-defining career paths for technical and management careers, promoting training processes in different areas of management, adding impetus to unemployment management systems and implementing the analyses of potential and executive succession plans.

PROGRAMME CONTINUITY FOR FCC EMPLOYEES

Master's degree in Construction Sciences

In 2013, FCC developed a Master's degree in Construction Sciences. This programme is a course aimed at completing and updating the training for FCC Construcción's civil engineers and construction site managers by increasing and upgrading their technical and managerial knowledge. This training initiative is the outcome of the cooperation between the University of Cantabria and FCC Construcción, who deem it appropriate to work together on the development of this programme, by combining the University of Cantabria's teaching capacity in this field with FCC Construcción's broad experience in the sector.

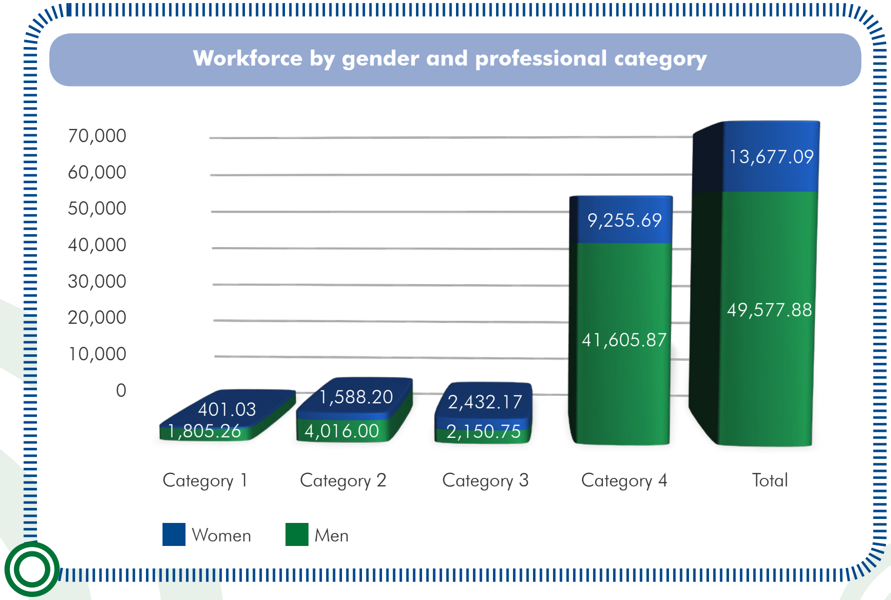
The programme is for university graduates with degrees in Civil Engineering and, provisionally, those with degrees specialising in Roads, Canals and Ports, Technical Engineering for Public Works, Architecture or Construction Engineering. All students enrolled can do the first part of the program (specialisation courses and the "Expert" qualification). In order to study for the Master's degree, students must be selected by FCC Construcción to be able to join the course. Those selected will be able to do a four-month internship with the company. The start of the remunerated internship can be done simultaneously with the teaching plan.

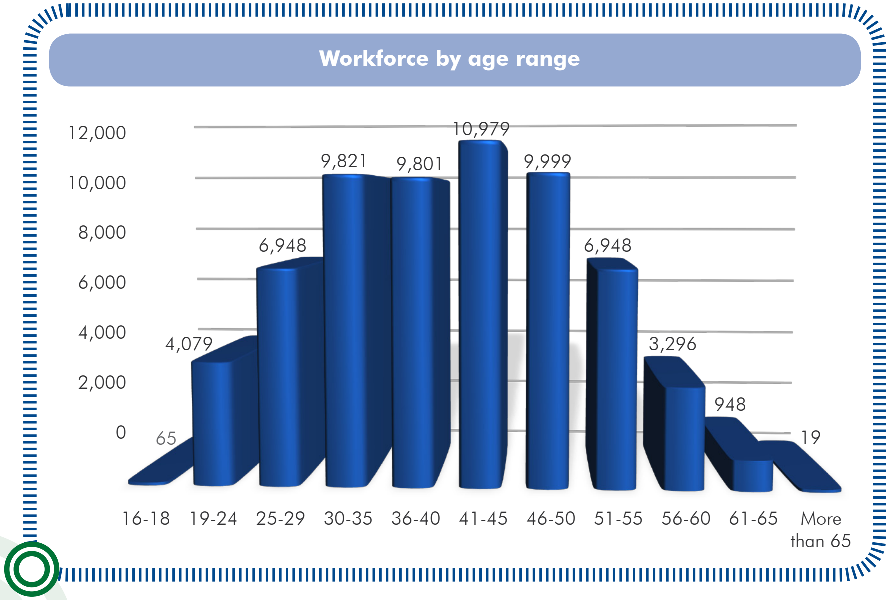
REPUTATIONAL ASSESSMENT. MERCO MONITOR

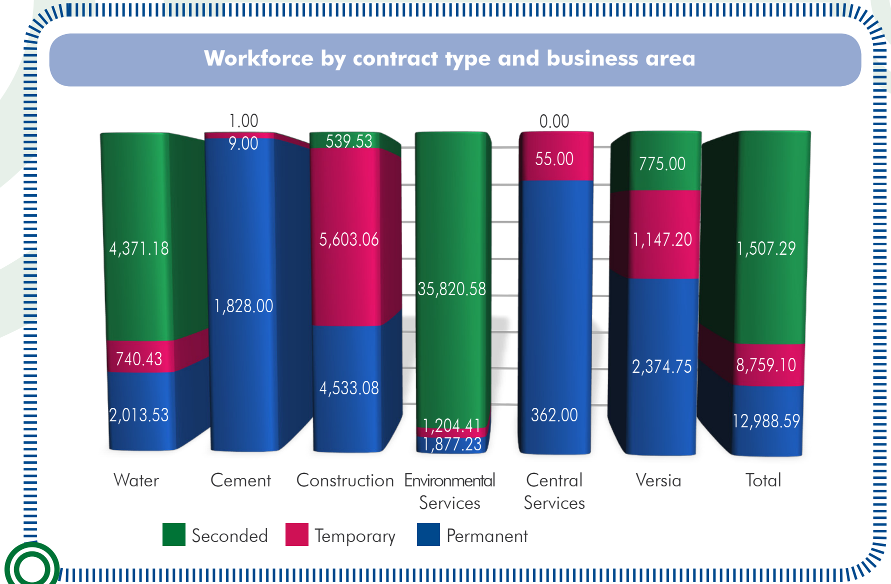
Merco

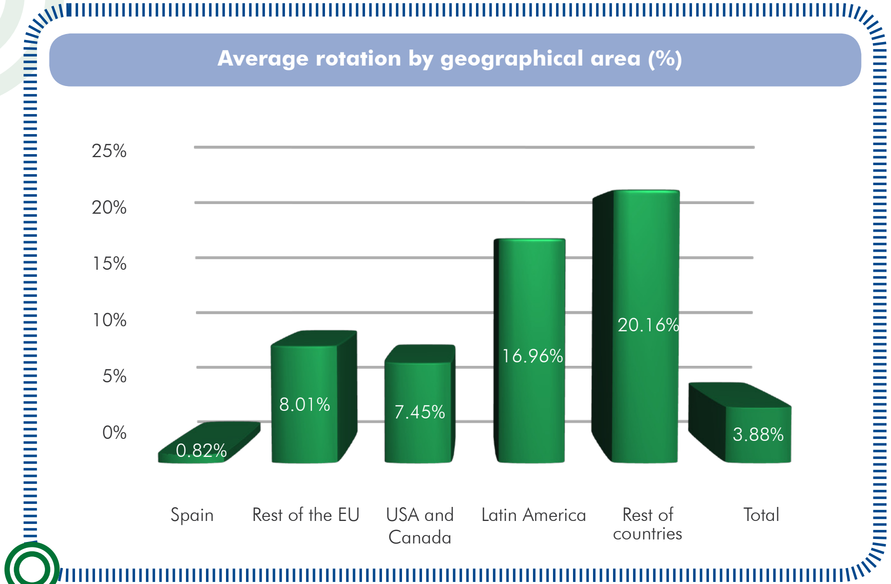
In 2013, the company obtained a score of 50 on the Merco Personas Index (Spanish Corporate Reputation Monitor). This ranking aims to identify the 100 best companies to work for and uses an analytical methodology that integrates information from different sources. The ranking also produces partial indices to assess the quality of the work, the employer brand and internal reputation in order to reflect different aspects of the organisation's work-related reputation. FCC was ranked 42nd in the Merco Responsables Ranking in Spain in 2013.

In addition, the FCC Group occupies 63rd position in the Merco Empresas Ranking prepared by the Corporate Reputation Institute. This ranking provides an external measurement regarding the perception of companies as an employer of choice.


Workforce by gender and professional category
70,000
60,000
50,000
40,000
30,000
20,000
10,000
0
401.03
1,805.26
1,588.20
4,016.00
2,432.17
2,150.75
9,255.69
41,605.87
13,677.09
49,577.88
Category 1
Category 2
Category 3
Category 4
Total
Women
Men


Workforce by age range
12,000
10,000
8,000
6,000
4,000
2,000
0
65
4,079
6,948
9,821
9,801
10,979
9,999
6,948
3,296
948
19
16-18
19-24
25-29
30-35
36-40
41-45
46-50
51-55
56-60
61-65
More than 65


Workforce by contract type and business area
4,371.18
740.43
2,013.53
1.00
9.00
1,828.00
539.53
5,603.06
4,533.08
35,820.58
1,204.41
1,877.23
0.00
55.00
362.00
775.00
1,147.20
2,374.75
1,507.29
8,759.10
12,988.59
Water
Cement
Construction
Environmental Services
Central Services
Versia
Total
Seconded
Temporary
Permanent


Average rotation by geographical area (%)
25%
20%
15%
10%
5%
0%
0.82%
8.01%
7.45%
16.96%
20.16%
3.88%
Spain
Rest of the EU
USA and Canada
Latin America
Rest of countries
Total

3.2. Commitment to the development of FCC professionals

People are the main protagonists of their own development within a regulated framework of opportunities. Each professional, along with their superiors and the management team, must create the ideal conditions for development and provide resources that will allow the appropriate professional progress.

FCC wants to be the best company to work for. This is why it offers a professional environment full of challenges every day, one in which they will have access to different career opportunities based on their abilities, performance and the needs of the business.

- As a company, FCC wants to have the best resources available in the market, attracting, motivating, developing, and retaining/engaging the best talent.
- Employees want to work for a company that offers opportunities for professional and personal progress and that recognises their contribution in a climate of trust and transparency.

It is widely accepted that improving people's abilities follows the 70/20/10 model: 70% is acquired through experience (learning by doing), 20% is through others (learning from others) and only 10% comes from structured training programmes (formal learning). This is what is known as the “70-20-10 Model”. Below are the tools used for developing capabilities:

Development through experiences - 70%	Development through others - 20%	Development through training - 10%
Job rotation Functional/geographic mobility Substitutions Branch offices Broadening of duties Problem solving Starting new businesses Participation in projects with multidisciplinary teams	Feedback Mentoring Coaching Networking Professional associations Social networks and groups Communities	Classroom-based courses, e-learning, etc. Self-education courses Lectures Conferences

3.2.1. Training at FCC

At FCC, training is not a social benefit; rather it is a tool to help the company grow, along with its employees. Training at FCC has the following main objectives:

- To obtain increased employee performance and efficiency in the performance of duties and in Company operations
- To fulfil the goals of employee development (improve their employability)

FCC Group organises training in the style of a Corporate University based on the businesses and our strategic plan, with different schools.

- Technical Schools for infrastructure, environmental services, and water are focused on all the technical knowledge that is specific to our business activities.

“FCC is committed to in-house training in the areas in which we specialise and in which we work professionally with a high level of quality and efficiency”

- At the Schools of Values, Skills, Languages and Administrative process, FCC provides uniform management of the knowledge of everything it shares.

School of Values

School of Skills

SCHOOL OF ADMINISTRATIVE PROCESSES

Administration
Finances
Legal
Project Management
Concessions
Information security
Innovation in Human Resources
Secretariat
Etc.

LANGUAGE SCHOOL

OFFICE COMPUTER PROGRAMME SCHOOL

"FCC relies on top-level providers for those areas that are not their core business"

- Lastly, through its Schools of Management, the Company develops the knowledge and competences of the people in managerial positions and those who will hold these positions in the future.

3.2.2. Knowledge management communities

FCC believes in knowledge as the only unlimited resource, the only asset which increases with use. FCC's competitiveness is based on the specialised knowledge it has of the activities it carries out, its know-how. At FCC, sharing knowledge and experiences is part of each employee's job.

FCC defines knowledge as "the capacity to solve a certain set of problems with a certain effectiveness". Knowledge is not only found in experts, but in all those who work with it every day.

On its new intranet, the Company is promoting the creation of knowledge-management communities with the following objectives:

- To help resolve questions and/or problems
- To share experiences and good practices
- To provide access to experts in the area of knowledge and to those who work in this area
- To provide diverse material about the area of knowledge

3.2.3. Professional development

The professional development of people working at FCC is one of the keys to the smooth functioning of the Company. This development depends on the performance of employees in their jobs, their capabilities and the profiles required.

To achieve this, FCC tries to ensure:

- That the requirements of the jobs are those needed, in accordance with the business strategy, and that there are defined career paths for technical and management careers.
- That the performance management process allows for the development of employees' aligned with the company's needs, optimising their contribution to the Company's results and evolution.
- That there are people who have been identified and prepared to occupy key positions in the company (executive succession plans).

The company defines the capabilities required for the optimum performance of each position as a set of knowledge, skills, languages and professional experiences.

FCC sees the performance management process as a three-step process: Understand where we are → Decide where we want to go → Identify how we can get there and decide the best way to do so.

- Employees' capabilities (skills, knowledge and languages, and experiences) are assessed as a starting point to initiate employees' development processes and in order to be able to assess how they perform in their current position, what strengths they have developed over their career, what areas should be improved or developed and what motivates them professionally.
- The second step is to define in what direction employees' professional progress should be directed, according to their preferences, career paths defined, their merits and possibilities, and to the needs of the company; i.e., where the employee could be in the coming years, and their willingness to move within the company geographically or functionally.
- Lastly, FCC tries to define how to reach employees career goals. To do this, it is important to identify the capabilities that need to be improved that represent a development opportunity, either to improve the performance in their current position, or to gradually prepare them for a new position, and the specific action steps that they should carry out in the following year as an individual development plan.

Performance evaluation processes allow for the identification of high-potential individuals from among those with high level performance in their current position and an abilities profile suited for what is required in top positions. This allows FCC to ensure that there are people who have been identified and are prepared to occupy key positions in the company and prepare executive succession plans.

CROSS-DISCIPLINARY TRAINING PLAN

In 2013 FCC continued its commitment to the training and development of its employees, providing a total of 592,790 hours to 57,055 participants, with a total investment of €9,973,128. The main novelties in the 2013 Cross-Disciplinary Training Plan were as follows:

- An increase in the finance and legal training on offer with the addition of new courses.
- Reinforcing training aimed at supporting FCC's internationalisation process, including new courses on "Preparing for International Certification in Project Management (PMP Project Management Professional) and "Valuation, monitoring and control of finances for investment projects" for those lacking training in finances who are executing investment projects (especially expats or those who will be posted abroad).
- Development of employees based on the defined-ability model.
- Support for FCC's Strategic Road Safety Plan and for the Policy on Equality and Diversity, with the inclusion of training activities.
- Implementation of a new management development environment, participated by 400 executives and managers. This is a website with videos on business management, leadership and personal development that brings together the advice, key messages and experience of more than 200 world experts from the best business schools, and more than 150 CEOs.

In addition, fact sheets have been developed to better publicise training at FCC and these have been widely disseminated.

Within the skills model, in 2013 the company developed the catalogue of experiences, and began the process of reviewing job requirements so they can be used in the upcoming campaign to assess employees' skills.

Knowledge management communities

In 2013, FCC group launched its new intranet, it defined the governance model for communities, published how to administer knowledge management communities and launched the first two communities.

TRAINING HOURS BY BUSINESS ACTIVITY (CATEGORY AND GENDER)

Organisation	MEN					WOMEN					TOTAL
	Category I	Category II	Category III	Category IV	Total	Category I	Category II	Category III	Category IV	Total	
CENTRAL SERVICES	2,677	2,699	104	-	5,480	1,031	2,888	1,553	-	5,472	10,952
AGUA	4,602	17,834	21,745	26,128	70,309	524	8,369	9,870	8,423	27,186	97,495
CEMENTS	476	3,006	3,764	9,206	16,452	159	576	2,017	760	3,512	19,964
CONSTRUCTION	927	77,610	901	1,380	80,818	317	23,086	147	-	23,550	104,368
ENVIRONMENTAL SERVICES	13,391	43,131	32,483	208,528	297,533	3,721	10,999	12,235	25,416	52,371	349,904
ENERGÍA AND SUSTAINABILITY	11	40	-	-	51	2	48	-	-	50	101
FCC VERSIA	79	1,180	304	2,784	4,347	2	88	576	4	670	5,017
TRANSPORT*	1,228	1,385	-	313	2,926	180	1,469	360	54	2,063	4,989
TOTAL	23,391	146,885	59,301	248,339	477,916	5,936	47,523	26,758	34,657	114,874	592,790

*Includes the Transport subsidiary, which is not included in the scope of the other financial statements

3.3. Dialogue with the people who are part of FCC

One of the most painful and important processes in recent times took place in 2013: the beginning of the largest labour force adjustment plan in the history of the Group. The plan's characteristics are detailed in the information in the chapter, while it should be noted that it was accompanied by dialogue and communication processes that were transparent to the workers, who were provided with relevant information in spaces set up for this purpose.

3.3.1. Internal communication

To achieve effective internal communication is one of the objectives of Human Resources. Worthy of note are the company's efforts in terms of communication aimed at making the workforce restructuring processes carried out during 2013 transparent.

FCC Group works closely with the Group's Communication and Corporate Responsibility Department to establish new and more powerful internal channels and a corporate culture, based on behaviours and common and robust values as its own sign of identity, able to mobilize, to motivate and to commit the people who constitute the main value of the company.

FCC has an Internal Communication Team whose main objective is to promote activities related to communication and specific internal services which, in turn, are set out in the Human Resources Department's First Communication Plan. Internal Communication also promotes the efficient provision of interesting information to workers, with special emphasis on information, messages, policies and strategies directly related to the management of the company and its employees' work environment.

In addition, the goal of the Human Resources Strategic Plan is to promote communication which contributes to workers' productivity and personal development.

3.3.2. Occupational Management

The complexity of the management and protection of labour rights for FCC Group has different implications depending on whether Spain is being considered, or the rest of the world.

The section on "the employment situation in 2013" describes in detail the management and agreements reached in the Group's different businesses in Spain.

It should be noted that the entire FCC Group's workforce in Spain is covered by collective bargaining agreements. This form of labour regulation is predominant across the organisation internationally, notwithstanding other forms of regulation.

In order to protect the rights of its workforce, FCC Group is signatory to the most important international human rights standards.

- The company adheres to the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises are among the guiding principles of its policy.
- In countries that have not ratified the ILO conventions, FCC Group has been negotiating agreements with the International Federation of Building and Wood Workers (IFBWW).
- The company has acquired commitments within the framework of the Universal Declaration of Human Rights, the Declaration of the Rights of the Child and various ILO conventions.

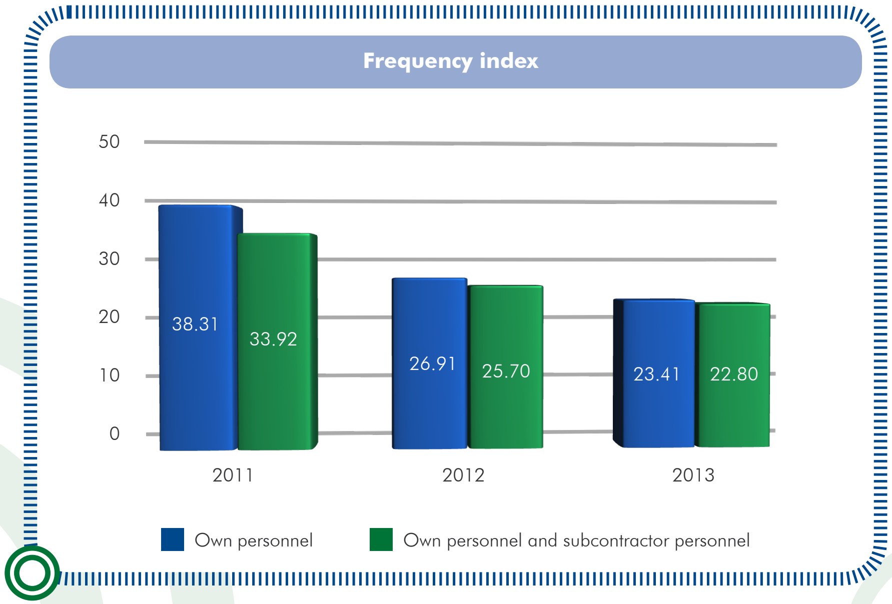
3.4. Occupational health and safety

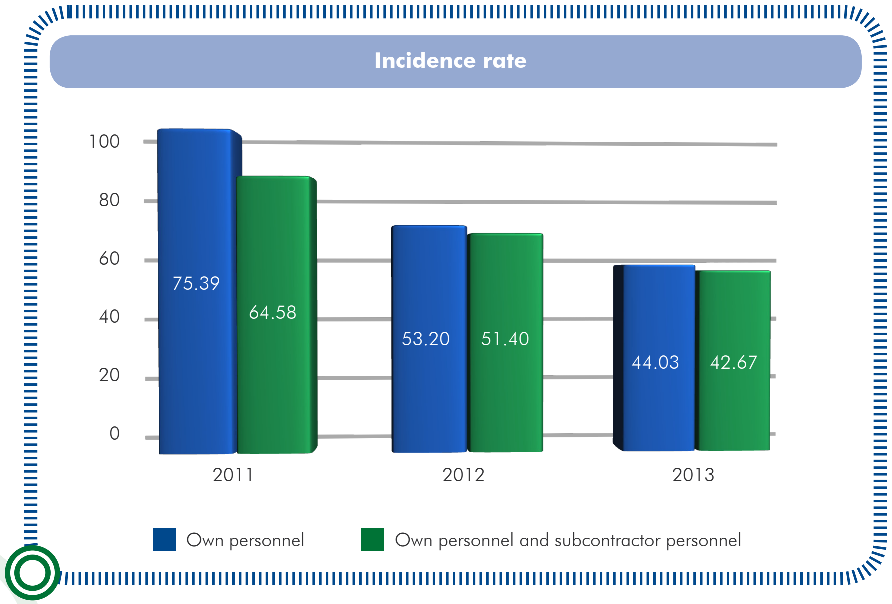
FCC's corporate policy on risk prevention represents the Company's commitment to and concern for ensuring a safe and healthy working environment. In order to unify and structure both the provision of resources and the procedures for identifying, assessing and monitoring risks and, with a view to an ongoing improvement in working conditions, the Company uses its Corporate Occupational Health and Safety Manual, which goes beyond regulatory compliance, fully conforming to the requirements for OHSAS 18001 certification.

To establish the actions and objectives common to all lines of business in the area of health and safety, in 2013 FCC Group's Prevention Committee drew up the 2014-2016 Strategic Plan for Occupational health, safety and well-being.

With regard to the accident rate, it should be noted that the downward trend of previous years in the frequency rate has continued, reducing the 2013 rate for employees by 13% and that of employees and subcontractors by 11%. The severity index, however, increased in 2013 by 15% for company employees. It should be mentioned that several management units achieved the goal of "Zero Accidents" during several months last year.

Nevertheless, in 2013 FCC has had to regret the deaths of six employees as well as those of three subcontractors.


Frequency index
50
40
30
20
10
0
38.31
33.92
26.91
25.70
23.41
22.80
2011
2012
2013
Own personnel
Own personnel and subcontractor personnel


Incidence rate
100
80
60
40
20
0
75.39
64.58
53.20
51.40
44.03
42.67
2011
2012
2013
Own personnel
Own personnel and subcontractor personnel


Severity index
1.00
0.80
0.60
0.40
0.20
0.00
0.82
0.76
0.61
0.60
0.70
0.65
2011
2012
2013
Own personnel
Own personnel and subcontractor personnel

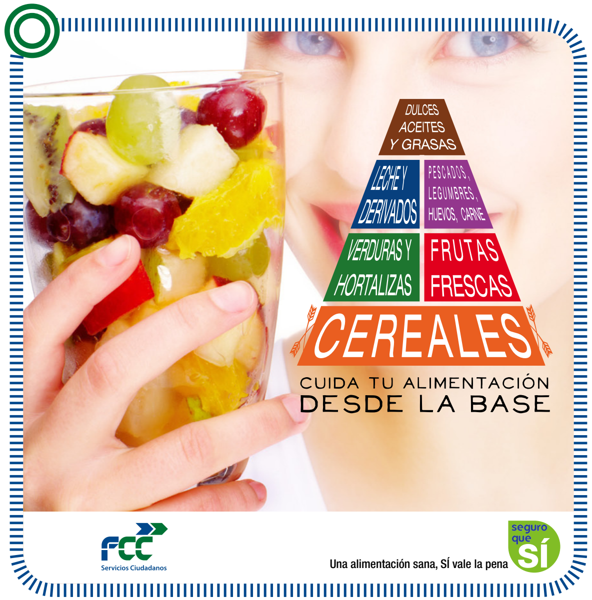

Absenteeism rate
8
6
4
2
0
6.44
5.87
5.25
4.56
6.06
5.23
2011
2012
2013
Own personnel
Own personnel and subcontractor personnel

3.4.1. Management of occupational well-being

In 2013, FCC expanded its commitment to employees' well-being by developing and designing a new Healthy Workplace model whose mission addresses three key actions:

- To encourage and promote occupational well-being in order to improve the organization and working conditions of the persons involved, promoting their participation and anticipating the needs of both employer and employee in order to make a contribution to personal development and to fulfilling the business strategy.
- To achieve a health company from a broad, comprehensive perspective with healthy workers who are motivated, committed and prepared as group and individual investments for the future.
- To provide value to employees, their families and the communities in which we participate and to position FCC Group as an exemplary model.

This "Healthy Company" project focuses primarily on the promotion and implementation of activities in the context of health, healthy eating habits and sport.



In addition, in 2013 FCC Group conducted 8,450 studies including risk analyses, health and safety plans, technical reports on working conditions, analyses of physical, chemical and biological contamination, ergonomic studies and studies of psychosocial factors.

Furthermore, the effective management of health and safety is ensured through meetings on prevention organised by professional level, and regular monitoring meetings are conducted at all the company's structural levels with the involvement of managers from different departments. The purpose of these meetings is to monitor the health and safety objectives proposed, the accident rate, etc. In 2013, FCC Group held a total of 4,015 meetings organised by level.

Another key process to promote ongoing improvement in these areas is the management and implementation of internal audits. In 2013, internal audits on health and safety matters were conducted at a total of 149 centres.

FCC Group also intends to further increase the number of areas certified by OHSAS 18001. In 2013, 164 companies were covered by this certification, which corresponds to 74% of employees.

In addition, FCC continues to take an active role in promoting and disseminating the culture of health and safety and best practices. This is why it shares its knowledge in this field in various forums, organisations and associations:

- Active participant as members of AESPLA (Spanish Association of Occupational Risk Prevention Services) in campaigns, seminars, forums, organisations and informative events.
- Participation in the Prevention of Occupational Risks and Social Security Committee of the CEOE (Spanish Confederation of Employers' Organisations).
- Collaboration with the National Construction Confederation, the Madrid Association of Construction Companies and the Regional Institute of Occupational Health and Safety.
- FCC Construcción collaborates with the European Federation of Building and Woodworkers, where it represents the Spanish Federation of Construction Companies.
- Participation in the Occupational Risks Prevention and Social Security Committee of SEOPAN (National Association of Construction Companies) and in the Chairmanship of the Safety Commission of the European Construction Federation.

FCC has also actively collaborated in various specialised forums by taking part in global initiatives at both national and European levels. Following is a list of some of the most significant examples:

- FCC was recognised as an official European partner of the campaign coordinated by the European Agency for Occupational Health and Safety (EU-OSHA), Healthy Jobs 2012-2013 and the European campaign "Working together for risk prevention"
- Dissemination of best practices: round table organised by the National Institute for Occupational Health and Safety (INSHT) and the Castile and Leon Centre for Occupational Health and Safety.
- Worldwide campaign for participation in and raising awareness about health and safety organised by INSHT and the World Day for Occupational Health and Safety.
- Representatives of the Madrid Regional Government Ministry of Employment, Tourism and Culture visited PREFABRICADOS DELTA.
- Collaboration between the Regional Institute for Occupational Health and Safety (IRSST) and their specialists, and Conservación y Sistemas.
- The III Business Meeting on the Prevention of Occupational Risks in northern Madrid; V Congress on the Prevention of Occupational Risks in the Public Administration.

The most significant participation and recognition initiatives implemented internally were:

- The II Edition of the Health and Safety Awards aimed at recognising the work, dedication and value given to occupational risk prevention in all areas of activity by the organisation and the people in it.
- The PREVELAND contest for children of FCC employees, an activity that consists of an educational game on accident prevention, healthy living and conserving the environment as part of the Collaboration Agreement between Mapfre Foundation and FCC Group, with the "Educate your world" programme

3.4.2. Training in health and safety

Training and information about the risks entailed by the different professional activities and the measures to take in order to prevent them, remains a constant priority in preventive management.

FCC employees receive up-to-date training information (based on the systems for identifying and assessing risks) about the risks and the preventive and emergency measures related to their jobs, and about the resources and means available to them to prevent these risks.

The general programme for health and safety training is included in the Group's Training Plan that underlies the definition of specific training plans for each area of activity. The Plan ensures:

- Updated technical training in health and safety
- Specific training in occupational risk prevention for each job and activity.
- Training in specific risks for special tasks such as working at heights, electrical risks, etc.
- Training in emergencies and evacuations

Throughout the year, 169,123 hours of training were given to a total of 26,199 employees on issues of safety, industrial hygiene, ergonomics and social psychology for certain occupational risks, preventive measures, emergencies and first aid. The investment amounted to €3,059,189.

HEALTH INSIDE AND OUTSIDE THE WORKPLACE

FCC Medio Ambiente: the first environmental services company certified as a "Healthy Company".

In 2013, FCC Medio Ambiente became one of the first organisations to obtain the Healthy Workplace Certificate granted by the Spanish Association for Standardisation and Certification (AENOR) in its Catalonia II (Tarragona) branch.

This certification, in accordance with the entity's Healthy Company model, certifies that organisations have implemented a management system that promotes and protects the health, safety and well-being of employees and the sustainability of the workplace environment. This model, the first of its kind worldwide, is based on the criteria of the World Health Organization (WHO) and on the methodology of ongoing improvement that views health as a state of complete physical, mental and social well-being and whose primary goal is to promote healthy work environments.

Regardless of the professional sector and the size of the organisation, this model aims to reduce accident and absenteeism rates and improve others, such as the productivity, competitiveness and sustainability of companies and promote society's quality of life in general by improving the health and well-being of employees.

Companies must comply with the requirements of the Healthy Company model and take part in an audit process in order to obtain this certification. To do this, they must identify the specific risk factors that affect their working environment, with aiming at subsequently eliminating, reducing or controlling them. Some typical examples addressed in this model range from promoting healthy eating to promoting sport at work, to healthy lifestyle habits, even after working hours. This system, which has been published in Spanish and in English, was created by AENOR in collaboration with the European Institute of Health and Social Welfare (the Spanish body that collaborates with the WHO) and the FREMAP Prevention Society, to meet the demand of a number of large companies that are working on this issue, among which FCC is a pioneer.

Within the framework of the Healthy Company project, FCC carried out campaigns such as:

- The "Look after your back" health campaign (poster, leaflets and talks about how to take care of your back).
- The "Look after your heart ", campaign against cardiovascular risks, using the same means as the "Look after your back" health campaign.
- The "You can stop smoking; you can" campaign: a specific, individualised help programme for all FCC employees who want to face the complex process of giving up smoking.
- Healthy eating: information, dissemination and promotion campaigns on healthy eating. For instance, an agreement with vending machine suppliers for labelling and promoting healthy (green label) products with a promotion for their consumption: The "5 a day" and "Watch your basic diet" posters.
- Encouraging physical activity: pre-work warm-up and stretching plans; sports teams and taking part in events.
- Healthy Christmas: A contest for ideas on healthy habits and recommendations during the Christmas holidays to start the New Year and the "2014 Healthy Community" project.

Commitment to road safety

FCC has continued to develop the Strategic Road Safety Plan and the Company's commitment to the social, working and economic phenomena of mobility and the fight against road accidents.

Participation:

- Participation in European Mobility Week: under the slogan "Get moving for cleaner air".
- Participation in the Occupational Risks Prevention Committee meeting of the Spanish Association for Quality (AEC).
- Participation in the First Latin American Congress on Occupational Risk Prevention and on Occupational Road Safety. Presevilab 2013, promoted by the Spanish and Peruvian governments.
- International seminars on road safety in the company, in Panama, Ecuador and Peru.
- "Road Safety in the Company. IV Meeting on Best Practices ", organised by the Spanish Foundation for Road Safety (FESVIAL) and promoted by the Directorate General of Traffic (DGT), the Institute for Occupational Health and Safety (INSHT) and the Regional Government of Aragon's Directorate General for Employment.
- International congress on road safety in Santander, at the Best Practices for Occupational Road Safety symposium.
- Working Group of the Higher Council for Road Safety in Companies, GT 68, of the Spanish Ministry of the Interior and the Directorate General of Traffic.

III Award "Aragon, Committed to Prevention"
In 2013, the government of Aragon recognised FCC Aqualia's management in the area of occupational risks. The Company was awarded the III "Aragon, Committed to Prevention" Award for its exemplary record of five accident-free years in Depurteruel. In addition, FCC Aqualia received other recognitions for preventive management in the services it manages in the Valencian Community and the Murcia Region.

In 2013, Aqualia FCC also joined the celebration of "World Day for Occupational Health and Safety". The 2013 commemoration focused on the prevention of occupational diseases and was celebrated as the day chosen by the global trade union movement to pay tribute to victims of occupational accidents and diseases.

3.5. Diversity and equal opportunities at FCC

3.5.1. Diversity is an asset at FCC

Diversity among its employees is a priority for FCC Group. The company recognises its human capital as its most important asset and respects their right to exercise freedom of expression, political thought and, in general, participation in public life.

With a workforce of over 63,000 employees in over 35 countries, one of the Company's clear objectives in terms of human resources is to increase local hiring. To this end, FCC is immersed in the culture of the different countries in where it operates. This allows for the promotion of diversity both within the workforce itself, in customers and in the different processes aimed at the growth and positioning of FCC as a global company serving society.

Diversity in FCC Group is also marked by the great variety of profiles needed to materialise the company's various businesses in the different sectors in which it operates.

3.5.2. Equal opportunities and work-life balance measures

The FCC framework of activities aimed at developing measures on gender equality and diversity are based, managed and framed within:

- FCC's Policy on quality and diversity approved by the Management Committee
- Equality Plans of the different areas and companies in FCC
- The Code of Ethics and Protocol to prevent situations of bullying and sexual harassment in the workplace
- The Plans Monitoring Committees and the Equality Management Team
- The Equality Management website
- FCC counts on the support of specialist organisations and institutions with which it has signed various conventions and agreements to develop and implement measures

Equality plans promote the implementation of measures that allow employees to maintain work-life balance between their work and personal lives. The most important work-life balance measures applied at FCC are aimed at organising time and space, managing leaves and absences, improving social benefits and the personal and professional development of FCC workers. FCC is committed to the fight against gender violence and therefore the Company reports on the importance of being alert to any signs of violence against women, whatever the scope of action. The Human Resources Department, through the work of the Equality and Diversity Management Team, continues promoting and encouraging actions aimed at improving equality and fighting against gender violence.

Today, women represent 21.6% of the company's global workforce. Female leadership is very present in FCC operations, with five women in senior management positions, one of which is the Group's largest shareholder.

SPECIAL ATTENTION ON WOMEN

In favour of equality and against gender violence
FCC Group has joined initiatives such as the "Women's Empowerment Principles" developed under the framework of the United Nations Global Compact, "Companies for a Gender-Violence-Free Society" and "There Is a Way Out of Gender Violence" of the Ministry of Health, Social Services and Equality.

In 2013, FCC's commitment to equality was reflected in the company's collaboration with International Women's Day. By supporting this initiative, the Company continues to make progress in equality issues.

This year, FCC joined the new campaign against gender violence launched by the Ministry of Health, Social Services and Equality. Under the slogan "There is a Way Out", the campaign aims to eradicate this social scourge through awareness and by encouraging society to report such situations.

In the same vein, in 2013 FCC Group commemorated the International Day for the Elimination of Violence against Women. With high levels of participation, company employees created a collage with 234 photographs that form the telephone number of the Victim Care Line, 016. The final image was published on the website spreading the message of support from company professionals to victims of gender violence.

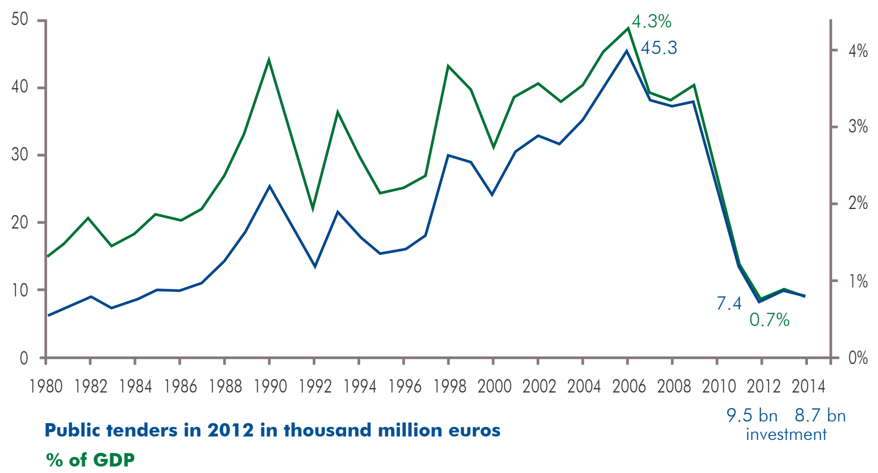
Development of Pre-Executive Women
With the aim of promoting the professional development of women, in 2013 FCC also took part in a development programme for pre-executive women in collaboration with the School for Industrial Organisation (EOI). This action is intended to help women access management positions in the Company by facilitating the acquisition and development of practical management skills and competences as well as enriching their personal and professional development.

FCC Construcción: committed to international employment despite the difficulties in the domestic market

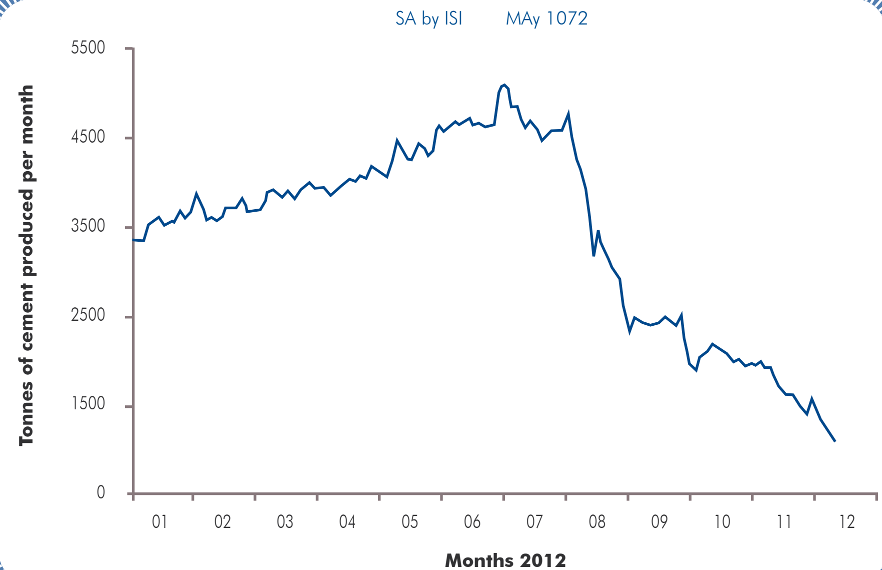
The company considers it an obligation to manage its employees in a responsible manner. The decline of business activity in Spain has led to the need to restructure the company's production capacities which has had a considerable effect on the size of the workforce. However, the tenders awarded for emblematic projects in other countries have posed the possibility of a more internationalised people management model. Below is an analysis of the investment in public works and the production of cement based on the presentation at the International Construction Economic Forum, showing a drop in sector activity in Spain and the impact of this drop on the restructuring of the Group in accordance with the situation.

REDUCTION IN CONSTRUCTION ACTIVITY AND EMPLOYMENT IN SPAIN.

In 2012, public tenders in terms of the economic weight relative to GDP fell to an all-time low in Spain (46% less than in 1980).



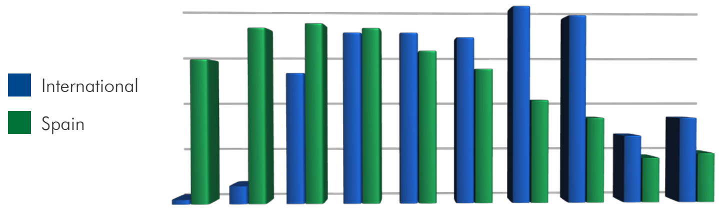
Moreover, the production of cement in Spain fell drastically over the past six years.



According to the Association of Cement Manufacturers (Oficemen), the consumption of cement in Spain fell from 1.3 million tonnes in June 2012 to 972,421 tonnes in June 2013, a decrease of 23.2%.

REDUCTION IN CONSTRUCTION ACTIVITY AND EMPLOYMENT IN SPAIN.

The difficulties in the construction and infrastructure sector in Spain during 2013 have resulted in the need to adapt FCC Construcción's workforce to the Company's turnover. Nevertheless, it is important to highlight the effort made by the Company in Spain in terms of cost revision, promoting policies on internal mobility and flexibility in outplacement conditions.
The obvious crisis in the sector in Spain has meant significant changes in the evolution of FCC Construcción's international revenues.



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
International (%)	3.8	11.1	41.4	49.5	53.0	54.8	65.3	68.3	58.2	63.4
Total (bn)	3.3	4.4	6.9	7.7	7.2	6.7	6.7	6.1	2.5	3
			Alpine acquisition						Alpine exit	

In contrast with the situation of declining employment in Spain, 2013 was a year of job creation for the company in countries such as Panama, Saudi Arabia, Brazil and Peru.

The company's ability to export value is based on a number of competitive advantages that have allowed FCC Construcción to position itself in a total of 35 countries. The Company's more than 100 years' experience, its investment of 9.1 million euros in R+D in 2013, its intrinsic concern for the environment, its team of over 11,000 professionals and its clear commitment to quality, safety and local development (80-90% of workers come from the local area) are factors that have enabled the company to establish itself internationally

4. Extending FCC's principles along the supply chain

The excellence FCC offers to its customers depends largely on the excellence of its suppliers and subcontractors.

FCC Group's main objective in relation to responsible procurement managed by the Procurement Department is to consolidate and extend the standards of integrity and sustainability throughout the Company's supply chain in order to establish stable business relationships with all necessary guarantees. Worthy of note are the criteria of transparency and objectivity applied by Company directors to the procurement process. The commitment to accountability in procurement processes is reflected in the insertion of a clause in Company contracts managed by the Procurement Department which requires suppliers, contractors and other trading partners to be familiar with and adhere to FCC's Code of Ethics.

In 2013, purchasing was decentralised in FCC Group with the aim of returning the responsibility for activity-related purchases to the businesses. With a view to efficiency, the procurement of central services where synergies might occur still lies in the corporate Procurement Department, which estimates that it will manage around 500 million euros a year under the new organisation. This procurement model, centralised in the Procurement Department, is represented as follows:

The FCC Procurement Management Model handled through the Procurement Department is certified by UNE – CWA 15869, Management of Added-Value Purchases. This standard was developed in Brussels through a joint effort among most of the European procurement associations. It is based on the best business practices, and its main objective is to promote excellence in the practice of procurement functions. The standard includes several environmental, ethical and sustainability aspects that are compulsory for procurement departments wishing to be certified. FCC was one of the first Spanish companies to obtain this certification.

Procurement chain. 2013 milestones

- Decentralisation of FCC Group's procurement model
- Establishment of compulsory procedures to ensure transparency in relationships with suppliers
- Measurement of overall satisfaction with the procurement process

Procurement chain. 2014 Challenges

- Consolidate the new decentralised procurement system addressed in 2013

4.1. Responsible procurement in FCC Group

In purchases managed by the Procurement Department (amounting to around 500 million euros per year), the suppliers of materials and services have different characteristics with regard to the activities they carry out for the company. For the procurement process, it is important to control accountability in suppliers' activities, the safety and quality of the product, the possible sustainable characteristics of the product, etc.

1. Planning of purchases
2. Selection and assessment of potential suppliers
3. Request for bids
4. Proposal for tenders
5. Preparation of orders and contracts
6. Monitoring contracts

- Classification of providers as suitable, problematic, restricted and with financial anomalies.
- Report on the preliminary assessment of the supplier based on criteria of quality, health and safety, environment and technical capacity.
- Request for clauses
  - Compliance with Code of Ethics.
  - Compliance with the 10 principles of the United Nations Global Compact.

- Oversight and auditing of the list of purchases through the Support Visits System and through internal audit processes.
- Report on the final assessment of the supplier.
- Assessment of occupational health and safety, environment, meeting of deadlines, Social Security and compulsory payroll, availability of material, technical and human resources.

4.2. Responsibility and transparency in the procurement process

Despite the disappearance of the electronic system used to manage procurements, in 2013 FCC Group's Procurement Department specified compulsory procedures to ensure transparency, traceability and equal opportunities among suppliers in the procurement processes.

It is important to point out the segregation of duties that takes place as part of the new procedures regarding the reception of tenders and the procurement boards convened to make decisions on purchases.

In addition, as a reflection of the responsible measures included in the new procedures, there are stringent rules on procurement and a number of compulsory requirements in relation to certificates for health and safety, quality, environment, the Global Compact and the commitment to being familiar with FCC's Code of Ethics.

With regard to the measurement of overall satisfaction with the procurement process, the following procedures are carried out at FCC:

- Measurement of internal client satisfaction: the level of satisfaction of employees in FCC's Procurement Department with the overall operation of the process.
- Measurement of internal client satisfaction with the supplier: the level of satisfaction of employees in FCC's Procurement Department with suppliers.

Improvement in the total cost of ownership (TCO): level of improvement obtained in the measurement of the TCO (total cost of a product throughout its entire life cycle)

INTELLIGENT SERVICES

FCC, a global leader in designing the sustainable urban communities of the future.

Since FCC Group was founded, it has provided essential services to urban communities, from the construction of infrastructure and the cleaning and management of city waste to the management of the integrated water cycle. The commonality linking the diversity of its activities is the desire to design and take part in the urban communities of the future. To do this, we believe that it is important to become familiar with and anticipate the trends that will shape them. Encouraging innovation enables an improvement of the services offering adapted to cities' needs. The two-pronged fight against climate change (mitigation and adaptation) is an opportunity for efficiency and new activities for the Group's business. Furthermore, implementing environmentally-friendly activities is part and parcel of its day-to-day activities, from the project design phase to their implementation and management.

Contents

1. Sustainable citizen services

Cities have become centres of consumption with 67% of the world's primary energy demand, so transitioning them to a low-carbon economy will involve significant costs. The Stern Report from the World Business Council for Sustainable Development estimates the overall annual costs of the actions relating to reducing emissions in order to avoid the negative effects of climate change, to be 1% of GDP. The International Energy Agency estimates that billions of dollars will have to be invested in renewable energy and energy efficiency over the long term in order to limit the emission of greenhouse gases.

Citizen services. 2013 milestones

- FCC Medio Ambiente participated in the IISIS project from the perspective of optimising waste management systems.
- FCC's Medio Ambiente division's commitment to taking part in European projects on ecosystem services.
- Development by FCC Aqualia of project such as IISIS, Remembrane, Alegría and Elan Trainasa to develop innovative and efficient systems for the treatment, desalination and purification of water.
- FCC Construcción's participation in the IISIS project to develop the elements, materials, technologies and systems necessary to accomplish sustainable construction.

Citizen services. 2014 Challenges

- Design and implementation of solutions for Smart Cities through the IISIS project
- Promoting dialogue with cities will be an objective in order to find out about the priorities of their city councils and provide a better response through FCC services in collaboration with other organisations (public and private research centres, etc.).
- ECOCITIES Project in collaboration with the King Juan Carlos University in Madrid.

1.1. The sustainability challenge in cities

In the coming years, the number of inhabitants on the planet will increase significantly, reaching nearly nine billion by 2032. This growth will be especially concentrated in the urban areas of emerging and developing countries. Coupled with the transition to a low-carbon economy, the progress of these phenomena entails the related levels of pressure on infrastructure and basic city services.

As a company that provides citizen services, FCC Group sees adapting to these events as an opportunity to reduce the ecological footprint and to adapt to climate change. The company is aware that the measure of success attained in this adaptation will determine the quality of life in the urban centres of the future.

"3.5 billion people currently live in cities around the world and a further 2 billion are expected to move to urban areas in the next 20 years. Cities also cover just 2% of the Earth's land surface, but account for over 70% of carbon emissions and energy consumption." [Source: Sustainable cities. Building cities for the future. Climate Action]

Challenges for the cities of the future

Waste management, a problem of progressive development and the increase of the middle class.

The legislation actively promotes efficiency in the elimination of wastes and promotes the recycling and recovery of wastes as responses to the growing amount of waste produced in cities.

The scarcity of water and the increase in demand.

Forecasts for upcoming years point to an increase in the pressure on the water resources in most of the world. This phenomenon offers opportunities to companies able to offer the market innovative approaches related to the management of the integrated water cycle and that are committed to innovation in water efficiency matters.

More efficient buildings, communities and services.

The concept of eco-efficiency in the development of new products, services, technologies, systems and models is becoming increasingly important. It is necessary to increase the productivity of natural resources, as well as to reduce the environmental impact (reduction of energy and water consumption) throughout the entire life of the products.

1.2. FCC's response to these challenges: collaboration of Group services

Currently, FCC Group's business activities are carried out mainly in the areas of water, environmental services and construction and the management of infrastructure. In the area of water, the company manages the integrated cycle and offers related services; in the area of environmental services, it focuses its main activities on the management of urban and industrial waste; and in the area of infrastructure, it focuses on carrying out large civil engineering projects.

FCC believes that the complementary nature of its services and its expertise in the areas it works in, provide solutions to the complex challenges that cities, both present and future, will demand. An offer of reliable and comprehensive services for a healthy environment and quality of life for citizens.

"Citizens services" means putting the focus of the services provided by the company on the end user, and sharing with these users the desire to help create communities that are socially, economically and environmentally sustainable.

"Citizens services" also entails the Group's commitment to integrating sustainable development and corporate responsibility into its way of doing business. The company believes that its responsibility also encompasses helping to raise public awareness about the importance of sustainable development, a key factor in the prosperity and development of societies in the coming decades.

1.2.1 Collaboration and integration of citizen services: Integrated Research on Sustainable Islands (IISIS)

The Integrated Research on Sustainable Islands (IISIS) Project, included in the INNPRONTA 2011 Programme of CDTI (Ministry of the Economy and Competitiveness) aims to design a smart, self-sufficient and sustainable city. This project is led by FCC and other companies participating include Acerinox, Obeki, Vinci, Berenguer Ingenieros and various research organisations.

The project demonstrates the **integration of FCC Group's activities in different business areas**. IISIS works on "sustainable development", including factors such as self-sufficiency and sustainability, in order to provide responses to the changes that take place throughout the lifetime of a city, providing a holistic vision of smart cities.

The main areas in which IISIS is developing innovative technologies are **construction materials, energy production, drinking water supply, waste water treatment, the optimization of the water-energy binomial and waste treatment**.

The project aims to carry out advanced and ambitious research on the elements, materials, technologies and systems required to develop a sustainable city that is fully integrated into the environment (energy, water, and the treatment and recycling of wastes).

To meet this goal, IISIS is made up of a group of entities that work in collaboration on four areas of research:

AREA 1: ENERGY, led by FCC S.A.'s Energy Division: Partners: Ingevinci and Obeki. Public Research Bodies: Tecnalia, UPV, Tekniker, Aido, Cedex-Ciemat.

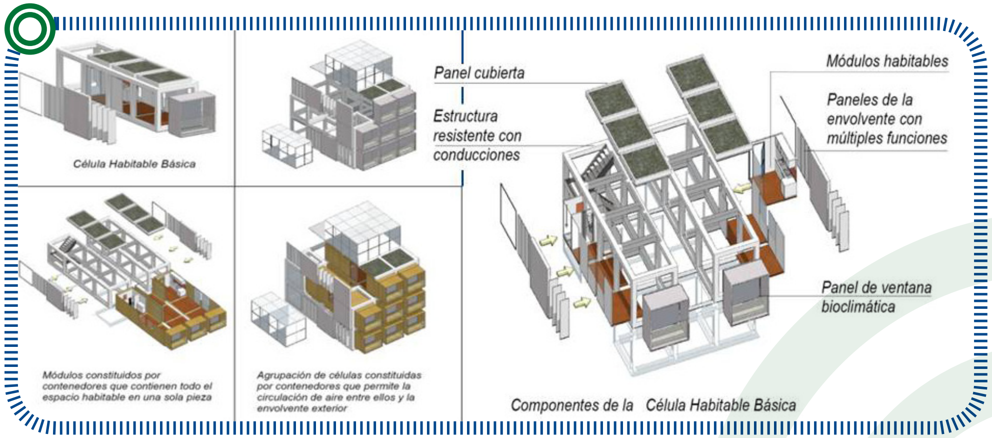
It is aimed at the development, enhancement and optimisation of procurement and storage systems for renewable energy with the ultimate goal of achieving a self-sufficient island. These systems are based on concepts of sustainability and self-sufficiency, focusing on maximising the optimisation of primary energy resources and minimising the environmental impact. Under study is a new system of solar-thermal power generation, technologies using tides and wave power, a wind generator and a hybrid storage system with reverse hydraulic pumping and electrochemical batteries. All these systems are going to be managed by software to manage energy resources that will match energy production with demand.

AREA 2: WATER AND ENVIRONMENT, led by FCC Aqualia, S.A. Participants: FCC S.A.'s Medio Ambiente division, Public Research Bodies: the University of Valencia, the Polytechnic University of Valencia, IMDEA-Agua, CENTA, the Complutense Madrid University and the University of Huelva.

Its main objective is to research innovative and sustainable systems for the treatment and management of water and waste, not to mention the optimisation of energy and the water/waste binomial. The following technological advances are being achieved: the development of a low-energy consumption desalination system based on bioelectrochemicals for the supply of drinking water; the optimization of waste water management systems by separating these effluents by use and pollution level and managing to recover substances of interest and the reuse of water; in relation to waste management an integrated waste management and continuous treatment system is being developed that works automatically and is adapted to isolated environments.

AREA 3: CONSTRUCTION, led by FCC Construction. Participants: Cementos Portland Valderrivas, Berenguer and Acerinox. Public Research Bodies: Tecnalia, Instituto Eduardo Torroja, IHA

It aims to carry out research into a new open architecture model called "Open Building", which is characterised by the use of replaceable, flexible and versatile structures that can be modified over time together with components that are compatible with the demands of the marine environment, all of which will take into account sustainable design. The area is divided into two main activities: Architecture and Marine Engineering and Materials. The former is aimed at researching a new construction system based on prefabricated elements made from new materials adapted to marine environments (cement, concretes and duplex stainless steels), while the latter's objective is to define new geometric configurations of concrete caissons that are optimally adapted to the specific requirements of the marine environment, and which are structural and functional yet do not lose their essential qualities of sustainability and do not have an impact on the seabed.



AREA 4: INTEGRATION, led by FCC Aqualia.

Integration is a cross-cutting activity that involves all IISIS Project activities. Its objective is to develop a system of sustainability indicators that also enable the performance of a study of its elasticity as well as determining its reliability. Obviously, any technical solution proposed will not be viable in just any environment or circumstance, so these factors will have to be taken into account when defining the sustainability and self-sufficiency of the proposed solution.

This activity includes defining the scope of application of whatever solutions are implemented as well as analysing the applicability of these solutions by determining the reliability of the system as a whole and of its component elements. This area includes the study of the water-energy binomial (energy efficiency in supply, energy consumption in wastewater treatment, etc.)

1.2.2. FCC-URJC-London Metropolitan University social trends and expectations observatory: the Eco-Cities Project

The study of social perceptions in order to implement appropriate policies and activities is as a priority for companies that provide citizen services. Gathering information on a regular basis and its subsequent analysis will lead to the development of guidelines to define a framework with the priorities that society demands for the cities of the future.

This collaboration with King Juan Carlos University, the Cities Institute and the London Metropolitan University (United Kingdom), FCC Group aims to establish a research model based on a range of issues and indicators that enable the analysis of present and future needs of inhabitants of and visitors to sustainable cities which will be presented in a twice-yearly report. The intention of the Ecocities Report is twofold:

a) To guide the strategies of FCC Group's business to design products and services tailored to the needs of future cities services.
b) To be an academic leader at national and European levels in the study of sustainable cities from a sociological perspective.

1.2.3 Our sustainable leadership: knowledge sharing

The objective of this line of work is to share knowledge and to disseminate the information and experiences acquired in the day-to-day work of the Group's businesses and the research activities undertaken. The Group's commitment to participate in these events and forums is to promote progress in the design of the cities of the future, doing so from the perspective of service, infrastructure and water and waste management industries. Other aspects worth mentioning include:

ENVIRONMENTAL SERVICES

ExpoRecicla´13	FCC Ámbito took part in the roundtable technical seminars - Expo Recicla'13; seminar specifically on "Recycling and Recovery of Plastics"
Smart City Expo World Congress	Participation of the Medio Ambiente division at the International Congress of Smart Cities held in Barcelona with the presentation of "Systems to Encourage Waste Separation and Improve the Efficiency of the Collection Process in the City of Oviedo" by the Director of Systems and Information Technology in the session on "Improving the Management of Urban Waste"

WATER MANAGEMENT

XXXII Seminars of the Spanish Association of Sanitation and Water Supply (AEAS)	FCC Aqualia was present with a stand and took part in presentations. Various water management companies, suppliers and institutional clients went to the seminar, making this event one of the most significant meeting forums for the sector.
FCC Aqualia, host of EUREAU's EU3 Commission	In March, one of the three commissions of the European Federation of National Associations of Water and Sanitation Services took place in Salamanca which, together, serves over 400 million Europeans (EUREAU). Mariano Blanco, FCC Aqualia's International Director of Customer Management, along with the Salamanca City Council's member in charge of environmental matters and Almut Bonhage, Secretary-General of EUREAU, were responsible for welcoming all the attendees at the conference.
WEX technical seminars (Madrid)	FCC Aqualia had widespread participation in these seminars, which were opened by the Directorate-General of Water. The Water and Energy Exchange (WEX) conferences which took place this year in Madrid addressed water and energy management issues, along with aspects related to financing and business opportunities in different regions.
International Water Summit in Abu Dhabi: part of the World Future Energy Summit Congress	FCC Aqualia took part in the International Water Summit conference with a stand and a presentation. This is the main point of reference in global sustainability and it was attended by numerous heads of state. FCC Aqualia presented its experiences in the Middle East in the Company's stand.

Saudi Water & Forum (SWPF) and National Company Focus Day (Jeddah, Saudi Arabia)	FCC Aqualia was present at the major industry meetings in the Middle East. SWPF is the water and energy sectors' main meeting point for discussion and debate in Saudi Arabia. In this ninth edition, FCC Aqualia was present with an information point.
Smart City Expo World Congress	The key event for the smart city industry held in Barcelona in November 2013. FCC Aqualia's presence was relevant with its participation in different events. Highlights include the presentation of the book entitled La ingeniería y la gestión del agua a través de los tiempos (Engineering and Water Management through the Ages) with the presence of FCC Aqualia's CEO Felix Parra, and Jordi Agustí i Verges, Director of the Catalan Water Agency (ACA).
IDA World Congress in China	FCC Aqualia Infraestructuras had a corporate stand. This is the global desalination conference. Held every two years, it brings together the industry's leading companies. FCC Aqualia showed its experience as designers and builders of desalination and tertiary treatment plants, both in Spain and in other countries such as Algeria and Chile.
Global Water Summit (Seville)	Event where representatives from all areas of the water sector share their views on the outlooks and trends for upcoming years. FCC Aqualia organised a post-programme tour of the treatment plant built and operated by FCC Aqualia in La Ranilla. It was attended by delegates from countries such as Singapore, Tunisia and the GWI journal itself.

INFRASTRUCTURE

Forum on Spain/ Brazil Investment and Business Cooperation organised by ICEX España Exportación	FCC Construcción took part in the Forum on Spain/ Brazil Investment and Business Cooperation organised by ICEX España Exportación held on 26 and 27 November in Sao Paulo. Vicente Mohedano, FCC's Deputy Managing Director for Latin America, offered a presentation on FCC and the company's vast experience in marine works.
International Economic Forum on Construction in Amsterdam	On 21 November 2013, Miguel Jurado, Managing Director of FCC Construcción took part in the ICEF congress at the International Construction Economic Forum in Amsterdam, where he presented FCC's process of internationalisation and its goal to focus on strategic construction markets and on projects to which the company adds value.

IISIS Project: a joint path to the city of the future

THE IISIS PROJECT AT FCC MEDIO AMBIENTE

FCC Medio Ambiente works in areas 2 (Water and the Environment) and 4 (Integration); specifically, it works on waste management in island environments and as well as on the design of a waste management "kit" that is "modular, transportable and autonomous in terms of energy".

The research works carried out with scientific collaboration are:

- Designing a smart selective solid urban waste collection system.
- Optimisation of the co-digestion of solid urban waste, sewage and /or others, such as algae.
- Designing micro reactors for the co-digestion of waste.
- Designing a system to dehydrate the digested product to optimal levels for composting.
- Designing mini-tunnels for composting.
- Designing an integrated waste treatment "kit"

Smart sorting is seen as especially relevant. There is a new mentality towards the consideration of waste as future raw materials (as a "resource"). The project involves a new way of thinking in many industries and aspects. The following two patents are in the process of being registered as a result of the research:

- The CARUSO ("Automatic Solid Urban Waste Sorter") System
- Diana System: "Anaerobic digestion by micro-digesters"

THE IISIS PROJECT AT FCC AQUALIA

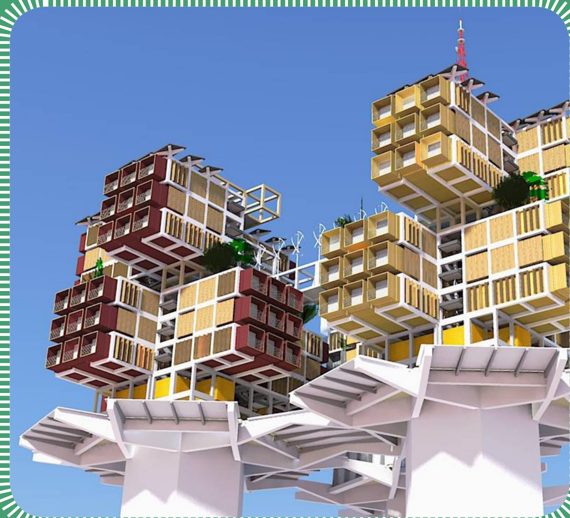
With an investment of 3.3 million euros, FCC Aqualia has contributed 22% of the overall project budget. FCC Aqualia's work, leading two of the four project areas: "Water and Environment" and "Integration", is carried out in various regions across Spain:

- Wastewater treatment (anaerobic membrane bioreactors, Valencia)
- Innovative desalination systems with zero energy cost (microbial desalination cells, Madrid Region)
- Systems for optimising the energy/water binomial in the drinking water supply (Valencia)
- Energy optimisation in wastewater treatment and advanced control of water treatment plants (Castile and León, Asturias, Castile La Mancha and Cataluña).
- Membrane filtration systems for the treatment of drinking water (Castile-La Mancha)
- Removal of trihalomethanes in drinking water (Extremadura)
- Supply management (national level)

IISIS generates direct employment through the recruitment of researchers by Aqualia FCC and they carry out their work in collaboration with technology centres (encouraging direct interaction between the university/research centre and the Company), and indirect employment by creating new lines of business.

THE IISIS PROJECT AT FCC CONSTRUCCIÓN

The project includes research into the elements, materials, technologies and systems required to develop a construction for potential residential and tertiary use in the surroundings, like islands. These are reusable prefabricated buildings adapted for industrial use that do not harm the environment, are self-sufficient in all aspects (energy, water and waste treatment and recycling) and are equipped with all kinds of integrated facilities, advanced transport logistics and a smart management and monitoring system.



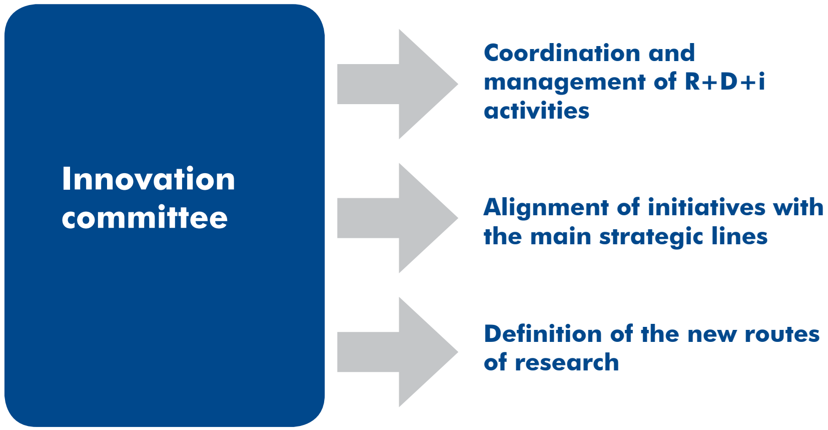
2. Promoting innovation at FCC

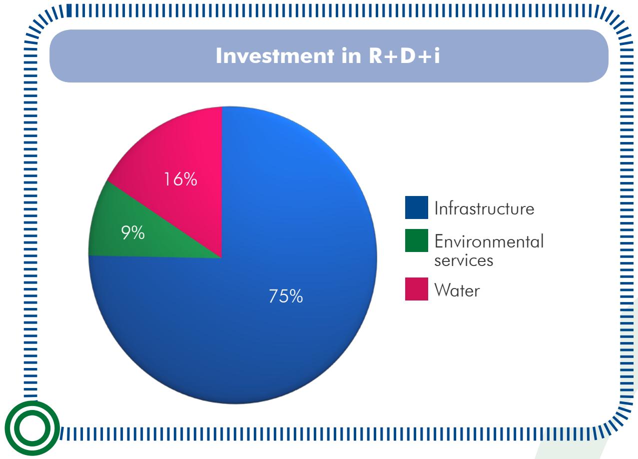
Innovative solutions adapted to the needs of society

Cities are the centre of the challenges created by sustainability, so they are places where innovative solutions with significant and rapid impacts should be implemented. Aspects such as the ecological footprint in the development of projects, smart buildings and refurbishment, the management of risks in the context of climate change and urban accessibility, are becoming increasingly relevant.

The Group's R+D+i strives to use financial and human resources effectively. The main lines on which the Group's innovation-related activities are based are: sustainable urban development, the design of new, sustainable and high-performance products, process optimisation and improvements in information technology, process monitoring and data management. FCC Group invested 18,437,462 euros in 2013.

FCC's Innovation Committee coordinates the Group's R+D activities and directs the businesses' lines of research towards the common goal of transitioning to a low-carbon economy and towards measuring impacts on energy consumption and the water footprint that will allow it to be reduced and offer a more efficient product with a greater point of difference.





Innovation. 2013 milestones

- Progress towards optimising the efficiency of FCC Medio Ambiente's collection vehicles and biological treatment plants.
- Renewal of the R+D+I Management System seal in accordance with UNE 166002 Standard
- Development of projects at FCC Aqualia aimed at biogas production in the water sector, along with development of the city of the future, and efficiency and the reuse of materials in water treatment processes.
- Award of relevant projects: Zero impact in a consortium with ADIF; R+D+i projects in the occupational health and safety (the SEIRCO Project, BOVETRANS, etc)
- Research lines for the development of better local infrastructure rehabilitation works (the Merlin Project).
- Design of the methodology and of the computational model for indicators that will enable the expression of efficient management in the use of resources, both energy and water, and in the reduction of GHG in the services provided by FCC Medio Ambiente.

Innovation. 2014 Challenges

- Research by FCC Medio Ambiente into environmental services in cities, such as carbon sinks and the benefits of landscaping by FCC Medio Ambiente.
- Calculation of energy indicators in the areas of energy, GHG emissions and water in some urban services contracts managed by the Medio Ambiente division.

- FCC Aqualia's progress towards measuring the water footprint in the integrated water cycle system.
- Winning important projects in the H2020 Framework Programme in order to access a higher volume of state aid at FCC Construcción.
- Integrate R+D+i processes and make the best use of tax advantages in countries where FCC Construcción is present.

2.1. Promoting innovation at FCC: FCC Medio Ambiente

In the Medio Ambiente division, R+D projects are implemented in line with the specific objectives for the business it engages in.

Innovation in the Medio Ambiente division is aimed at responsible water consumption and the reduction of GHG emissions. To this end, work is being done on defining methodologies for monitoring and processing information, as well as on configuring, adapting and introducing more efficient information and communication technologies into its services.

Specifically, this includes progress in the following areas:

- Automobile: collaboration with technology suppliers in work aimed at the reduction of emissions and noises in the fleet of vehicles.
- Recovery of waste in treatment plants. Work is being done on monitoring variables and indicators in joint biological processes for treating solid urban waste, with a view to the modelling of these processes to improve the production and energy efficiency of these facilities.
- Definition of the methodology to calculate intensity indicators in order to establish the environmental traceability of services, in scientific collaboration with universities and technology centres.

PRIZE AWARDED TO FCC'S ELECTRIC LORRY

FCC received an Innovation + Sustainability + Network Award organised by the EXPANSION business daily newspaper in the category of Large Sustainable Business for its electric refuse collection lorry.

These awards recognise innovation in the design of products and services in organisations as part their process of integration into a more sustainable society.

Today, there are more than 300 vehicles in circulation in Spanish cities such as Madrid and Barcelona, in addition to a "Zero Emissions" vehicle (resulting in less stress for workers and fewer occupational accidents). Their development has resulted in a benefit for FCC and has given it a competitive edge over its competitors.

OPTIMISATION OF WASTE RECOVERY

FCC manages ten biomethanisation plants that mainly treat the remaining fraction of urban solid waste (residual organic material) using different technologies (wet mesophilic process / dry mesophilic process / dry thermophilic process) whose total nominal capacity amounts to 517,500 tonnes/year and capacities ranging from 15,000 to 160,500 tonnes/year. In the last five years, FCC has progressively increased its biogas production and power generation from 35.2 million kWh in 2010 to 42.2 million KWh in 2013

AUTOMOBILE

Research by the Machinery Department of FCC Medio Ambiente focuses on the different ways of handling the energy inside the collection lorries.

Through a grant from the Centre for Industrial Technological Development (CDTI) FCC Medio Ambiente is working on vehicles capable of storing the maximum amount possible of energy in braking.

FCC Medio Ambiente is a pioneer in patenting utility models, i.e., in the operation of the vehicle as a whole.

For medium tonnage lorries, the so-called KB hybrids, FCC Medio Ambiente has a patent shared with AVIA, with 32 collectors and 2 tanker lorries manufactured and in operation. For heavy lorries, FCC Medio Ambiente has the exclusive patent for the utility model, with two units manufactured and in operation

2.2 Promoting innovation at FCC: FCC Aqualia

FCC Aqualia's line of innovation is aimed at providing solutions to the end user, based on the company's knowledge and expertise in the management of customers.

Focused on three major areas of research (quality, smart management and bioenergy) innovation at FCC Aqualia takes place in four phases: technology watch, idea generation, project implementation and patent protection.

Major projects implemented in 2013 were:

ELAN TRAINASA PROJECT

After three years of pilot testing, this project, which is aimed at demonstrating a new technology that removes nitrogen from the return water of the sludge line of a waste water treatment plant, was applied at full scale for the first time in 2013.

The process is capable of removing between 15 and 20% of the total nitrogen load by combining the biological processes for partial nitrification and for anaerobic ammonium oxidation in a single reactor.

BIOGAS PRODUCTION IN THE WATER SECTOR

In June 2013 the 13th World Congress on Anaerobic Treatment was held in Santiago de Compostela. Promoted by the University of Santiago de Compostela (USC) and supported by the International Water Association (IWA), FCC Aqualia was the main sponsor of the event. The congress is the most important international event in relation to the production of biogas and was attended by nearly 1,000 professionals.

In addition to FCC Aqualia's sponsorship, many professionals from the Company's research team also attended.

The opening session, "About Beauty and Consolation" was chaired by Frank Rogalla, Director of Innovation and Technology at Aqualia FCC. The three subsequent days featured presentations by company researchers in six different sessions.

REMEMBRANE PROJECT

Developed from funds from the LIFE+ Programme (the European framework for funding projects that contribute to environmental conservation and the development of environmental policy and legislation), the project aims to prolong the life of the membranes used in the reverse osmosis purification process, recovering what is now waste by reusing it in other applications such as osmosis processes for treated water.

Its practical use is in the elimination of waste, the reduction of costs and the overall improvement in the efficiency of the desalination and water reuse process. It is hoped that the results of the Remembrane project will lead to a major advance in the operation of large desalination plants and drinking water plants and will reduce the investment and operating costs of tertiary water reuse systems.

2.3 Promoting innovation at FCC: FCC Construcción

Innovation represents the company's ability to remain in the vanguard in a highly competitive and internationalised market. FCC Construcción participates in a significant way in the promotion of various industry-based European and national initiatives related to R+D+i, as well as in the development of projects both nationwide and internationally.

FCC Construcción has a R+D+i system that is certified in accordance with the UNE 166002 standard. In 2013, FCC invested over nine million euros in innovation and development projects in its construction division.

GRANDIQUE: DETECTION OF BREAKS IN VERTICAL BREAKWATERS BASED ON AUSCULTATION FROM THE SUPPORT BASE.

The research carried out in this project has led to the development of the methodology to plan auscultation campaigns that allow the monitoring of the ground behaviour during the construction process and commissioning of vertical dykes. This results in achieving a perfect chronological definition of the condition of the dyke, thereby enabling the appropriate changes to be made during the construction process by adapting to the results produced by the instrumentation installed. The project is structured around three milestones:

1. Analysis of the problem and identification of variables
2. Development of the proposal for auscultation and instrumentation
3. Adaptation of the caissons to differential movements

DREGREEN: ECOLOGICAL DREDGING TO EXTRACT HIGHLY CONTAMINATED SLUDGE IN RESERVOIRS

FCC Construcción has developed an eco-dredging prototype for the treatment of both marine and river sludge that ensures a minimal dispersion of contaminants during the sludge extraction process. More specifically, it has had to develop a new methodology for each type of dredging equipment, differentiating the various kinds of dredging used for emerged, submerged and quaternary materials.

The company also introduced extensive improvements to prevent the overflow of water from the pit during the extraction process by developing a pit storage module with a fill scheme specifically for water.

In addition, these new developments make it possible to significantly decrease the water added from the enclosure to the material pumping system, which no longer depends on the treatment capacity of the water treatment plant built. This last activity can be considered the project's most far-reaching success.

ALMONTE: DESIGN AND DEVELOPMENT OF A NEW AND ORIGINAL ARCH THAT WILL SET THE WORLD RECORD FOR SPANS

The project's main objective is to design the building process for an arch with a 384-metre span within a short implementation period. To do this, there must be a new approach to the project in terms of the dimensions of the keystone, the travelling cranes and the staying system, which will be completed with a new design for the materials loading and moving system and to study the formulation of the concrete.

This project is part of FCC Construcción's policy of being at the forefront of the most important developments that occur in the construction industry, in regard to technological and process innovation related to its core business, and taking an active part in initiatives that are orientated towards the action lines defined.

3. FCC against Climate Change

Mitigation and adaptation to climate change as a FCC Group strategy

FCC Group has developed a climate change strategy, approved at the most senior management level of the Company, and the elaboration of which has benefited from their business knowledge, thus contributing experience in these activities into the common corporate policy. The new products, services, technologies, systems and models developed by the company have been supported by innovation and efficiency as better tools for offering greater levels of well-being with lower levels of consumption.

Urban centres, as the main emitters of greenhouse gases that will be produced over the next decade, will require low-carbon efficient solutions.

*With respect to environmental data, during 2013 some of the Company's data has been reduced, for two reasons: on the one hand the overall activity of the different business areas was reduced (although this was more specifically the case of infrastructure), and on the other hand changes have been made to the scope of the reported data. For example, for the 2013 environmental indicators report, the Medio Ambiente division this year has used the operational control criterion like it does with the other Group activities, so that only the facilities with the capacity to act, and when there is a possibility of committing to improvement objectives, are considered within said scope.

FCC Group's Climate change strategy

Main functions of the management committee

- Definition and approval of the strategy

Functions of the Climate Change Commission

- Monitoring of FCC's the GHG emissions inventory
- Risk analysis and new opportunities in the face of climate change
- Positioning of the Company in the adaptation to and mitigation of climate change
- Drawing up of responses to requests from external stakeholders
- The main prescriber within the Group regarding aspects relating to climate change

Coordination of the strategy for the different Company businesses

Functions of the lines of business

- Adaptation of the Group's climate change strategy to each of the sectors

Climate change. Milestones in 2013

- Design of the methodology and tools to calculate the indicators that will allow efficient management to be expressed in the use of resources, both energy and water, and the reduction of GHG, in the services provided by FCC Medio Ambiente.
- Verification by AENOR of the carbon footprint for the integrated water cycle in Lerida.
- Development of initiatives to reduce Scope 3 emissions (indirect emissions as a consequence of company activity from sources that are not its own) in the Construction division.
- Broader scope of verification in the measuring of the carbon footprint in FCC Construcción, expanded from Scope 3.

Climate change. Challenges in 2014

- Verification of the carbon footprint of the FCC Medio Ambiente organisation in 2013.
- Verification of the methodology to calculate the carbon footprint and key intensity indicators specific to FCC's urban services activities in Spain.
- Progress in energy management with a view to the certification of 100% of FCC Medio Ambiente's activities.
- Broadening the scope for measuring the carbon footprint in the Water Management division.
- Driving the Group's Climate Change strategy, in terms of "adaptation" from the Construction division.

3.1. The corporate approach to Climate Change

The strategic nature that FCC Group confers to climate change is reflected in the designation of the Board of Directors as being responsible for positioning the Company's stance in this matter, as well as defining and approving FCC Group's Climate Change Strategy. Furthermore, by means of its Climate Change Commission set up in 2011, FCC coordinates these aspects in different areas of the Company's business.

3.1.1. FCC Group's Climate Change strategy

Under the objectives established in the Corporate Responsibility Master Plan, the Company has developed its "2020 Climate Change Strategy". This strategy was born as a basic pillar of the smart services that FCC is committed to offering as a response to the opportunities in the environmental, social, and economic spheres posed by climate change.

In December 2012 FCC Group presented its 2020 Climate Change Strategy, with five pillars, whose general objectives are as follows:

- Pillar 1. MONITOR: calculate the carbon footprint of the Organisation, services and products under prestigious international standards.
- Pillar 2. REDUCE: offering services and products that have a lower carbon footprint.
- Pillar 3. ADAPT: adapting the activities to new future conditions, positioning ourselves as a company that provides services for adaptation to climate change.
- Pillar 4. INNOVATE: offering new services and products that are more efficient and less carbon intensive.
- Pillar 5. COMMUNICATE: improving the positioning of the company as one that offers solutions against climate change, by means of effective communication.

As part of its Climate Change Strategy the Company has developed an analysis of positive and negative impacts that this phenomenon can pose on different lines of the Company's business, it has identified the risks and opportunities that are part of its business strategy to set itself apart from its competitors.

CLIMATE CHANGE ADAPTATION

SCOPE	INFRASTRUCTURE	WATER MANAGEMENT	ENVIRONMENTAL SERVICES
Impacts on the activity	⦿ Increase in the costs of production, operation and maintenance processes, as a result of extreme climatic phenomena. ⦿ Legal or reputational risks associated with the development of activities in "sensitive" areas or on "sensitive" resources. ⦿ Restriction in the availability of resources ⦿ Incorporation of climate criteria in the regulation of the sector. ⦿ Loss of competitiveness due to the effects of climatic impacts. ⦿ Risk to the integrity and physical characteristics of Company assets, products or projects as a result of climatic impacts.	⦿ Restriction to the availability of resources necessary for the Company's activity (water). ⦿ Risks to the integrity of Company assets due to the effect of extreme climatic events. ⦿ Increases in operational and maintenance costs at the facilities due to changes in the characteristics of the resource (water), or changes to the operational conditions as a result of climatic effects.	⦿ Failures and interruptions in the operational and maintenance processes of the equipment as a result of climate variation (particularly changes in temperature and intense precipitation phenomena). Restrictions in the availability of water for the processes. ⦿ Risks to the integrity of the infrastructure or failures/ interruptions in the operational processes caused by extreme climatic events. ⦿ Stricter regulation regarding the use of resources necessary for companies activities (particularly water).
Associated challenges	⦿ Stagnation in the activity of the sector in historic markets. ⦿ Increase in situations of reputational or legal damage. ⦿ Incorporation of climate criteria into companies activities. ⦿ Adjusting to a new regulatory framework that has greater environmental pressure. ⦿ Safeguarding the economic viability in light of increased costs as a result of climatic impacts.	⦿ Response to increases in demand in a scenario of greater shortages in resources. ⦿ Adjustment to a more restrictive future regulatory framework for the use of water. ⦿ Increase in the risk of conflict as a result of water usage. ⦿ Safeguarding maximum efficiency in the processes of water distribution, supply and consumption.	⦿ Management of failures in the operational processes, along with downtime and interruptions caused by extreme climatic events. ⦿ Ensure the integrity of the infrastructure and equipment against the effects of climatic variation and as a result of extreme events. ⦿ Reduction of the health risks facing personnel by variable climatic conditions.

SCOPE	INFRASTRUCTURE	WATER MANAGEMENT	ENVIRONMENTAL SERVICES
Potential opportunities	⦿ Opening new markets, the need for constructive solutions as short-term adaptation mechanisms. ⦿ Development of new products/services framed around "more environmentally-friendly" solutions. ⦿ Improvement as a company committed to environmental aspects. ⦿ Collaboration with the government in the integration of climate change in the development of the sector. ⦿ Financing international projects in vulnerable countries within the framework of multilateral banking initiatives.	⦿ Development of new products and services; development of monitoring and water management systems, consumer-level training. ⦿ Development opportunities for water management infrastructure projects in developing countries. ⦿ R+D+i projects in the sphere of water management and saving. ⦿ Collaboration with the government to integrate climate change into the development of the sector, and cooperation with other water consumer sectors in order to harmonize the activity of the sector with sustainable water use. ⦿ Financing international projects in vulnerable countries within the framework of multilateral banking initiatives.	⦿ Expansion of Company activities towards developing countries (vulnerable to climate change) in waste management infrastructure improvement projects. ⦿ Renovation of infrastructure as a means of managing extreme post-event situations. ⦿ Evaluation of alternatives sources for the harnessing of same (particularly water). ⦿ Financing international projects in vulnerable countries within the framework of multilateral banking initiatives.

3.2. Reducing emissions, the common business objective

FCC Group shows its commitment to fight against climate change by maintaining control over the GHG emissions of all the Company's businesses. Under its "2020 Climate Change Strategy", FCC has established a quantitative objective to reduce emissions. Based on energy efficiency criteria, sustainable mobility, recovery and recycling, as well as management of waste, the Company intends to reduce 360,000 t CO_2eq, so that in 2020 a rate of Mt CO_2eq / M € of turnover is achieved, 3% less than the current rate.

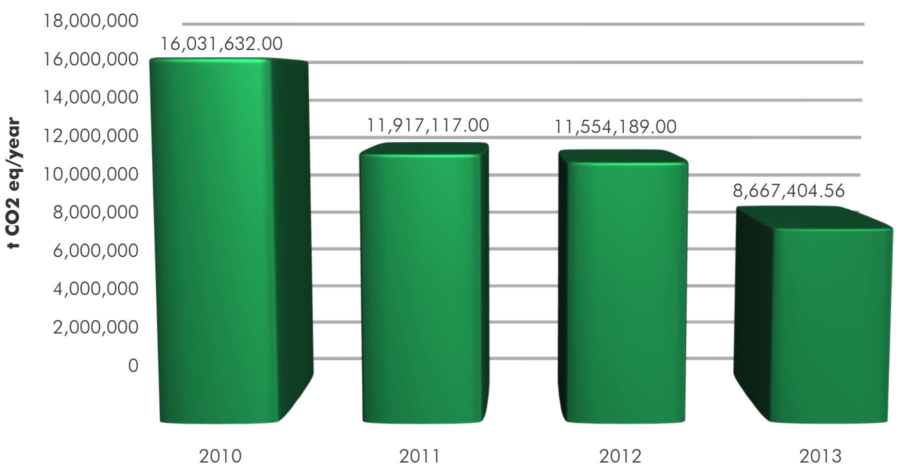
FCC takes into account and measures its Scope 3 emissions. Among other things, the Company considers the following: products and services acquired, upstream distribution and transportation, waste generated as a result of operations and business trips. These emissions have been calculated by following the Greenhouse Gas Protocol methodology.

Additionally, the Group has developed a technical energy efficiency guide, implemented into the corporate spaces and focused chiefly on lighting. A potential saving of 30% has been identified, which would reduce CO_2 emissions into the atmosphere by thousands of tonnes.

In 2013, FCC Group's GHG emissions totalled 8,667,404.56 t of CO_2 eq, representing a reduction from 2012 (11,554,189.00 t of CO_2 eq) and 2011 (11,917,117.00 t of CO_2 eq). In 2013 direct emissions reached 8,479,830 t of CO_2 eq, a figure that signifies a reduction of 22% with respect to 2012.

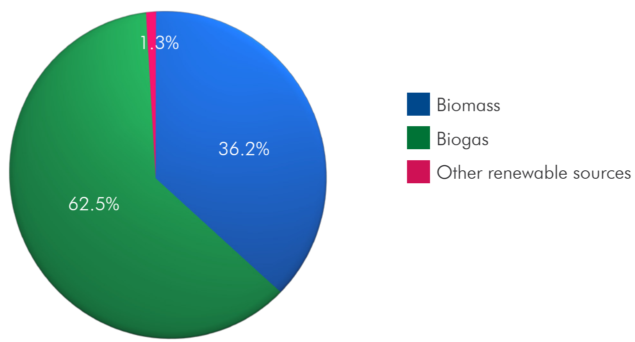
In its commitment to the operational efficiency of the business, FCC Aqualia has implemented new radiometers into the houses. Thanks to this new system, FCC Aqualia can read the water meters without requiring employees to move around. This measure will necessarily reduce the emissions caused by said travelling.

Direct and indirect GHG emissions of FCC Group (Scopes 1 and 2)*



*Scope 1: direct emissions that come from sources that belong to de Company.
*Scope 2: emissions from the generation of electricity acquired and consumed.

Consumption of auto-produced energy



3.2.1 Alternative energies and energy efficiency: allies against climate change.

Increasing the use of alternative energy sources and the increase of auto-production of energy have been key to reducing emissions on the part of FCC Group.

A clear illustration of the Company's commitment to the auto-production of energy are the innovative solutions introduced into the treatment plants and the assessment of the Medio Ambiente division. These follow the twofold objectives of reducing greenhouse gas emissions and optimising the performance of co-generation, by means of harnessing the energy potential of biogas generated in the treatment of urban waste.

In 2013, the Company avoided the emission of 2,886,784.44 million tonnes of CO2 equivalent, through the implementation of initiatives related to fighting against climate change in the different companies.

Consumption of FCC Group's renewable fuels according to company business areas (GJ)

Fuels	Environmental services	Water Management	Infrastructure	Total
Bioethanol	1,373.38	0	0	1,373.38
Biodiesel	91,630.86	0	0	91,630.86
Biogas	113,295.15	83,361	0	196,656.15
Biomass	71,130.40	0	1,168,800	1,239,930.40

*This does not include the breakdown of the Cement division's consumption.

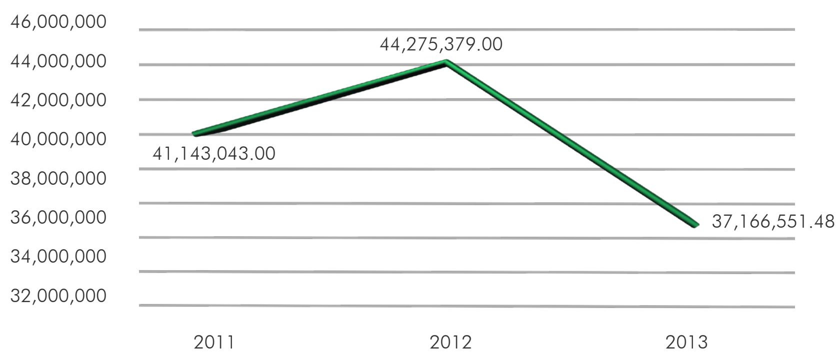
Consumption of FCC Group's non-renewable fuels according to company business areas (GJ)

Fuels	Environmental services	Water Management	Infrastructure	Total
Natural gas	956,672.46	23,361	824.91	980,858.37
Petrol	23,354.56	204	22,736,2	46,294.76
Diesel	2,527,967.39	125,849.76	412,942.35	3,066,759.5
Fuel oil	1,008.80	214,511.29	123,838.31	339,358.4
Propane and butane	179.11	0	31.96	211.07

*This does not include the breakdown of the Cement division's consumption.

The total consumption of energy was reduced in 2013 compared to the previous year. Likewise, greenhouse gas emissions associated with this consumption has also decreased.

Total consumption of energy (GJ)



CARBON DISCLOSURE PROJECT

In 2013 FCC participated in the Carbon Disclosure Project for the fourth consecutive year, obtaining a score of 75 C. The Company will also participate in the 2014 edition.

3.3 Carbon footprint measurement in the FCC Group

3.3.1 Carbon footprint measurement in FCC Medio Ambiente

FCC Medio Ambiente develops its products and services with a view to developing smart solutions as a competitive advantage in the city of the future; a city based on low-carbon economies and mitigation measures, and adaptation to climate change.

FCC MEDIO AMBIENTE'S CARBON FOOTPRINT

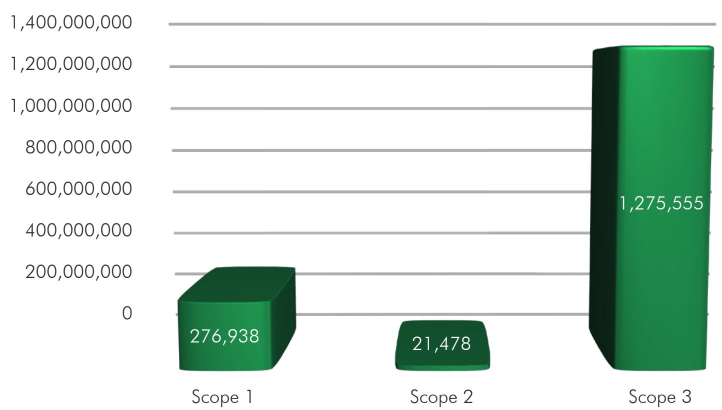
The calculation of the carbon footprint provides an overall picture of the impact that an organisation has on climate change, as a result of carrying out its activities, by quantifying its GHG emissions and by the identification of its sources. Furthermore, it is intended to be a quick and efficient indicator that provides an overall picture of the improvements in energy efficiency with respect to the processes developed by the organisation in order to contribute to fighting against climate change.

Since 2011 (first audited year) FCC Medio Ambiente's emissions were recorded as an organisation in Spain and the GHG Protocol was used as the standard, since it is the most recognised international standard for the calculation of carbon footprints at organisational level.

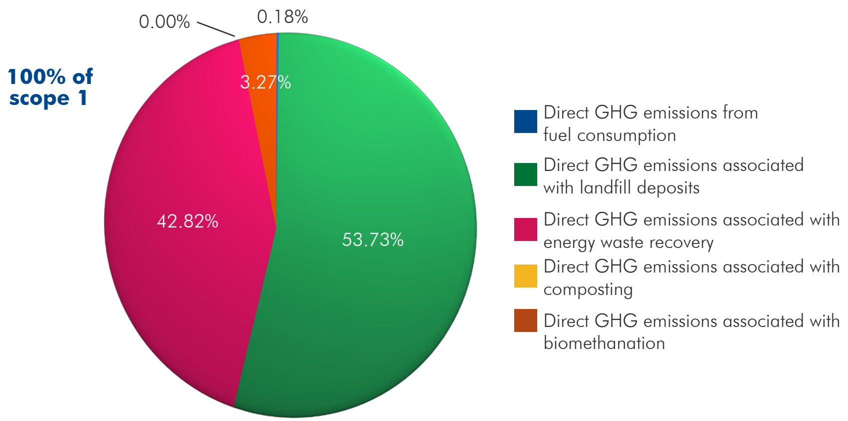
In May 2014 the verification of the organisation's carbon footprint was provided for 2013 in accordance with the established biennial frequency.

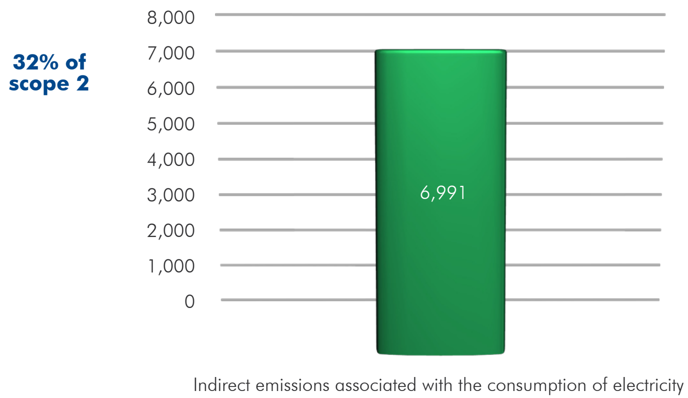
Moreover, FCC Medio Ambiente, has established a methodology and designed tools that will enable the calculation of the carbon footprint specific to urban services activities and their key intensity indicators. This more specific level of consolidation will be used to perform more extensive monitoring of energy management as well as the management of GHG throughout the term of the contracts.

2013 FCC Medio Ambiente Carbon Footprint



Distribution of sources of greenhouse gas emissions where FCC Medio Ambiente has the operational control





OBTAINING THE ENERGY MANAGEMENT CERTIFICATE IN FCC MEDIO AMBIENTE

In 2013, FCC Medio Ambiente obtained the Energy Management Certificate, GE -0022/2013, from AENOR, which it has implemented into its activities at its offices in Barcelona and the Balearic islands. It is a distinction that recognises the energy efficiency of the activity and that accredits the implementation of continual improvement of the Energy Management System in accordance with UNE-EN ISO 50001:2011.

The energy consumption is linked to the generation of greenhouse gases, therefore improvement in energy efficiency also means a reduction in greenhouse gas emissions.

The nine facilities included in the scope of the AENOR certification which comply with the requirements of the standard and that have planned and implemented defined improvement opportunities correspond to the activities of: Municipal Solid Waste (MSW) collection, selective collection of waste, cleaning of containers, street cleaning, maintenance of street furniture and children's play areas, cleaning and maintenance of buildings, cleaning and conservation of the sewerage system, and the cleaning and maintenance of fountains.

3.3.2 Carbon footprint measurement in FCC Aqualia

One of the main concerns of FCC Aqualia in its commitment to fighting against climate change, is the focus on improving energy efficiency in its activities. Through seeking new lines of investigation, the Company pursues a twofold objective: the improvement of environmental management and a reduction in the amount of services provided to clients, since electrical consumption represents 8% of the cost paid by the end user for the services provided.

FCC Aqualia has implemented an **Energy Management System** in accordance with the requirements of ISO 50001:2011.

MEASUREMENT AND CERTIFICATION OF THE CARBON FOOTPRINT OF THE INTEGRATED WATER CYCLE IN LERIDA

In 2012, following the guidelines established in the corporate climate change strategy, FCC Aqualia became the first company of the water sector in Spain to perform an analysis of the carbon footprint of greenhouse gas emissions (GHG) in the integrated water cycle in Lerida. In 2013 FCC Aqualia also became the only company in the sector in Spain to have its carbon footprint verified by AENOR.

The study, certified by AENOR based on the UNE-EN ISO 14064-1:2012 Standard, has a full scope since it takes into account both direct and indirect GHG emissions. AENOR certified that the water management services of Aigües de Lleida, of FCC Aqualia, generates emissions of 3,045 tonnes of CO_2. The certification of the carbon footprint for the integrated cycle in Lerida allows the Company to be aware of, and control, the emissions of the management and products, improve its competitiveness and increase transparency of the activity with respect to stakeholders. Furthermore, the work has identified and quantified the amount of fixed carbon (carbon retained in the biomass for more than 100 years), the emissions avoided, and the actual emissions that come from the burning of biomass.

It is important to point out that 90% of all GHG emissions come from the water treatment plant, due to the physical-chemical processes that are involved in waste water treatment. Therefore, the study has revealed that the noteworthy environmental management of the WWTP allows the emissions caused by electrical energy consumption to be offset by avoiding other emissions.

This initiative means a further step in the Company's eco-efficient management strategy, since it allows for the identification of new environmental improvements and the reduction in both emissions and energy consumption. The initiative to calculate and verify GHG emissions will be implemented into more towns where FCC Aqualia provides services.

OBTAINING THE ENERGY EFFICIENCY CERTIFICATE IN ALCOY

In 2012 the drinking water supply facilities in Alcoy, managed by FCC Aqualia, received the GE -0038/2010 certificate from AENOR for its energy management system, which was in accordance with Standard UNE-EN ISO 50001:2011. This distinction, renewed in 2013, recognises the drinking water supply activities managed by the Company. The certification under this Standard helps the companies in the sector to reduce their energy consumption and Greenhouse Gas emissions.

In order to obtain the certification, FCC Aqualia carried out a series of measure to improve the efficiency of the system. The replacement of groups of pumps and the installation of frequency converters for ones that are more efficient; the installation of remote stations connected to a remote control station; sector meters with data recorders that allow for the detection of leaks and therefore reduce their occurrence as much as possible; the replacement of bulbs for energy-saving bulbs and the installation of switches whose timing can be programmed, has meant that the integrated cycle managed by the Company has been modernised.

AENOR has audited that the requirements of the standard have been met and that the established consumption base line has been checked, the opportunities for improvement have been detected, action taken with regard to same, and that there is continual improvement in energy performance.

3.3.3 Measurement of Scope 3 Emissions in FCC Construcción

FCC is committed to sustainable construction with the focus on energy saving, emissions reduction and being environmentally-friendly.

FCC Construcción has implemented a system of best practices (Sistema de Buenas Prácticas®) which ensures an improvement in the activities environmental results and that goes beyond legal requirements.

The main measures consist of the following: the reuse of excess clean rubble and earth from the site itself, proper maintenance of machinery, speed control of vehicles on site, and the use of less contaminating fuels, etc.

THE CONTROL OF SCOPE 3 EMISSIONS AT FCC CONSTRUCCIÓN

As part of the Company's commitment to reducing emissions in combating climate change, it is worth pointing out the effort made by FCC Construcción to reduce Scope 3 emissions; emissions produced as the result of the Company's activity but that are generated from sources beyond its control: transportation of employees, transportation of purchased fuels, emissions in the supply chain, etc. Among the main initiatives carried out are the following:

- Redesign of processes, such as the optimisation of routes, promoting the consumption of local resources closer to the construction site, use of less contaminating fuels, better lighting and control of energy consumption.
- Replacement, modification or renovation of the equipment, with the suitable maintenance of machinery and construction site vehicles and adjusting the intensities and types of lighting installed.
- Awareness campaigns aimed at employees and subcontractors, with initiatives such as speed reduction on construction sites.
- Emissions inventory, certified by AENOR, in which the following Scope 3 emissions are included:
    - Emissions associated with production and transportation of consumption materials. It takes into account emissions from the production and transportation of concrete, asphalt and steel, and the emissions from the transportation and movement of earth and aggregates.
    - Emissions associated with the incorporation of subcontracted business units into the scope of the Group.
    - Emissions associated with the transportation and management of surplus materials and waste.
    - Emissions associated with the transportation of personnel for Company business trips.
    - Emissions due to the loss in transmission or distribution of electricity.

4. Environmental management at FCC

Commitment to the protection and conservation of the environment

The environmental policy of FCC Group reflects the Company's commitment to the protection and conservation of the environment. Environmental management is an integral part of the Group's business strategy and therefore all business divisions take it into account during their daily activities.

The company actively promotes the environmental optimisation of production processes as a means of reducing its environmental impact.

In order to reduce the effect of the impact of its activity, FCC performs a series of studies in order to identify, classify and evaluate the impacts that are made from by facilities, and subsequently establish the measures necessary to minimise negative environmental impacts.

*As stated previously, with regard to the data included in this subsection it is necessary to take into account the reduction in activity during 2013 (fundamentally in Infrastructure business), and that changes have been made in the scope of the reported data.

Environmental management. Milestones in 2013

- Certification of energy management in the city of Barcelona in FCC Medio Ambiente: ISO 50001
- Servicios del Levante SA environmental certification in FCC Medio Ambiente: ISO 14001.
- Certification of the Reus contract within the EMAS regulatory framework.
- Implementation of operational efficiency systems in FCC Aqualia
- Nomination of FCC Construcción as Global Environmental Ambassador for 2014 for the environmental project developed by FCC in Enniskillen Hospital.
- On-line provision of FCC Construcción's CACUMEN tool, for the collection and consolidation of operational environmental data related to the division.
- Evaluation regarding sustainability of FCC Construcción tenders: categorisation of projects according to economic, social and environmental risks.

- Obtaining the environmental management system certificate in 21 countries in which FCC Construcción is present.

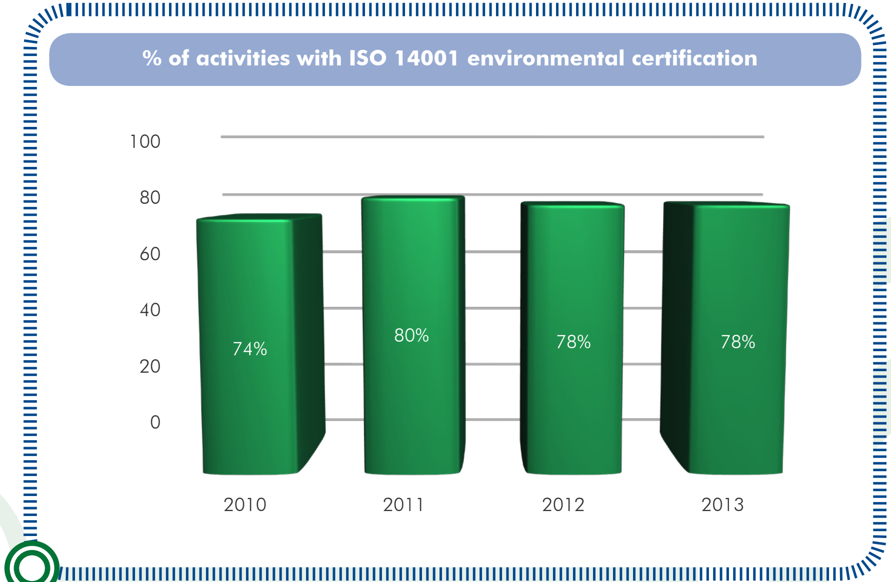
Environmental management. Challenges in 2014

- Maintenance of environmental certificates obtained for FCC Medio Ambiente centres.
- Measurement of FCC Aqualia's water footprint. Project in Cantabria in collaboration with the Complutense University of Madrid, the University of Cantabria and the Botín Foundation.
- Certification of FCC Contrucción's environmental management system in Mexico, Panama and Nicaragua.

4.1. Environmental management system

FCC's **environmental management system** is a basic instrument for the eco-efficiency of the production processes. The Company continually promotes the environmental certification of activities and installations.

Practically all FCC Group's business areas have an environmental management certificate in accordance with Standard UNE-EN ISO 14001:2004 in Spain, as well as projects that are developed in other countries. The objective of each division is to certify 100% of its operations under this standard. After each acquisition a period of 6 months is established, with the purpose of aligning the project with the Company's environmental policy.



The Spanish Technical Building Code (CTE) in the environmental quality management systems of the Company is important. The application of this code improves the efficiency in 100% of the buildings constructed by the Company.

In order to understand the effectiveness and degree of development of the initiatives and projects carried out, FCC makes use of an internal information collection and management system called **"Horizonte"**. In total it has 25 environmental indicators, broken down into groups, lines of business and countries, the tool also serves as a starting point for the design of improvement plans and corrective actions.

In 2013 **FCC Medio Ambiente** recorded the Reus contract under the EMAS certification. Furthermore, it achieved certification in energy management in the city of Barcelona under ISO Standard 50001. It was certified by Servicios del Levante SA in 2013 under ISO Standard 14001.

FCC Construcción has implemented a **System of Best Practices** with actions that ensure better environmental results that go beyond legal requirements. Based on the analysis of previous environmental impacts and their classification, the Company has categorised a series of actions that the sites select and implement in so far as they are applicable.

These best practices are weighted according to several factors. Thus the following achieve a better assessment:

- Actions that result in a greater benefit to the environment.
- Actions that are intrinsically better.
- Actions that are more innovative and result in a greater effort with respect to the sites (either due to the investment, research or ingenuity involved).

For the assessment of best practices, their scope must also be taken into account. Those that show a higher level of implementation, greater generalisation and a higher number of interventions will achieve a better assessment.

An IT application manages the Environmental Plan of the Company's sites and centres and ensures the reliability and availability of the data.

The information that is generated at each construction site, and that the site uses for proper environmental management, is entered into a database that allows the environmental pulse of the company to be gauged, that enables improvement actions to be undertaken and information is provided to society. A rigorous internal auditing system, and its own controls, that the data are subject to in the different integration processes, validates their accuracy.

4.1.1 Environmental management in the corporate culture

FCC aims to instil an environmentally-friendly corporate culture in all its processes and systems. Company considers training in environmental management systems to be a crucial investment in the promotion of proper environmental practices. At both the headquarters, and at different business units, procedures have been developed for these spaces to be considered Green Working Points.

The Group's 2012-2014 Corporate Responsibility Master Plan, ensures forward-looking targets are maintained with respect to the environmental policy and establishes as a target for 2014, among others, the evaluation of suppliers according to environmental, social and ethical criteria.

4.1.2 The Company's risk map includes environmental risks

As part of the process of drawing up the Corporate Risk Map, aspects relating to the analysis and management of environmental risks are included. The basic tool for the management of this type of risk is the environmental plan drawn up by each of the business units and which covers the following phases:

- Identification of environmental aspects
- Definition of environmental impact evaluation criteria.
- Measures required in order to minimise these impacts.
- System for measuring and monitoring targets.
- Subsidiary management systems with procedures for the management of environmental emergencies.

4.2 Efficient water management

Water is a differentiating factor as far as the social and economic development in various regions of the world is concerned. Different global trends such as climate change, growing populations, urbanisation processes and growing middle classes pose a serious risk to the availability of this resource. Water scarcity combined with the growing need to build and manage hydraulic infrastructure are the major challenges for all those involved in this sector.

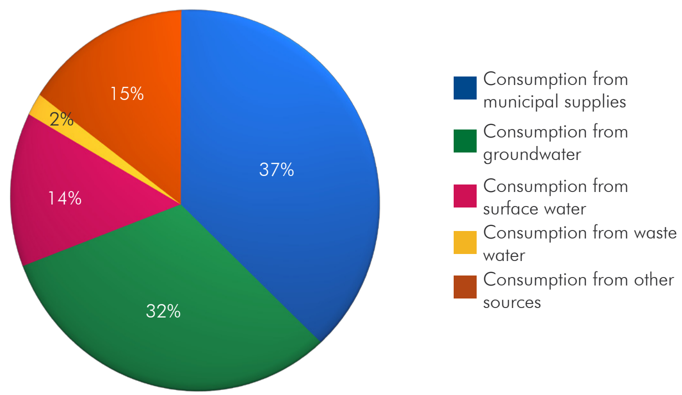
Since water is a key factor for the performance of many of the Group's activities, such as the environmental services activities (street cleaning and garden maintenance), or the manufacturing process of cement and concrete, FCC encourages the rational and efficient use of this resource and promotes the use of water from alternative sources.

The efficient management of this resource in FCC Aqualia is especially relevant. As a subsidiary of FCC specialising in integrated water cycle management, it serves a population of around 28 million people all over the world. Its experience and efficiency in the management of water resources is an extra pillar in our commitment to the sustainable development of FCC.

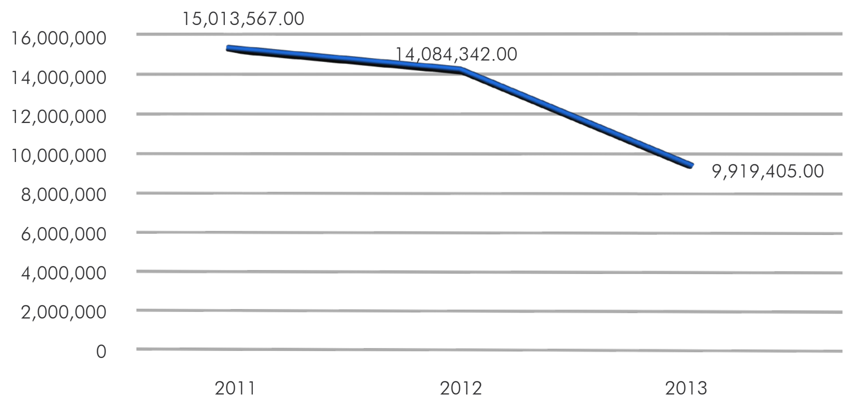
In 2013, FCC Group's water consumption amounted to 9,919,405 m^3, of which 37% is from municipal supplies.

The decrease in water consumption is directly related to the reduction in the volume of the Infrastructure activity (construction and cement), these activities have consumed approximately 3.5 million cubic meters less. The data does not include self-consumption of the integral water cycle management activity.

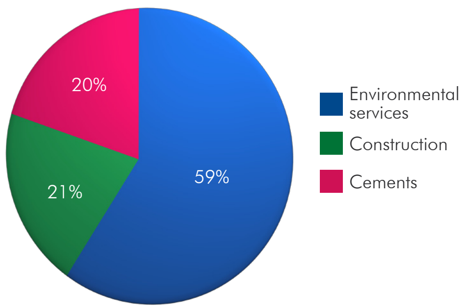
Water consumption according to source (%)



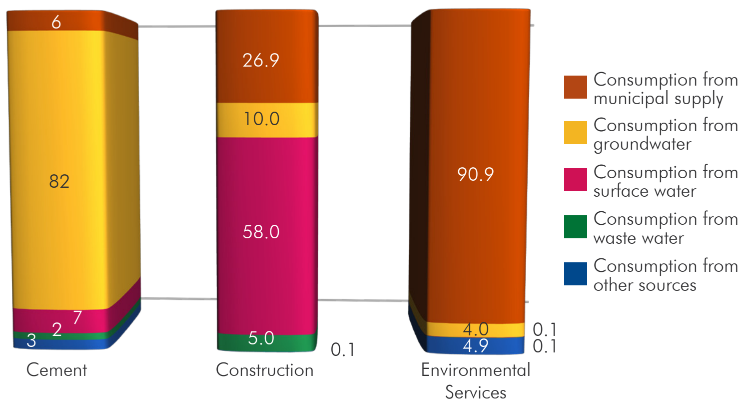
Total consumption of water (m^3)



Water consumption by business area



Water consumption by business area according to source (%)



4.2.1 Water management at FCC Aqualia: present in the integrated water cycle

FCC Aqualia offers solutions for the integrated water cycle regardless of its use: domestic, agricultural or industrial. Its experience in this area helps improve efficiency in the management of water resources in the other Group companies and controls all the phases in the integrated water cycle, pursuing the optimization of resources that promote sustainable development.

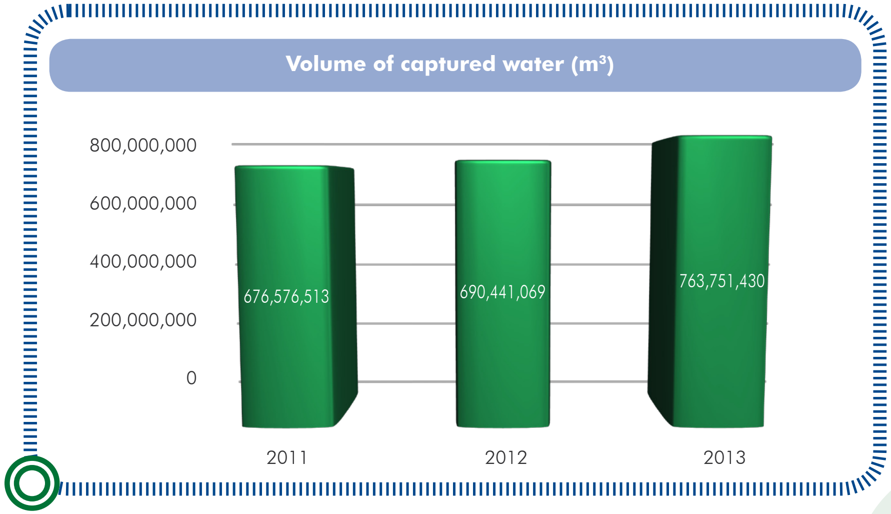
The integrated water cycle starts from the capturing, purification and treatment of the water collected from the natural environment, to its distribution and collection of used water for its subsequent purification and return to the environment where it was obtained.

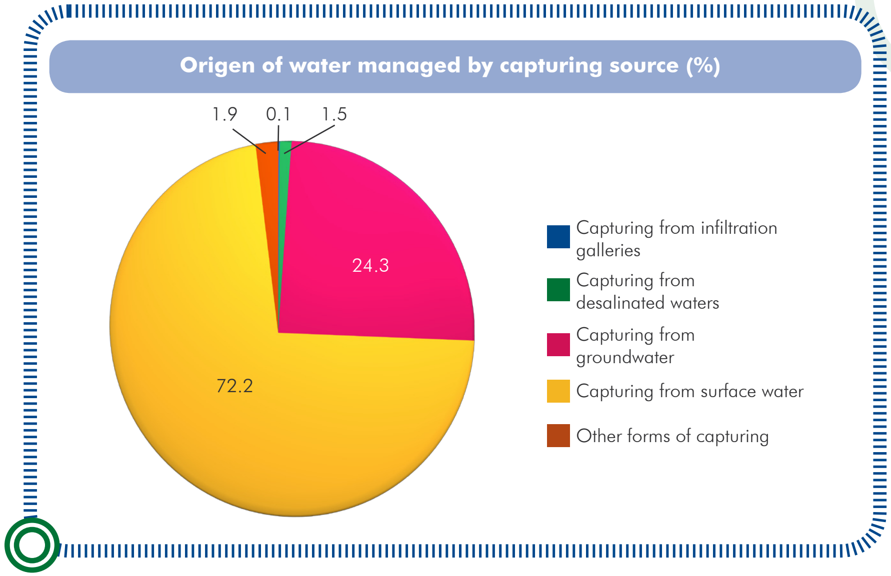
Currently the company is present in over 1,100 municipalities throughout the world, and has the capacity to serve around 28 million people. FCC Aqualia is considered an expert in the field of integrated management due to its extensive and proven experience in all phases of the water cycle.

FCC Aqualia's main asset to protect the environment is investment into research and development through work on sustainability, which involves working on reducing the environmental impact, reducing energy costs, and using sludge treatment equipment as resources, as well as creative alternative treatments.

FCC Aqualia has management systems certified in accordance with Standard UNE-EN ISO 14001 in all its activities, which allows the correct implementation of the environmental plans. As the Company expands the scope of said certification it facilitates the homogenisation of plans as well as the maintenance of quality levels.

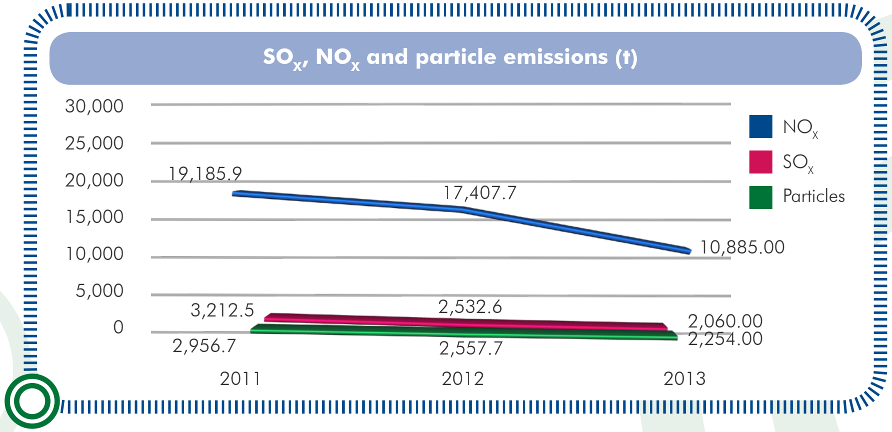
The total volume of captured water for management carried out by FCC Aqualia in 2013 was **763,751,430 m³**.

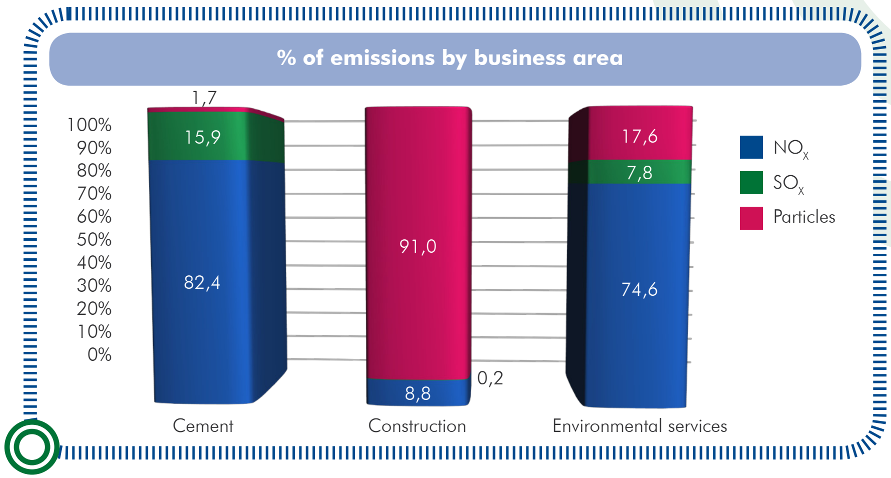




4.3. Atmospheric emissions

The Group's main emissions, in addition to carbon dioxide emissions (CO_2), are nitrogen oxides (NO_x), sulphur dioxide (SO_2), CFC and solid particles. NO_x emissions are produced primarily in the cement business; SO_2 emissions are mainly produced in the Environmental Services business, and the particles in the infrastructure business.





All the Group's centres subject to Integrated Environmental Authorisations (in accordance with Law IPPC 16/2002) have established atmospheric emissions' limitations for all their sources of emissions. In general, they all have gas cleaning and filtering systems that use different techniques depending on the characteristics of the process generating the emissions.

4.4. Control of discharges and spillages

FCC Group establishes very demanding and specific procedures for the prevention and proper management of spillages by means of its environmental management systems and integrated environmental permits. In order to avoid negative environmental impacts, each centre has defined action protocols that establish responsibilities and what to do in the event of an accidental discharge or spillage.

The Company's own waste water receives different treatment, according to its nature and contaminant load, before being returned to the environment, with the purpose of complying with the established discharge limits set out in the regulation, or in the permits.

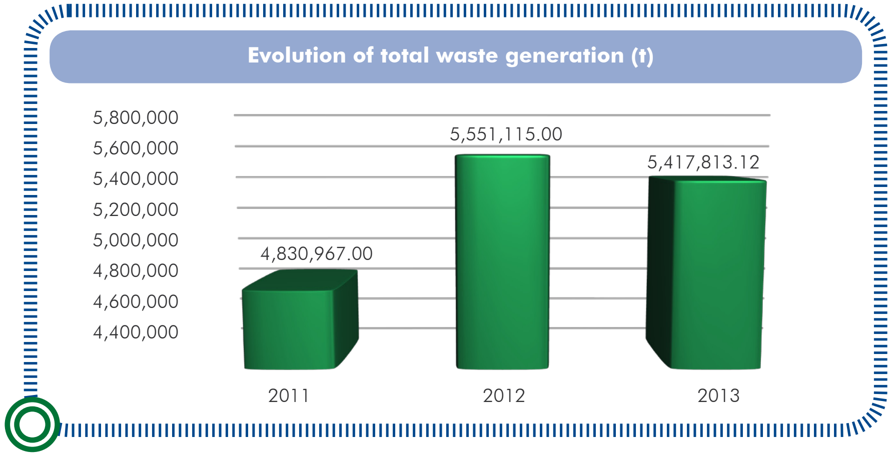
Total volume of discharged water (m^3)	
2012	2013
5,950,039.84	3,063,125.22

Furthermore, it is important to point out that FCC Group manages and treats other discharges that do not come from its own activities, as part of its integrated water cycle activities performed by FCC Aqualia.

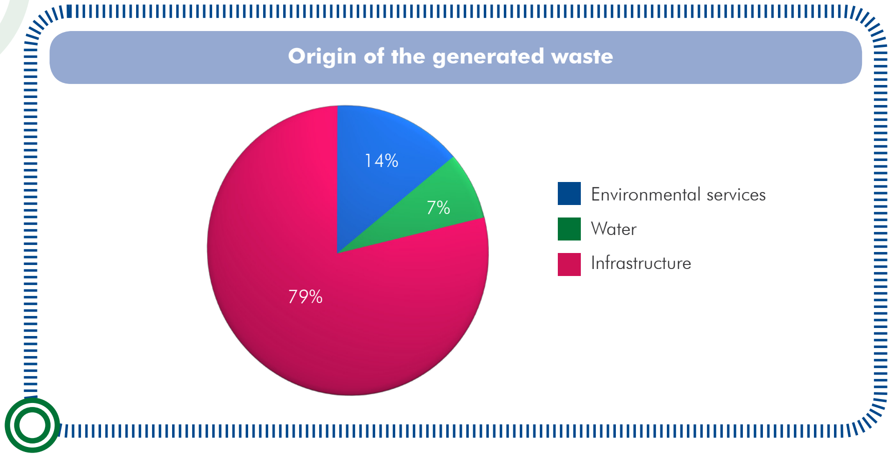
Volume treated in waste water treatment stations and returned to the environment (m^3)	
2012	2013
499,002,489	557,073,556

4.5. Waste management

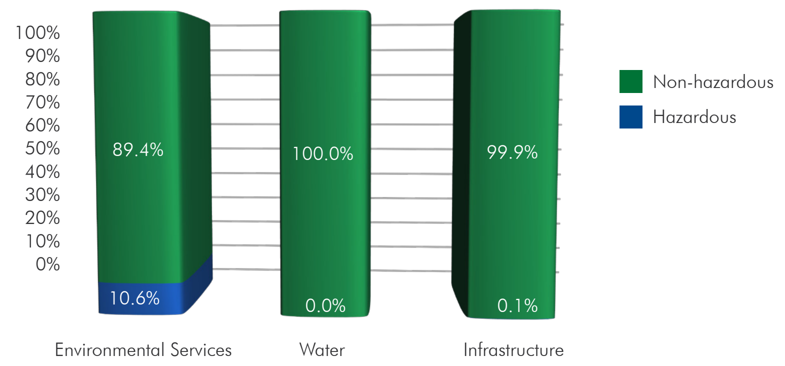
The growing need to manage waste is the result of the growth of the population in urban centres linked to economic development. FCC's strategy is committed to recycling, reuse and recovery of waste in order to face up to this problem.



Each of FCC Group's business areas has its own waste management plans, in line with the responsible consumption of raw material criteria in order to minimize their generation.



Following the "three Rs" rule (Reduce, Reuse, Recycle), as the strategy applied to waste management, FCC Group gives priority to reducing at origin.

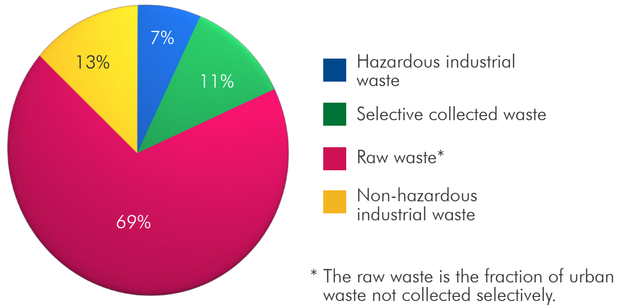


The Group has a business division that specialises in integral waste management, and the waste volume collected is more than 6.69 million tonnes of different types of waste (industrial and urban, hazardous and non-hazardous waste). Among the FCC companies that specialise in waste management are FCC Medio Ambiente, FCC Environment (UK), ASA and FCC Ámbito.

FCC Medio Ambiente, FCC Environment (UK) and ASA. are subsidiaries of the Group that provide urban sanitation services, such as municipal waste collection, street cleaning, treatment of urban wastes and the maintenance and upkeep of parks and gardens. FCC Group is a leader in this sector in Spain and is one of the largest operators in the United Kingdom, Austria, Portugal, Egypt, Czech Republic and the following eastern European countries: Slovakia, Hungary, Poland, Romania, Bulgaria and Serbia. It provides services to more than 72 million citizens.

Furthermore, FCC Ámbito provides services in the field of integrated management of industrial waste, industrial cleaning, decontamination of soil and external intervention in case of accidents, spillages, discharges, etc.

This diversity, taking into account the broad range of waste that it manages, and the breadth of countries across which it offers solutions, makes FCC Group one of the world's leading companies in integral waste management. So much so, that throughout the whole of 2013, the Group collected more than 6,692,653.44 tonnes of different types of waste, the majority being urban waste, both raw and from selected collection.



With regard to waste treatment, FCC Group has facilities for the treatment of all types of waste. The company carries out recovery processes, elimination in controlled landfill, deposits in rubbish tips and stabilization.

In 2013 the company treated 17,091,361 tonnes of waste at its facilities.

Waste treatment: % of the total admitted at FCC facilities	
Recovery in selection and classification plants	4.0
Recovery by biological treatment	3.1
Recovery by heat treatment	2.3
Recovery in construction and demolition-waste plants	0.0
Elimination in controlled landfill	80.7
Deposits in rubbish tips	0.0
Recovery by recycling	0.2
Energy recovery	0.0
Recovery by physical-chemical treatment	3.1
Stabilisation	0.6
Transfer to an end manager	6.0

4.6. Biodiversity protection

The activities of the Group have an associated impact on the territory, and therefore on biodiversity. The material impacts on the environment mainly take place within the infrastructure division. To mitigate the effect that these impacts have on the environment as a result of construction and development of quarries, the Group is developing comprehensive management approaches for the restoration of affected spaces and protecting biodiversity. Therefore, the physical condition of the environment in which they work to receive indigenous biodiversity, the management of the natural environment to improve the conditions of biotopes and eradication of invasive species of high ecological impact, are the guidelines on which the activities of the Group are based in its concern for the conservation of biodiversity.

The estimated surface area of protected zones or areas of high value for biodiversity, contained within, or adjacent to, the areas where FCC operates is 217,485.83 hectares.

It is important to point out that in 2013 FCC joined the Spanish Corporate Biodiversity Initiative (IEEB), promoted by the Biodiversity Foundation of the Ministry of Agriculture, Food and the Environment.

The initiative aims to integrate biodiversity protection as another factor to consider in the strategic decisions of companies. FCC was one of the first companies to join the initiative.

4.7. Communicating and disseminating environmental issues

It is important to point out the effort made by FCC in the sharing of their knowledge and experience in matters of best environmental practices by participating in events and initiatives relating to the environment. This way the Group contributes to reflecting and learning about the professional practice of environmental excellence and about responsibility with regard to the environmental behaviour of citizens.

ECOSYSTEM SERVICES

Given the growing importance of **protecting biodiversity** in the urban environment development model, in 2013 the Company opened up lines of investigation with the purpose of improving the quality of life of the citizens in those municipalities where it manages green zones.

The green spaces, as with ecosystems, provide the community with a range of benefits, known as **ecosystem goods and services**. Experts have defined four types of services:

- **Supply services** of the goods themselves, such as food, water, wood and fibres, etc.
- **Regulation services** of the climate and rainfall, of water (for example flooding), of waste and the spread of disease.
- **Cultural services** that provide beauty, inspiration and recreational values, etc.
- **Essential services**, such as soil formation, photosynthesis and the cycle of nutrients, which are the mainstay of growth and production.

New importance is gaining ground regarding a focus on ecosystem services for **quantifying the benefits produced** from green services in the cities (CO_2 sinks, generating business as a result of a change in attitude, air purification, recreational activities, etc.).

Therefore, as a Company with extensive experience in the conservation and upkeep of parks and gardens, lines of research on matters of regulation and cultural services are especially relevant, which when quantified economically, can be included in the services offered by FCC.

4.8. A differentiating environmental service: tools and indicators for efficient management

In recent years FCC has been developing different initiatives for the measuring, coordination and spreading awareness of its environmental performance. Among these initiatives the following have been implemented by the Medio Ambiente division:

- ce2d® methodology: for establishing and monitoring environmental performance
- SEDRUS® knowledge platform (Sharing Environmental Data to Reflect Urban Sustainability): for the dissemination of environmental data on matters of park and garden management, sustainable management of treatment facilities, and the elimination of, and fighting against climate change.
- Methodology and Verification of the Organisation's carbon footprint (base year 2011)

With the ultimate aim of presenting a differential service based on economic and environmental efficiency, and on reliability, it is important to use the information and experience acquired in the above-mentioned initiatives in order to move on to the next level of production services. To this end, currently FCC is trying to establish and calculate the indicators that will allow the efficient and sustainable management of the environmental services provided, during the awarded management services contracts, to be expressed, seeking and demonstrating efficiency in the use of resources, both energy and water, and minimising Greenhouse Gas emissions (GHG).

EFFICIENT MANAGEMENT INDICATORS REGARDING RELEVANT ISSUES

The strategic guidelines established by the EU aimed at the responsible use of resources, recovery of waste and the reduction of GHG signifies significant risks and opportunities for those organisations that FCC is developing.

Based on this context, the company is working towards the identification of relevant matters for different stakeholders in order to demonstrate their technical solvency with regard to these aspects.

Since 2013 FCC's Medio Ambiente division has been working on the definition and validation of efficient management tools regarding relevant issues, such as the management of resources, energy and water, and the reduction of GHG emissions. The management of said matters will be limited to contracts in which the company has operational control, meaning, where it has the capacity to act and can commit itself to establishing improvement objectives.

The efficient management indicators of relevant matters, that the company has been addressing consecutively, can be classified at different levels.

Organisation	In May 2014 FCC Medio Ambiente's carbon footprint for 2013 will be verified, and it will be compared with that of the base year (2011).
Activities regarding the collection of waste, street cleaning, and the upkeep of parks and gardens	In May 2014 an audit will be performed on the methodology and tools designed for the calculation of the indicators that will allow the sustainable management of the services provided to be expressed, for activities regarding the collection of waste, street cleaning, and the maintenance of parks and gardens.

[2] This methodology and the calculation tools have been designed, adjusted and validated by a scientific entity and their adaptation to recognised standards has been validated by an entity of recognised prestige that specialises in Climate Change.

Activities regarding treatment and the elimination of waste

At the beginning of 2014 the Company created a steering group for treatment and elimination activities, in which a series of case studies were raised which, over the next two years, will involve the monitoring and evaluation of relevant matters detected. This work will enable the demonstration of the Organisation's technical capacity with regard to efficient management in the use of resources, as well as in the reduction of greenhouse gases at landfill sites, and in the recovery of materials.

With the establishment of these methodologies and indicators for efficient environmental management, in 2016 they will then be extended to FCC Medio Ambiente division's activities and service contracts when requested by customers. These tools will allow FCC Medio Ambiente's management ability to adapt to environmental demands to be demonstrated to stakeholders.

TOOLS FOR EFFICIENT MANAGEMENT

The environmental services subsidiary in the United Kingdom, **FCC Environment** has implemented a software tool called **WRATE** (Waste and Resources Assessment Tool for the Environment), which allows environmental impacts of different municipal waste management systems to be compared. The program uses life cycle evaluations to include resources used, the transportation of waste and the operation of a wide range of waste management processes with their environmental benefits and costs. WRATE is designed so that managers can easily apply complex techniques for the management of the life cycle of urban waste. The results are easy to understand and interpret for financial managers, politicians, and other stakeholders.

CONNECTING CITIZENS

Maximising the positive impact of activities in the community.

FCC Group intends to link the performance of its activity with the current demands of society. The Company is committed to maintaining an open attitude to dialogue with different stakeholders in order to consolidate the sustainability of its business. The Company involves citizens and its own employees in the development of sustainable solutions.

The ultimate objective is to generate maximum social value by means of interaction with FCC stakeholders and creating added value activities. The main lines of action are:

- Establish a sustainability observatory (sustainable radar), by means of dialogue platforms at town and city councils with the objective of connecting FCC management with the trends and needs of future communities.
- Promote sustainable behaviour among citizens (active sustainability). This means involving communities in the development and start-up of sustainable solutions.
- Promoting the participation of workers, by means of designing programmes for the development of the "responsible local commitment" concept.
- Consolidate the corporate volunteer programme in collaboration with the Esther Koplowitz Foundation and its residential homes in Madrid, Barcelona and Valencia, for the elderly that do not have any resources or young people with physical disabilities.
- Maximisation of sustainable value by means of positive impact action that strengthens the public appreciation of the service that the Company provides.

Content

1. Social commitment as a distinguish feature in FCC Group

The Corporate Responsibility Master Plan defines the framework of action regarding FCC Group's social matters. The main social commitment actions carried out by the Company are supervised and approved by Senior Management.

Included in these actions are those relating to the signing of conventions and agreements with universities, business schools and technical centres and colleges, donations, corporate volunteering and the provision of support to public and private institutions and associations.

In 2013, FCC Group's activity, aimed at social projects, was centred on education, support for people with special needs, heritage conservation, dissemination of art and culture, promotion of sport, and environmental awareness, among other things. The amount allocated to corporate citizenship projects reached a total of 4.017 million euros.

Social commitment. Milestones in 2013

- Start-up of the First disability and social and occupational integration week.
- Support by FCC Environment to social and environmental campaigns through the WREN foundation.
- Collaboration in professional training initiatives by FCC Ámbito such as the 2013 Youth Project in collaboration with INDESPRE and REPACAR.
- FCC Aqualia was a finalist in the Territorio y Marketing awards for the educational initiatives developed by the Company in Oviedo.
- Celebration of World Environment Day with the 11th Edition of FCC Aqualia's drawing competition which was a great success with regard to participation.

Social commitment. Challenges in 2014

- Develop metrics to assess the impact of its corporate citizenship projects.
- Development by FCC of the environmental volunteer programme "Teachers for a day"

1.1 Education: collaboration with universities, colleges and business schools

Cooperation within the sphere of education represents a traditional line of action with respect to the social commitment activities of FCC Group. Knowledge and experience of the employees are the main assets of the project developed by the Company. FCC makes use of this expertise and carries out educational activities aimed at economic, environmental, social and cultural development of the local communities where it operates.

Each one of FCC Group's lines of business promotes its own educational activities. In 2013 specifically the Medio Ambiente division invested a total of 2.7 million euros in initiatives for the protection of the natural environment and the promotion of the efficient use of resources through educational activities.

FCC's objective is to share knowledge in the areas in which the Company specialises, fundamentally in the areas of waste management, combating climate change, improving air quality, maintenance of parks and gardens, and social corporate responsibility, among others.

Main agreements and initiatives on education in 2013:

FCC MEDIO AMBIENTE

Collaboration with the Design and Processes Engineering Department of the **University of Huelva (UHU)** in:

- The IISIS "Integrated Research on Sustainable Islands" project, for the management of waste in island environments.
- Measurement of the carbon footprint of the services.
- Technical advisory agreement signed by the **Polytechnic University of Valencia (PUV)** for the control of pests and diseases in urban trees.

Agreements signed for the performance of work experience:

- The **Confederation of Aragon Entrepreneurs (CREA)** for the performance of non-labour work experience at its centres in Zaragoza.
- The **University of Zaragoza** for the performance of work experience.
- **Dynamic Zaragoza (Zaragoza Municipal Institute for Employment and Business Development)** for performance of non-labour work experience at work centres.
- The **Integrated Centre for Professional Training in Aguas Nuevas** for performance of non-labour work experience at work centres in the parks and gardens in Albacete.
- The **Olot Professional Technical School, the Centre of Financial Studies in Barcelona** and the **Agustí Serra Institute** so that their students can gain work experience in the Company.
- The **University of Tarragona (Rovira Virgili University)** promoting end-of-course projects and collaboration agreements.
- Agreements with the **University of Vigo** for the training of students and a job bank concession in the Barbanza Environmental Complex.

FCC AQUALIA

Collaboration with the **Industrial Organisation School (EOI):**

- Presence in the **Advisory Council on Quality and Excellence**.
- **Programme for the Development of Management Skills**, where the participants received training for the development of management skills and competences, key to developing their professional positions.
- Courses with the **Technological Institute of Water (TIW)** at the Polytechnic University of Valencia to train its workers in technical matters.

Collaboration in courses with the following universalities:

- Course "Smart Cities and Innovation in Services" (July 2013). International University of Menéndez Pelayo. (UIMP). (Santander).
- Course "Management of Urban Services. Smart Cities" (July 2013) University Laguna in Adeje (Santa Cruz, Tenerife) 21st Edition.

FCC CONSTRUCCIÓN

Matinsa- FCC Construcción's conservation and maintenance company:

- Agreements to establish grants for the practical training of students in the final year of their degree.
- Agreements have been signed with the Polytechnic University of Madrid (PUM), the Polytechnic University of Valencia (PUV) and with the University of Castilla la Mancha.

Brazil delegation:

- Collaboration agreements with the University of Rio de Janeiro: provision of data for the mathematical prediction model developed by the University of Cantabria.

Panama delegation:

- Agreements with four universities, USMA, UMA, University of Panama and the Technological University.

Algeria delegation:

- Agreement with the Polytechnic University of Tiaret for running seminars on Technical Planning, Concretes and Quality Management

1.2 Support for groups at risk of social exclusion and inclusion difficulties

The FCC Group includes, within its Corporate Social Responsibility, support for associations that work towards integrating people with disabilities and promote equal opportunities in access to employment as part of its human resources policy. The Company sees integration as work integration, which involves the full development of some workers.

In 2013 FCC Group continued its affiliation with the **INSERTA Programme** of the ONCE Foundation (Spanish Blind Association), which aims to promote the labour integration of persons with disabilities into its workforce. Both parties have combined forces to develop joint projects and to promote and facilitate the full integration of people with disabilities into society.

Likewise, FCC Group has continued to develop activities around the **Family Plan** signed with the Adecco Foundation, to promote labour integration for people with disabilities, with a special focus on employees that may have family members with disabilities of some kind.

1.3 Evaluation of the social impact of FCC projects, a driving force for progress for society

The principles that guide FCC Group in its commercial activities are also applied in the Company's activities within the sphere of "Connecting Citizens". These principles are defined in the Code of Ethics, which establishes that as part of its social commitment, FCC Group will evaluate the **non-financial aspects** of the business projects in which it may participate as well as the material investments made".

FCC Group generates a positive social impact and therefore, in the performance of its business, it becomes a source of wealth and employment, and an important driving force for local development.

Likewise, FCC Group's commitment to society takes the form of **sponsorships and collaborations**, which are channelled, by means of agreements and the allocation of resources, to the community organisations in line with the company's strategy.

However FCC is aware that its activity, on occasions, causes a negative social impact. The actions that have the greatest potential for negative impact are those related to the extraction of materials, carried out by the Cement Division, and the activities of the divisions involved in waste management. It is for this reason that, before beginning each project, FCC Group carries out proper **environmental impact studies**. Moreover, some

I[ST] DISABILITIES AND SOCIAL AND OCCUPATIONAL INTEGRATION WEEK

In 2013, FCC Group launched the **I[st] Disabilities and social and occupational integration week**, in collaboration with the Adecco Foundation and the ONCE Foundation. During this week, the Servicios Ciudadanos Group held a programme of events in which employees participated.

The aim of this week was to help extend a vision of enriching people with disabilities, actively promoting integration and normalisation in society, especially in the professional field. By means of these events FCC Group also intends to contribute, where possible, to the day-to-day improvement of both social participation and family conditions.

2013 Youth Project: Collaboration with **INDESPRE and REPACAR**

In 2013, **FCC Ámbito** collaborated with **INDESPRE** (a company that specialises in providing training activities for companies of particular industrial sectors) and **REPACAR** (Spanish Association of Paper and Cardboard Recycling) in the **2013 Youth Project**. The programme consists of providing training on work at paper and cardboard waste plants to young unemployed people, for the subsequent work experience in companies of the sector. **Marepa**, a subsidiary of FCC Ámbito, is a company that takes on work experience students from the Plant Operator course in paper and cardboard waste companies.

of the Group divisions implement **dialogue processes** with local communities with the objective of understanding their opinions and expectations, and adapting to their needs.

With regard to social projects, FCC Group ensures its commitment to transparency and participation. The Company does not only play the role of donor. FCC uses **control measures and periodical reviews of its social activities** with the purpose of measuring the scope or value generated based on projects that contribute to the social development of the communities in which it operates.

In order to comply with the objective of the Corporate Responsibility Master Plan relating to the **maximisation of value**, FCC Group considers the development of new performance indicators to be key to measuring the outcome of corporate philanthropic activities and corporate citizenship.

With this objective, FCC intends to implement **new procedures to measure the social impact** of the Company's activities in order to strengthen the concept of Citizen Services. In order to demonstrate to citizens and public administrators the added value generated by the activities of FCC Group, the **established objectives in this regard** are the following:

- The creation of an observatory for the monitoring and analysis of trends related to sustainability, including in the specifications of tender contracts in the main markets in which the Company operates.
- The identification of activities carried out by FCC Group that will allow the improvement of environmental and social performance of same, in accordance with the Law on Economic Sustainability.
- The development of a methodology for developing and demonstrating the added social and environmental value generated by the Company's activities for their inclusion in FCC Group's service offering.
- Publication of a sustainable practices catalogue for internal distribution

PRIORITIES OF THE WREN FOUNDATION IN 2013

A significant development in 2013 was the launch of a pilot scheme for the creation of a new fund. WREN's investment showed that it is often the most underprivileged communities where it is the most difficult to obtain positive results from significant investment, due to a lack of necessary experience for identifying and or developing projects. FCC Environment's Building Communities Fund will help address this matter. The first pilot scheme will take place in the community of Gainsborough, in Lincolnshire and will be extended to other areas of the United Kingdom if the scheme is successful.

Furthermore, in 2013, the Foundation supported two projects in collaboration with the Scottish Government's Cashback for Pitches Fund totalling £100,000 (121,625,00 euros). By means of a fund created from money recovered from procedures on crime legislation, the WREN foundation will support the installation of a network of AstroTurf fields for playing football and rugby in different communities throughout Scotland. The initiative is mainly centred around those areas in which anti-social behaviour and delinquency have a particular effect on people living in these communities, and has a clear emphasis on young people.

On the other hand, through the Biodiversity Action Plan – which helps achieve important government improvement objectives and nature conservation – the Foundation supported 12 large projects totalling £2.7 million (3.283.875 euros).

Through the Heritage Fund - whose objective is to preserve some of the most important buildings in the United Kingdom - the Foundation supported a further 19 projects totalling £835,000 (1,015,568.75 euros).

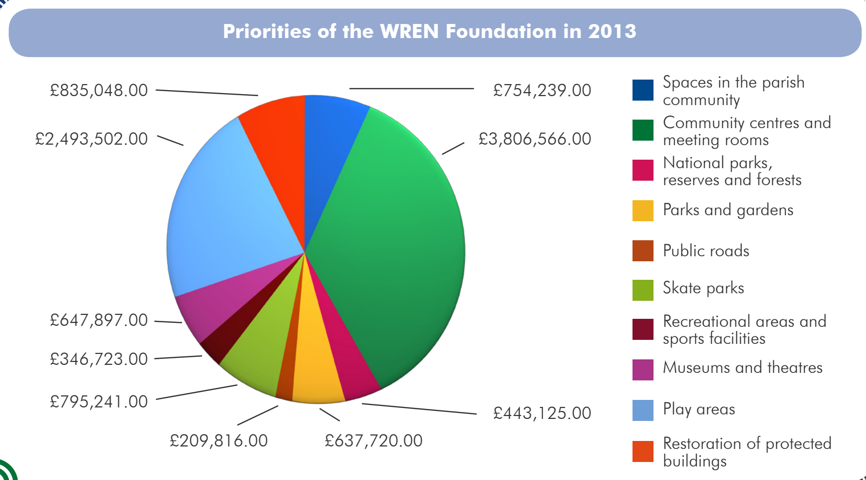
Building communities and changing lives: WREN FCC Building Communities

Through the independent non-profit-making foundation WREN, FCC Environment, as part of the FCC Building Communities programme, provides enormous benefits to communities and the environment in the United Kingdom as a result of land fill operations. As part of the Landfill Communities Fund, FCC Environment can set aside part of the tax levied on each tonne of waste deposited in landfills for the WREN Foundation, which in turn uses the money for financing important social and environmental projects within a radius of 16 kilometres around the landfill site.

WREN's strategic approach to funding is based on three pillars of activity: community, biodiversity, and heritage. In 2013 WREN financed a total of 335 projects at a value of £14,790,200 (17,923,208.07 euros), close to a total milestone of £200 million (242.4 million euros) of financing since it was set up in 1997.

More information on the community work of WREN in the United Kingdom can be seen at http://www.wren.org.uk/schemes/fcc-building-communities

See graph on the following page



EDUCATIONAL ACTION FOR SUSTAINABLE DEVELOPMENT

36,578 reasons for a smart use of water

For yet another year FCC Aqualia celebrated the World Environment Day with the 11th edition of its drawing competition with a successful level of participation. In the event held on 22nd March, World Water Day, 36,578 3rd and 4th grade primary school students participated from 1,000 schools.

In this edition, held under the slogan "The future for water is bright, because you're creating it", the children created drawings of how the future in their municipalities will be, creating a thousand and one smart ideas for a responsible use of water.

FCC Aqualia raises awareness in all the municipalities where it provides services, giving value to the work that it carries out, such as the effort it has made in creating techniques and innovations that contribute to making the life of citizens easier by means of more efficient use of water and respect for the environment.

The International Children's Drawing Competition is already a reference point for the municipalities in which FCC Aqualia is present in Spain, Portugal, Italy and the Czech Republic. From the first edition it received more than 325,000 drawings. The event, a pioneering initiative in the sector, enjoys collaboration from schools, local councils and the press, for public awareness.

World Environment Day, celebrated under the slogan "Think. Feed Yourself. Save", is one of the main vehicles that the United Nations uses to promote global awareness about the environment. The objectives are focused on humanizing environmental issues, empowering people to become active agents of sustainable development, promoting the fundamental role of communities in changing attitudes towards environmental issues and encouraging cooperation, which will ensure that all nations and people enjoy a safer and more prosperous future.

Territorio y Marketing Awards

The Territorio y Marketing channel granted the finalist award of the Territorio y Marketing prizes for the educational action developed by FCC Aqualia in Oviedo. The objective of the organised activities was to contribute to education on matters of water management in order to give value to the activity and help sustainable development of water as a resource.

Every year the Territorio y Marketing Awards recognise the work of the institutions that have developed efficient and effective marketing strategies over the year regarding the environment. Within the "Sustainability" category, FCC Aqualia and the City Council of Oviedo presented all educational and solidarity actions organised around the 10th edition of the International Children's Drawing Competition, whose slogan was "A distinction for you, a distinction for the planet". Some of the highlights included collaboration with the Theodora Foundation and Action Against Hunger, as well as open days, educational talks, and the presentation of the comics Hidrokid and Gluglú, among others.

2. Corporate volunteering

FCC Group and its different business areas encourage the participation of its employees in achieving corporate objectives. The programme helps the social projects of the Esther Koplowitz Foundation, a point of reference in Spain for providing assistance to society's most needy.

The volunteer programme is an opportunity to promote, among employees, the benefits of participating in corporate citizen projects, supporting the company's mission to create value for society and to contribute to the welfare of people. The volunteer projects are developed in the field of cooperation, environmental education and aid to humanitarian emergencies.

In 2013, 447 people benefited from "FCC Volunteers", which involved the participation of 68 Company employees. In 2013 FCC Group invested €40,665.72 in in corporate volunteering activities.

Volunteering. Milestones in 2013

- 39 conferences organised within the programme "Fridays at the Old People's Home", by volunteers and personalities of Spanish life.
- A volunteers' day with the Adecco Foundation in the home for people with disabilities, "La Nostra Casa de Valencia".
- The redesign of the volunteers website

Volunteering. Challenges in 2014

- Organisation of laughter therapy workshops with the Theodora Foundation.
- Increase the number of volunteers.
- Launch the new volunteer website.

2.1 Providing community-focused volunteering

In 2013 FCC Group continued its commitment to the community by means of its programme entitled "Fridays at the Old People's Home", with an original series of conferences that followed the objective of sharing professional and cultural experiences with the residents of the Esther Koplowitz Foundation centres. Some of the highlights of the activities included musical, professional, religious, historical and gastronomical themed conferences, conducted by leading experts in various fields. In 2013 the series of conferences comprised 39 activities, including cultural and music events and conferences.

In May FCC Group and the Adecco Foundation organised a joint corporate volunteer activity for people with disabilities at the "La Nostra Casa de Valencia" home, part of the Esther Koplowitz Foundation. More than 20 volunteers swapped their usual work attire to become a pirate for the day, with a gymkhana theme, in order to give people with disabilities a boost, and to encourage and support the social integration of people with disabilities through these leisure activities.

NEW FEATURES OF THE VOLUNTEERS' WEBSITE

In 2013 the accessibility to the FCC Volunteers website was enhanced. As a tool for facilitating such activities, the new website highlights a more dynamic look, making it easier for FCC employees to join and participate in the activities, as well as access to information about upcoming events. This site is intended to be a platform for the participation of employees in the Group's corporate citizenship, promoting the concept of "Connecting Citizens" of FCC's Corporate Responsibility Master Plan. For more information visit: http://portaldelvoluntariado.fcc.es/voluntariado/voluntarios/index.html

Fridays at the Old People's Home. 2013 programme

CONFERENCE	VOLUNTEERS
Style and personal image consultancy	Dariem Pozo Lorenzo Style and personal image consultant
Antonio Machín, a whole lifetime (Musical Review of the life of the Cuban artist)	Javier López- Galiacho FCC Group's Director of Corporate Responsibility
Personal Training in the Company	Juan Luis Regaliza Training Director at El Corte Inglés
The role of the Virgin Mary in the year of faith	R.P. Daniel Zavala L.D.
Letter from John Paul II to the elderly	Eulogio López Escribano Founder and Director of the newspaper "Hispanidad.com"

CONFERENCE	VOLUNTEERS
The jewels in the Thyssen Museum's collections	Amalia Gallego Art Historian at the Thyssen-Bornemisza Museum Iñi López de Sa Marquis of San Eduardo
Trossos d'una via	Mila del Castillo FCC Group
To heaven and back	Cristina Álvarez de Mon Writer
The Copla: popular poetry	Olga Torres Barrado FCC Group
Tarraco Scipionum Opus: Scipio, the commitment with Rome	Juan Luis Castillo Castilla Director zone II, Aqualia (FCC group).
The marvellous world of flowers	Maribel Castelló Villegas FCC Group
Presentation of the book "The revelation of a narrator: Osvaldo Soriano"	Deissem Ghanem Writer
The marvellous world of tea	Concha Rubio de Miguel FCC Group
The truth in bulls and in life	Juan Carlos Montejano Purchasing Management Director of FCC
Breeding fighting bull	Silvia Camacho The "Mari Carmen Camacho" livestock breeder, and member of the National Board of the Spanish Cancer Association.
Valencia	Álvaro Alepuz Cements Portland Valderrivas Board Member
Planet Water	Félix Parra General Manager of Aqualia
Presentation of the book "Almas Brujas"	Helena Cosano Diplomat and author
The brand, the logo of the soul	José Manuel Velasco Guardado General Manager of Communications and CR
Come and see.	Alcibíades López Cerón Director of Development-Europe FCC Construcción
Plastic surgery: history, development, concepts and fields of action	Dr. Antonio de la Fuente Head of the Plastic Surgery unit of the Ruber International Hospital
How to find happiness	Lourdes Pérez Pérez Lawyer and photographer

ACTION	VOLUNTEER
Flamenco recital	Matías de Paula (Flamenco Singer-songwriter) and Antonio Reyes (Guitarist)
Yoga Workshop: The inner smile	Renuka.
Yoga Workshop: Keep calm… breathe	Clotilde Amouruox.
Comic Workshop	Jesús Miguel Alonso Pérez Mining Engineer and Head of R+D+i at PROSER (FCC).
Dance group "Castilian Roots"	Dance group "Castilian Roots" from the Castile and Leon Regional Community Centre in Alcobendas (Madrid)
Intercursos Choir	San Patricio School, Madrid
Theatre production "Short works by Antón Chejov"	La Luciérnaga Theatre Company (ONCE Foundation)
Recital	Pipo Prendes Singer-songwriter
Spectacle "The Singing Poets"	Luis Farnox Poet, musician and composer
Spectacle of cuplés, chotis, pasacalles music and other rhythms	Mari Pepa de Chamberí Singer
Zumba and Salsa Show "Bolero" Recital	Teresa Fuentes Winner of TVE's "Young People" programme
Regional dances	The Extremadura Regional Community Centre in Pozuelo
Celebration of Christmas with Christmas carols	Orvalle School
Christmas Festival with dances	Aurora Labella Dancer
Recital	Irune Núñez Violinist

3. Interaction with stakeholders

The **strategy of dialogue** with the FCC Group stakeholders is promoted from all lines of business within the Company. In a citizen services company such as FCC Group, communication with stakeholders should be on-going, in order to detect and meet the needs of the societies in which we operate and to identify their main concerns.

The Company's solid strategy of dialogue and cooperation, allows a very close relationship to be maintained with its stakeholders by means of different communication platforms. FCC Group considers participation in initiatives that enable better visibility and knowledge of different activities and corporate results to be a priority.

The Company has various channels of communication that allow it to propose, listen and carry out initiatives that respond to requests made by third parties. In recent years the

corporate website has been consolidated as the most used channel through which it can offer information to its different stakeholders. Likewise, the different divisions of the Group post key information through **consultation sessions, e-mails, bulletins** and **magazines, sectorial publications** and **end-of-construction work surveys,** among other things.

Stakeholders. Milestones in 2013

- Performance of pilot schemes, in the Water Management division, with a view to implementing the Aquarating programme in 2014, for the performance evaluation of water and sanitation service providers.
- Implementation of measures for the responsible management of the La Valdeza communities, 19 April, in Panama in the Construction division. .

Stakeholders. Challenges in 2014

- To work with local administrations to understand the needs of future cities, and promote dialogues and projects regarding same.
- To review contracts with suppliers in order to introduce clauses that include sustainability requirements.

3.1. Shareholders and investors

The company website has a **section for shareholders and investors, which received a monthly average** of 26 visits, with information about the economic performance of the Company, trading and financial information, as well as an investor's diary to communicate relevant events. FCC Group has a Shareholder Services Office.

In 2013, the Stock Market and Investor Relations department held 288 meetings with investors.

3.2. Employees

The main communication tool with employees that brings together all FCC professionals is the **FCC ONE corporate Intranet**. Therefore, in order to meet the needs of the Company's core capital in a more personalised way, the employees can use the **Employee Website**, with specific content on commercial offers, flexible payment plans and opportunities for internal relocation, as well as various internal communication channels with additional tools for facilitating dialogue and aligning positions between employees and the Company.

Furthermore, FCC Group holds **periodic meetings** aimed at informing employees face to face about different matters relating to the Organisation.

FCC Group also keeps its employees informed via the publication of the bi-monthly on-line magazine **"Communication Network"**, available in twelve languages, which in 2013 received 22,251 visits from 18,086 different people. In the same vain, and so as not to leave without information those employees that do not have access to the information on-line, the Company has strengthened its means of communication by placing **information stands** around its work centres. These information stands include a global distribution of more than 2,000 posters, which include the most noteworthy headlines that appear in the magazine.

It can be highlighted that in 2013 the Intranet registered 6,389,186 visits 81% more than in 2012. Given the complexity of 2013 due to staff restructuring, it has been an especially relevant year with regard to the effort made in communicating to employees.

A multitude of information and awareness campaigns were launched via the corporate Intranet, as well as on electronic media at work centres and on bulletin boards. It is important to highlight the campaigns to support disadvantaged groups such as victims of domestic violence or people with disabilities, International Women's Day, World Day against Child Labour, Volunteers Day, the campaign for the prevention of occupational risks, internal awards for eco-efficiency, internal awards for Health and Safety, the joint drafting of the Citizens' Conduct Manual, as well as different commercial promotions with advantageous conditions for employees.

It is also worth highlighting the setting up of the CEO Blog and the "FCC around the world" site, an internal website with Company information on projects, which is also an opportunity for all Group personnel interested in personal development in the international sphere.

3.3. Suppliers and contractors

Looking after the relationship with suppliers and contractors is crucial in order to ensure the ethical commitments made by FCC Group to this regard. Using training sessions and awareness campaigns FCC tries to align the behaviour of its suppliers and subcontractors with the policies and standards of the Company. To this end, the Group's objective in 2014 is to review contracts with suppliers in order to introduce clauses that include sustainability demands (ethical, environmental and social).

3.4. Public administrations and regulators

FCC Group is always available to public administrations and legislators in order to collaborate and make use of its extensive experience in the sectors in which it operates. The nature of the Company's activities and the impact that they have on the areas in which they are developed means that FCC frequently undertakes self-regulation initiatives and participates in the development of legislation relating to its sphere of operation. All the Group's business areas have implemented voluntary measures with the objective of maintaining standards of production and service in the different areas of activity, as well as in the sphere of sustainability.

3.5. Customers

FCC Group's direct customers are public administrations, private institutions and individuals. The objective of the Company is none other than to satisfy the needs and demands established by the end users of the products and services that it provides.

The quality management systems implemented in all lines of FCC Group's business, based on prestigious international standards such as the UNE EN ISO 9001, are incorporated as an aspect with which to evaluate customer management.

With the objective of identifying possible areas of improvement and achieving the highest levels of quality and reliability in the provision of its products and services, FCC Group implements communication channels for customers (telephone, email, fax, internet, letters, invoices, or face-to-face meetings or visits with the commercial departments).

3.5.1. Customer satisfaction

FCC Group carries out customer satisfaction surveys in different business areas with the objective of becoming aware of the opinion and degree of satisfaction of customers with regard to projects carried out, as well as to identify the most important areas of improvement for future projects.

The diversity of activity and types of customer of FCC Group means that measuring satisfaction is carried out in a decentralised way so that each line of business has its own measuring methodology and periodicity. Based on the defined aspects for the Group's business, FCC Aqualia, as a manager of end consumers and users, is the Group's business that manages more directly dialogue and the measuring of satisfaction of these stakeholders.

The Division carries out biannual satisfaction surveys, the next one will take place in 2014.

3.6. Platform for dialogue with cities

Within the Corporate Responsibility Master Plan, FCC Group has planned cooperation with cities and communities in order to establish **platforms of dialogue** regarding the eco-efficiency challenges of the municipalities.

In this vein, the Company has worked with representatives from the cities of Almería, Mahón (Menorca) and El Campello (Alicante), in order to design these platforms or tables of dialogue that allow both the identification of sustainability challenges and the selection of prescribers that allow them to get started.

In the case of El Campello, where FCC manages a waste transfer plant, an environmental education project is being studied with the Salesiano School.

FCC MEDIO AMBIENTE INCREASES PUBLIC INFORMATION

FCC's Medio Ambiente division has drafted a series of specific procedures for reporting information. The objective is to ensure the reliability of the systems used in order to express, qualitatively and quantitatively, the significant values of the organisation's environmental and social performance of the sustainability policy, which it communicates to its clients. All of which contributes to strengthening the monitoring and control plan for the reliability and quality of published information.

FCC AQUALIA BUILDS UP CUSTOMERS' TRUST

FCC Aqualia works with its clients, in order to consolidate trust and ensure access to water without any shortcomings, while promoting its prudent and responsible use. FCC Aqualia is aware of the role it plays in the management of a basic and extremely valuable resource such as water, which is why it strives every day to deliver on commitments made with its customers. In order to achieve this connection, FCC Aqualia has two basic tools:

- **Aqualia online:** Available to any user through FCC Aqualia's 20 local web applications, this on-line service allows access to a virtual office 24 hours a day, 365 days a year.
- **Aqualia contact:** A call centre which employs specialist managers who have an extensive knowledge of the water sector, which means they are able to respond to both matters relating to customer services and breakdowns/interruptions in services and provide support to self-reading consumption meters. On this point it is worth noting that the reading and meter systems for the self-management of consumption have been highlighted in recent years as they have been subject to important innovations, since they allow consumption meters to easily and accurately be read, without the need to access the property.

- **INFOAQUALIA:** Communication channel with clients that contains information of interest for citizens, specific to their own services, on the reverse side of the Company bills.

Finally it should be mentioned that the FCC Aqualia's "Aqualia contact" and "Aqualia online" services, are certified in information security by AENOR, as reflected in its strategy to seek customer management excellence.

FCC CONSTRUCCIÓN'S CUSTOMER LIAISON

FCC Construcción has a customer liaison officer responsible for raising points of collaboration and addressing any suggestions received, as well as discussing the information gathered in meetings with customers, and will subsequently provide information on the actions taken as a result of their suggestions.

Communication tools for stakeholders	Trading and Investor Relations Department	Shareholder Services Office	Corporate Website	Corporate Intranet FCC net	Employee Website	Internal Communications Channel	Bi-monthly on-line magazine	Information Posts	Customer Liaison officer (FCC Construcción)	FCC Aqualia online, FCC Aqualia contact, info FCC Aqualia
Shareholders and investors	✔	✔	✔							
Employees			✔	✔	✔	✔	✔	✔		
Suppliers and contractors			✔							
Public administrations and regulators			✔							
Clients			✔						✔	✔

Coummuncation tools for speak holders

CUSTOMER SATISFACTION AS A PRIORITY FOR FCC AQUALIA

Through aqualiaOnline and aqualiacontact, FCC Aqualia is able to respond to its customers based on strict quality standards. Both channels have a management system that ensures the security of customer information from three perspectives: availability, integrity and confidentiality. The system has been audited by AENOR in accordance with UNE-ISO 27001:2007 which strengthens the Company's excellency strategy with regard to its customer services.

Furthermore, the Company works to improve processes such as the control of consumption and billing, electronic billing and meter reading.

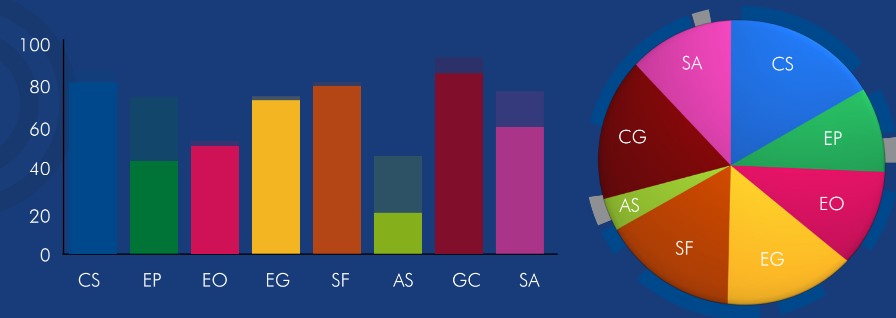
AQUARATING

Aquarating is a scoring system to comprehensively evaluate the performance of water and sanitation service providers. The programme is in its development phase and is being developed by the Inter-American Development Bank, (IDB), in collaboration with the International Water Association (IWA). The system offers the following results:

- An overall score of the provider.
- Detailed scores with respect to the following aspects: Access to the Service, Service Quality, Operational Efficiency, Planning and Execution of Investments, Efficiency in Business Management, Financial Sustainability, Environmental Sustainability and Corporate Governance.
- An evaluation of the reliability of information provided.
- Guidelines to improve management practices.

Aquarating provides important benefits for both direct customers of companies and for the end consumer. For the former, the system assumes important stimuli for providers to maintain or improve their performance and direct incentives, technical assistance and financing of same, in accordance with their level of performance. For the end user it is an opportunity to obtain better services in access to quality, efficiency, sustainability and transparency.

In 2013, with a view to implementation in 2014, the programme performed pilot schemes for different companies in the sector, among which included FCC Aqualia. With an overall score of 60.89 out of 100, FCC Aqualia's score in more specific areas is broken down as follows:



SC / Service Quality: 80.95
EP / Efficiency in Planning and Execution of Investments: 43.99
EO / Operational Efficiency: 51.22
EG / Efficiency in Business Management: 71.86
SF / Sustainable Financing: 79.57
AS / Access to the Service: 19.64
GC / Corporate Governance: 84.79
SA / Environmental Sustainability: 59.92

PROMOTING SOCIAL DEVELOPMENT BY MEANS OF RESPONSIBLE MANAGEMENT

FCC Construcción provides a common framework for action on ethical behaviour for all divisions of the company that strengthens its business culture and commitment to society.
FCC's Construction division always carries out its activity with the perspective of providing social and economic development where it is present through the promotion of the production system, encouraging the creation of direct and indirect jobs, collaborating with the community, and giving priority to purchases from local suppliers.

RESPONSIBLE MANAGEMENT OF COMMUNITIES: LA VALDEZA AND THE "COMUNIDAD 19 DE ABRIL"

La Valdeza and the "Comunidad 19 de Abril" are two sectors located in the Corregimiento de Guadalupe, a district of La Chorrera, in the western region of the city of Panama. In this ecological corner of Panama, characterised by its clay soil with different degrees of hardness, the La Valdeza quarry is located, which is owned by FCC, and whose operation employs hundreds of workers.

The quarry operates as an open pit and covers the following activities: stripping or removing of sterile material, preparation of work platforms, drilling, blasting, loading, and finally, the transfer of the material to the crushing area where the rock is processed in order to reduce its size to turn it into aggregates for the construction industry.

The facilities, located in the neighbourhood of the two communities, are the setting for the fundamental production process which provides progress and development to the country. The region, the company and the community have become knitted together over time and within the framework of dialogue, a mutually beneficial relationship has developed. The high levels of social acceptance of the project are a reflection of FCC Groups conviction to carry out responsible management from a social and environmental point of view.

The spokesperson for the community of La Valdeza affirmed that "the company FCC is aware that its work can generate health problems as a result of dust and noise from trucks, as well as safety issues regarding blasting, which is why it has made every effort to control any type of situation that may affect the community and mitigate possible impacts".

FCC Group has implemented several reforestation awareness programmes and has undertaken work for the mitigation of dust, overseeing the trucks passing through the community, and controlling noise, so that the community's inhabitants can enjoy their rest time. The majority of these programmes have been at the initiative of the Company, but they have always been approved by the community, which has enabled us to have better communication with them, while at the same time being able to better understand what their needs and concerns are.

The spokesperson for the "Comunidad 19 de Abril" maintains that in recent years the relationship between the community and the company has improved, and the Corporate Social Responsibility activities carried out in order to improve the situation of the residents has achieved a harmonious environment of coexistence.

In all these activities that were started as a result of FCC's Corporate Responsibility Plan, the Company promotes inclusive participation of the community, developing communication and socialising activities such as periodic meetings with the communities, as well as the informative newsletter which is always issued to members of the community informing them of all activities and stimulating local involvement. On the other hand every effort is put in to make workers and community members environmentally aware in order to be able to ensure sustainable development.

HOW THE REPORT WAS PREPARED

(G4-18 b)

This FCC Group Corporate Social Responsibility Report (CSRR) provides information regarding the management of key aspects of the Company and its business during 2013, as well as developments, activities and indicators framed in the strategic concepts defined in the 2012-2014 Sustainability Master Plan. In order to understand the evolution of corporate responsibility at FCC over the years, we recommend that the reader visits the FCC website, which contains information on Corporate Social Responsibility management in the Group and its subsidiaries.

The report contains an introduction to the profile and FCC's key figures, as well as information regarding milestones and objectives in each of the Group's three lines of business: Infrastructure, Services and Water; and the information about the corporate responsibility strategy, and action programmes, in accordance with the three strategic lines of the Master Corporate Responsibility Plan (exemplary behaviour, smart services and connecting citizens). Each of the three chapters contains a summary of the main policies and initiatives in force.

Based on a materiality criterion, the report places great emphasis on the most relevant aspects for each of the three business lines, including prominent cases in each section. Thus, issues related to the management of customers have been treated in a special way by FCC Aqualia, aspects relating to the social and environmental impact of its activities have become important for the infrastructure business and for the measuring of the carbon footprint that has been reported for the environmental services sector.

In order to increase the information relating to sustainability of the three business of the Group, and if further information should be required, the reader is invited to visit its corporate website, or to read the corresponding sustainability reports, which address each activity in specific detail.

This report has been prepared in accordance with the Global Reporting Initiative’s (GRI) sustainable reporting guidelines, as amended on March 2013 (entitled G4), as well as in accordance with the AA1000 APS Accountability Standard (version 2008). It has also taken into account the sectorial supplement of the GRI for the construction sector.

The IT tool for collecting information on economic, social and environmental matters is called Horizonte, created to facilitate the collection and consolidation of qualitative and quantitative information, it is enhanced each year with improvements in the organisation of information collecting by those who compile the CSRR, with the development of protocols to support those who prepare the reports in business areas and divisions (2012), thus ensuring reliability, quality, consistency and the origin of the information. Moreover a materiality matrix has been carried out which ensures that each business reports its performance based on the material indicators in accordance with the impact of its activities and the expectations of its stakeholders.

The Communications and Corporate Responsibility Department is responsible for coordinating accountability regarding the economic, social and environmental performance of the company, as well as the promotion of the Corporate Responsibility Master Plan.

Application of the AA1000 Standard in the preparation of this report: (G4-18 b)

Inclusiveness. FCC Group and each one of its businesses regularly conduct consultations with its stakeholders. In producing this report the 2012-2014 Master Plan has been taken into consideration, for the development of which internal consultations were conducted, through interviews with managers responsible for areas and businesses, as well as external meetings with energy experts, cities, the media and representatives of NGOs and public administrations. To this regard the information contained in this corporate social responsibility report intends to respond to the expectations of identified stakeholders. For the drafting of this report, internal interviews were held with key reporters of the Company's three businesses.

Relevance. During the design of the Master Plan, an analysis was carried out of sustainable trends that should be met by FCC Group as a citizen service company. This trend analysis was based on reports from sources of reference such as the World Economic Forum, Slim cities: sustainable buildings; Smart Energy; Water Resources Group; and the special 2011 report of the IPCC and the Special Report on Renewable Energy Sources and Climate Change Mitigation. Subsequently, in a round of internal interviews and with a panel of experts, the relevance of these trends was consulted as well as the material aspects that the company should take into account according to

IDENTIFICATION
The materiality study carried out based on 46 specific aspects defined in the G4 Guidelines applies to the infrastructure, water and services sectors, in which the company operates.

PRIORITISATION
By means of a relevance analysis (quantitative assessment of the subjects identified according to the weight established by the sources consulted) and a maturity analysis (benchmark with the principal companies from the different sectors in which the company carries out its activity) the prioritisation of subjects was established.

VALIDATION
For the internal validation of subjects identified and prioritised, a series of interviews with managers of different lines of business was carried out.

REVIEW
The different people responsible for the information contained in this report have reviewed and completed each section as the document was drafted.

its activity. The three concepts of this Plan constitute the structure that organises the sustainable information of this CSRR.

Response capability. In the Master Plan, FCC Group designed a series of initiatives to respond to the challenges that have been identified as key issues for the company. That is why the Group's response to the challenge of combining its activities with developing sustainable cities of the future aims to better serve its citizens, putting people of the Group at the heart of the strategy and putting greater emphasis on the sustainability of the supply chain.

New G4 approach to the matter (G4-18 b); (G4-23)

FCC's commitment to sustainability is reflected in the constant effort made by the Group to meet the most advanced international standards in the provision of information on sustainability. For this reason, and as the main novelty of this 2013 Corporate Social Responsibility Report, the content set out in this document is based on the new G4 framework of the Global Reporting Initiative.

This version of the GRI guidelines (G4) requires companies to perform a prior materiality study with the objective of identify matters of governance and social and environmental matters, which, due to their relevance to the business and to stakeholders, significantly influence the strategy and decision making of companies.

This approach to matters that are relevant to the 2013 Corporate Social Responsibility Report allows FCC Group to attain more in-depth content with respect to the most critical issues for the company regarding, economic, social and environmental matters, with which the company can promote further progress towards the sustainability of its sectors. It is however important to mention some of the aspects of the report that were not highlighted in the materiality study, which are part of the management of certain environmental and social aspects that the company has been compiling and verifying in recent years.

Process to determine material matters for FCC Group (G4-18 a)

Identification

The materiality study was performed based on 46 specific aspects defined for the G4 guidelines applied to the sectors of infrastructure, water and services, into which the Company is integrated.

Prioritisation

The aspects were classified according to sections of the 2012-2014 Corporate Responsibility Master Plan and line of business. Thus, the materiality analysis allows FCC to turn aspects raised in the G4 guidelines into reality for the Company with respect to each of the strategic concepts of the Plan.

A relevance analysis was carried out, for which a quantitative evaluation was performed (number and extent of references made) of the different aspects defined in the G4 Guidelines of the Global Reporting Initiative in the public information of the prescribers relevant to FCC, and which cover key agents of the sectors in which the Company is involved, as well as key international organisations and institutions in the field of sustainability.

- On matters of sustainability: the G4 Global Reporting Initiative Guidelines, construction sector questionnaire of the Dow Jones Sustainability Index.
- International organisations: OECD and the United Nations Global Compact
- On matters concerning the sector: International Project Finance, Fundación Laboral de la Construcción, TECNIBERIA, International Water Association, AQUAESPAÑA, Water UK, ASEGRE, International Solid Waste Association, Ecoembes, Aselip, ASEJA, ASPEL and Repacar.

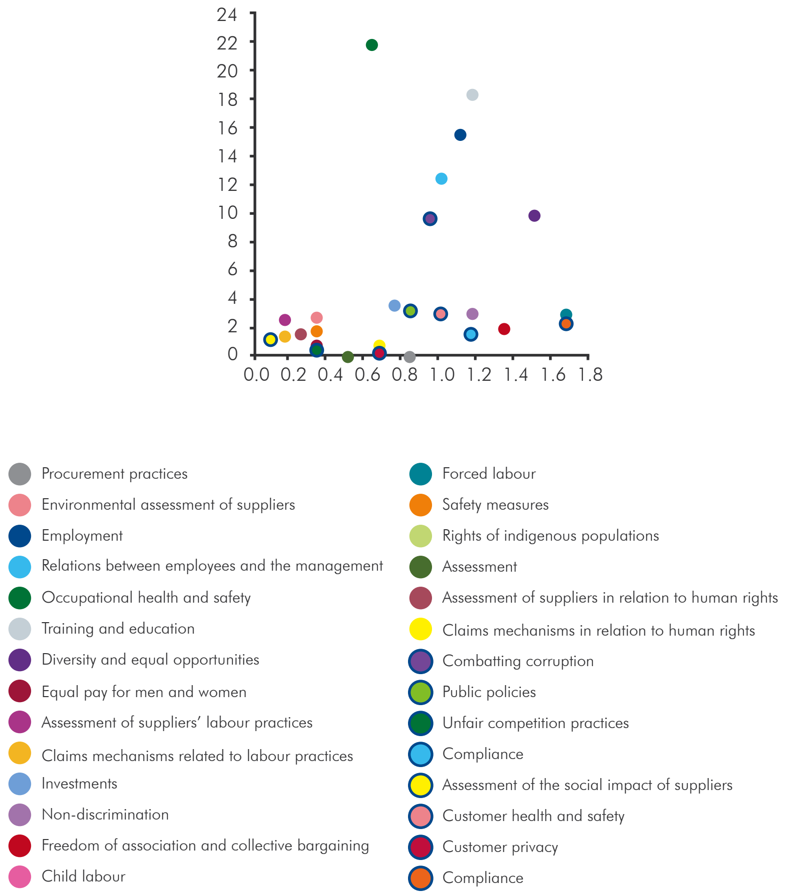
(G4-24)

Maturity was determined through analysis of the annual and sustainability reports of FCC's main competitors. This allowed the identification of relevant matters of sustainability for competitors and the establishment of their importance and level of development according to the degree of care given to them in these reports. Reports analysed were those published by Ferrovial, Hyundai E&C, ACS, American Water, Suez Environment, AGBAR, Veolia, Suez, Waste Management Inc., Cespa and Lipor.

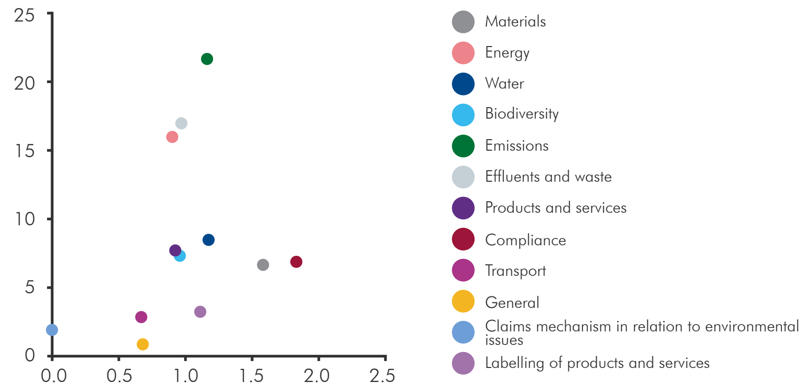
The result is a series of matrices that determine the prioritisation of subjects based on the results obtained in the relevance and maturity analysis, and broken down according to the business and strategic line of the Corporate Responsibility Master Plan.

FCC Medio Ambiente

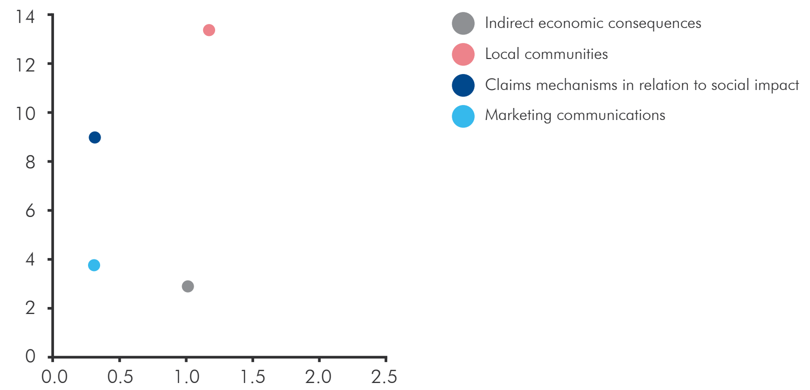
Exemplary behaviour



Smart Services

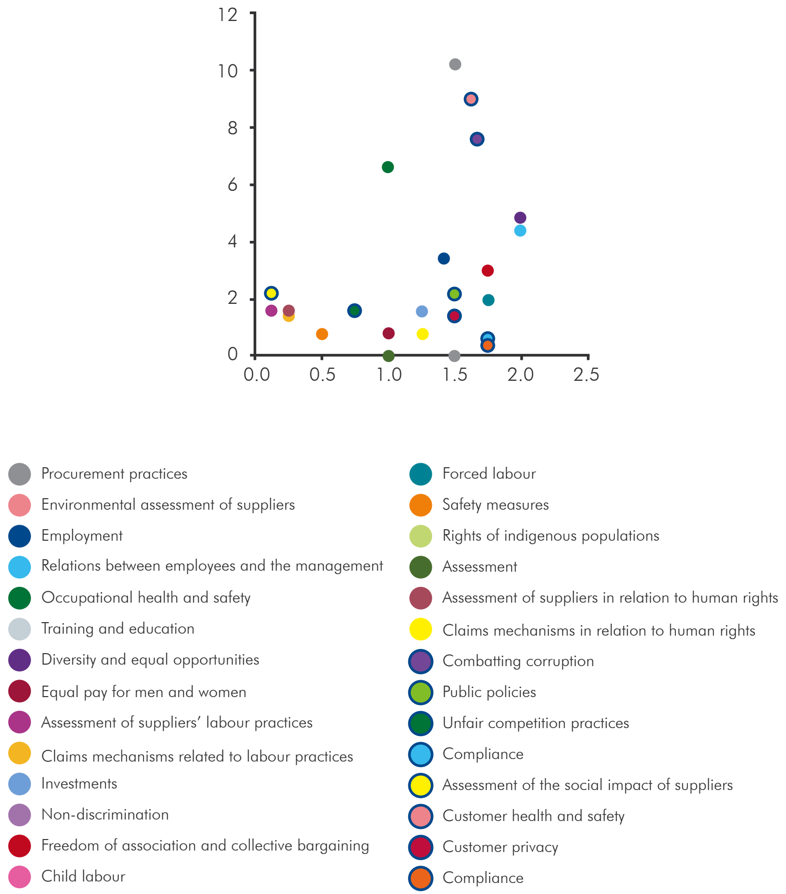


Connecting citizens

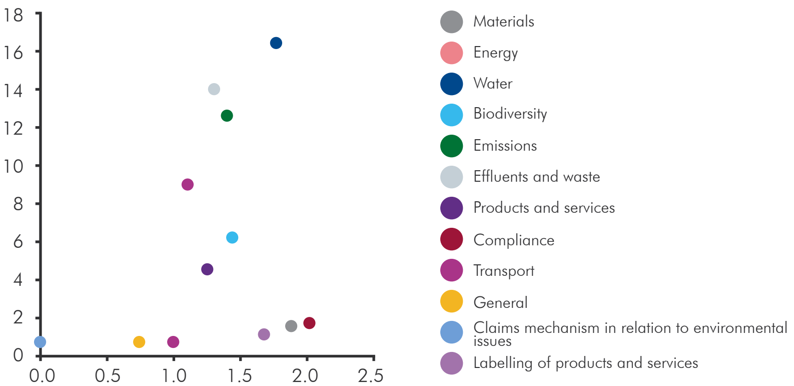


FCC Aqualia

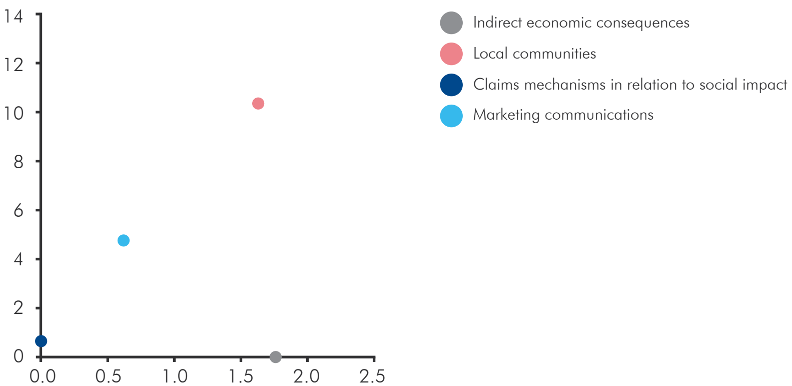
Exemplary behaviour



Smart Services

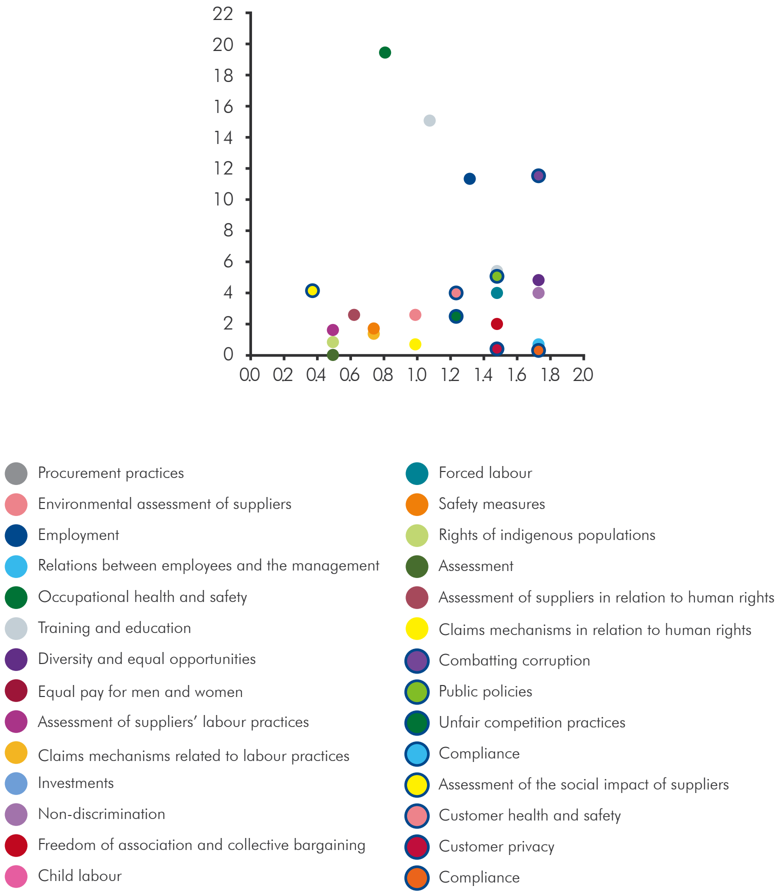


Connecting citizens

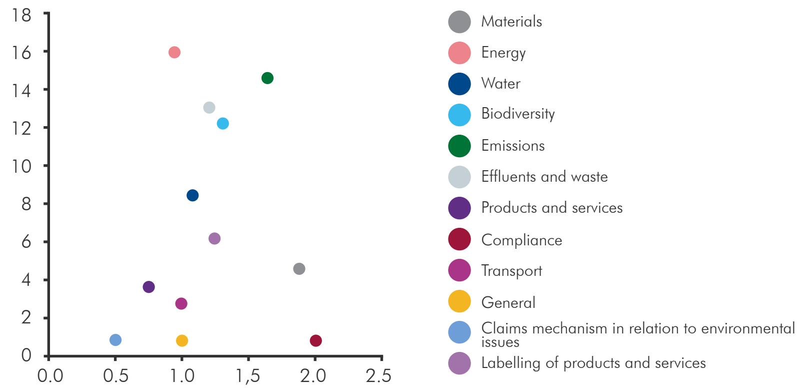


FCC Construcción

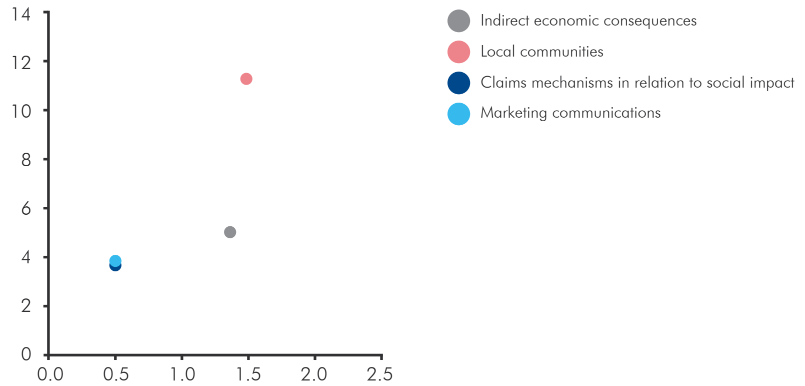
Exemplary behaviour



Smart Services



Connecting citizens



Validation

For the internal validation of the material matters identified, a series of meetings were held with different people responsible for the information from each of FCC Group's lines of business. This, together with the external analysis, allows the completion and validation of prioritisation matrices of material matters in accordance with the G4 criterion.

Review

The different areas involved in the process of drafting FCC's 2013 Corporate Social Responsibility Report have had the chance to review the information reported as well as to complete the document with information that they consider relevant.

Results of the 2013 materiality analysis (G4-19); (G4-20); (G4-21); (G4-23)

Master Plan	G4 Aspects	FCC Medio Ambiente	FCC Aqualia	FCC Construcción	Scope of the impact of the aspect
Exemplary behaviour	Training and education	✔	✔	✔	Employees
	Diversity and equal opportunities	✔	✔	✔	Employees
	Employment	✔		•	Employees
	Combating corruption		✔	✔	Employees, Suppliers and Contractors, and Shareholders and Investors
	Relationship between workers and the management	✔	✔		Employees
	Customer health and safety		✔		Clients
	Occupational health and safety	✔		✔	Employees
Smart Services	Water		✔	✔	Society and Employees
	Biodiversity		✔	✔	Society
	Compliance	✔			FCC Group
	Effluents and waste	✔	✔	✔	Society
	Emissions	✔	✔	✔	Financers, Society and Regulator
	Energy	✔	✔	✔	Financers, Society and Regulator
	Materials	✔			Financers, Society and Regulator
Connecting citizens	Marketing communications		✔		Clients and Regulator
	Local communities	✔	✔	✔	Society
	Indirect economic consequences	✔		✔	Society

Scope of the 2013 Corporate Responsibility Report (G4-18 b); (G4-22)

The scope of information in this report coincides with the financial consolidation of the Group, and reflects the activities of the company in 2013. Specifically, the extent of the information provided in this report, both regarding the sections on Connecting Citizens and Exemplary Behaviour, corresponds to the scope of integration which is used for financial consolidation, according to which, data is considered from 100% of the subsidiaries over which FCC has management control, regardless of the holding percentage.

In the case of joint ventures, the value of those where FCC controls the operations is included, applying its holding percentage. In both the Smart Services and the Exemplary Behaviour sections, following the principle of materiality and the availability of information by business area, the scope of the quantitative data excludes the Proactiva subsidiary, which left the Group in 2013 and the Smart Services chapter does not include Versia. Likewise, Alpine, the Austrian subsidiary of FCC Group was deconsolidated from the Group's accounts after it declared insolvency in June 2013 and went into liquidation. The economic, social and environmental information contained in this Corporate Social Responsibility Report does not include information on Alpine for the year 2013. All those differences regarding this scope are specified in the tables of the corresponding data.

FCC Group, characterised for its diverse geography and activities, is working to extend the scope of information to all companies making up the group. The relationship of FCC Group companies as of 31 December 2013, and a description of each, appears in the annexes of the annual accounts.

Quality and reliability of the information disclosed (G4-18 b)

This report intends to provide public awareness regarding issues and indicators that have been identified as tangible, enabling the expectations of Group stakeholders to be met, with information being duly provided on decision making.

The drafting process has been guided by the principles established by the Global Reporting Initiative (GRI) in its G4 Guidelines in order to reflect quality information, and it includes the additional information required by the supplement "Construction and Real Estate", which contains specific indicators for companies in the construction and real estate sector, which must be followed by all companies that want to produce a report in accordance with G4 at its comprehensive level, granted by the new GRI guidelines to those reports that follow its recommendations. This Corporate Social Responsibility Report for the year 2013 offers a balanced, comparable, accurate, reliable, regular (annual) and clear perspective on the economic, social and environmental performance of the Group.

The FCC Group Corporate Social Responsibility Report 2013 has been verified by KPMG in accordance with the ISAE 3000 international standard. The scope, description of the work and conclusions of said Verification can be found in the section entitled Independent review report.

United Nations Global Compact

In 2013, FCC Group continued to strongly support the Ten Principles of the Global Compact, principles relating to human rights, labour rights, environmental protection and corruption. The Group has been associated with the Spanish Global Compact Association (ASEPAM) since 2007, whose main objective is to support, promote and disseminate the incorporation of the Ten Principles in the strategic vision of companies.

To show its strong support for the Ten Principles of the Global Compact, FCC Group includes a clause in all contracts with suppliers, approved by the Management Committee, which requires all suppliers and contractors to meet the FCC Group's Code of Ethics and comply with the Ten Principles of the Global Compact. This clause is a guarantee for the Group that its suppliers are adhering to these principles in their own activities.

FCC GROUP PERFORMANCE INDICATORS 2013

Economic indicators	Units	2013	2012	2011
Revenue	Millions of Euros	6,726.5	7,429.3	11,896.7
Gross operating profit EBITDA	Millions of Euros	719.9	820.3	1,256.4
Net operating profit EBIT	Millions of Euros	303.1	147.4	393.2
Cash flow from operating activities	Millions of Euros	765.1	1,159.0	995.1
Cash flow from investing activities	Millions of Euros	(159.7)	(227.2)	7.7
Backlog	Millions of Euros	32,865.1	30,896.4	35,238.0
Economic value generated	Thousands of Euros	7,024,118	7,845,554	12,128,878
Economic value distributed by FCC Group	Thousands of Euros	6,909,491	7,288,996	11,703,268
Procurements (suppliers of materials and services)	Thousands of Euros	2,660,726	2,782,029	5,483,597
Staff costs	Thousands of Euros	1,995,593	2,154,928	3,331,103
Income tax	Thousands of Euros	(135,502)	(37,956)	20,210
Interest and exchange rates differences	Thousands of Euros	498,613	512,921	489,164
Dividends paid to shareholders	Thousands of Euros	0	0	173,191
Economic contribution to corporate citizenship.	Thousands of Euros	4,017	4,500	6,180
Significant financial assistance received from governments (subsidies)	Thousands of Euros	226,254	220,239	159,721
Activity certified by ISO 9001	%	83.8	81.1	84.5
Purchases from suppliers	Thousands of Euros	ND(1)	916,550	881,779
Total purchases from local suppliers managed directly	%	ND(1)	90	93.5
Ethics and integrity	**Units**	**2013**	**2012**	**2011**
Communications received through the Code of Ethics channel	Number	22	23	14
Efficiency and technology	**Units**	**2013**	**2012**	**2011**
Investment in R+D+i	Thousands of Euros	18,437	28,474	16,326
Activities with environmental certification (e.g.: ISO 14001)	%	77.5	78	79
SO2 emissions*	Kg	2,060,000	2,532,655	3,212,498
NOx emissions*	Kg	10,885,000	17,407,693	19,185,920
Particulate emissions	Kg	2,254,000	2,557,722	2,956,737
Materials from renewable sources	Tonnes	1,206,724(2)	8,815,606	10,580,427

(1) Information not available in 2013 due to the change in the structure of the Procurement department

(2) The decrease in 2013 is due to the fact that Alpine (a subsidiary of FCC Construcción) left the FCC Group, their activities consumed large quantities of wood (renewable) for formwork.

Efficiency and technology	Units	2013	2012	2011
Materials from recycled sources	Tonnes	14,098,240	9,679,289	10,615,176
Certified materials	Tonnes	4,097,668	701,601	1,963,658
Water consumption	m^3	9,919,405	14,084,342	15,013,567
Consumption of recycled water	m^3	610,012	610,372.94	3,289,728
Consumption pertaining to surface water	m^3	1,294,226	2,987,563	2,658,021
Consumption pertaining to groundwater	m^3	1,627,473	3,828,606	1,110,799
Consumption pertaining to municipal supply	m^3	3,563,204	5,081,542	5,206,906
Consumption pertaining to other sources	m^3	1,462,230	1,576,258	2,748,112
Discharged waste water	m^3	560,136,681	504,952,528	496,474,025
Purified waste water	%	95.0	92.6	94.2
Water captured to be managed	m^3	763,751,430	690,441,069	676,576,513
Percentage of groundwater captured	%	29	35.8	28.7
Percentage of surface water captured	%	72	60.8	66.7
Percentage of desalinated water captured	%	1.5	1.4	1.8
Percentage of other captured water	%	1.9	1.9	2.8
Total waste generated*	Tonnes	5,417,813	5,551,115	4,830,697
Hazardous waste generated*	Tonnes	85,559	139,800	277,441.08
Non-hazardous waste generated*	Tonnes	5,332,254	5,411,315	4,553,255.92
Waste managed	Tonnes	17,091,361	ND	16,127,144.33
Waste collected	Tonnes	6,692,654[3]	10,384,776	10,771,438
Urban waste	Tonnes	5,382,369	8,105,721	8,445,372
Hazardous industrial waste	Tonnes	432,931	694,569	499,217
Non-hazardous industrial waste	Tonnes	877,354	1,584,486	1,826,850
Waste admitted in FCC centres	Tonnes	10,398,707[3]	16,710,490	15,542,788
Urban waste	Tonnes	5,051,636	10,983,933	13,452,376
Hazardous industrial waste	Tonnes	357,531	172,637	268,475
Non-hazardous industrial waste	Tonnes	4,989,540	5,553,920	1,821,667
Treatment given to hazardous wastes				
Recovery	%	26	27	5
Stabilisation	%	41	28	14

[3] The decrease is due to the fact that Proactiva Medio Ambiente left the scope of the indicator

Transferred to an end manager/other destinations	%	20	45	82
Treatment given to non-hazardous wastes	Tonnes			
Valorization	%	13	26	18
Elimination in controlled landfill	%	81	66	76
Transferred to an end manager	%	6	7	6
Energy and climate change	**Units**	**2013**	**2012**	**2011**
Total GHG emissions	t CO_2eq	8,667,404	11,554,189	11,917,117
Direct GHG emissions	t CO_2eq	8,479,830	10,808,177	11,342,481
Indirect GHG emissions**	t CO_2eq	187,575	746,012	574,636
Direct consumption of energy	GJ	25,280,059	36,464,378	34,798,033
Renewable energy consumed	GJ	1,529,593	2,990,430	2,430,701
Non-renewable energy consumed	GJ	23,750,466	33,473,948	32,367,332
Indirect consumption of energy	GJ	11,886,493	7,811,002	6,190,452
Electrical energy consumed	GJ	11,884,007	7,792,273	6,176,025
Energy in the form of steam consumed	GJ	2,486	18,729	14,427
Total consumption of energy	GJ	37,166,551	44,275,379	40,988,485
Community	**Units**	**2013**	**2012**	**2011**
Investment in corporate citizenship	Millions of Euros	4.0	4.5	6.2
People	**Units**	**2013**	**2012**	**2011**
Total employees	Number	63,254.97	80,549	90,749
Total women	Number	13,677.09	15,931	19,196
Total men	Number	49,577.88	64,618	71,554
Percentage of executive women with respect to total executives	%	17%	16.6	13.6
Number of employees with permanent contracts	Number	12,989	29,565	32,637
Number of employees with a temporary contracts	Number	8,759.10	9,732	11,444
Number of contract employees	Number	41,507	41,252	46,668
Total voluntary rotation	%	3.88	6.46	5.42
Total voluntary rotation of men	%	4.10	5.40	5.69
Total voluntary rotation of women	%	3.11	1.06	4.40
Number of disabled employees	Number	930.69	963	1,019
People hired within the geographical proximity	Number	7,407.38	14,655	ND

People	Units	2013	2012	2011
Number of training hours per employee	Number	9.37	12.11	10.21
No. workers covered by collective agreements (Spain)	Number	100%	100%	100%
Amount of time off due to work related accidents, employees + subcontractors (except while travelling or for cardiovascular reasons)	Number	2,821	5,045	7,589
Accident rates FCC Group (own personnel, national and international)				
Frequency rate		23.41	26.91	36.31
Severity rate		0.7	0.61	0.83
Incidence rate of occupational accidents		44.03	53.2	75.39
Absenteeism rate		6.06	5.25	6.44
Accident rates FCC Group (own personnel + subcontracted personnel)				
Frequency rate		22.8	25.7	33.92
Severity rate		0.65	0.6	0.76
Incidence rate of occupational accidents		42.67	51.4	64.58
Absenteeism rate		5.23	4.56	5.87
Deaths caused by occupational accidents				
FCC Group Total (own personnel + subcontracted personnel)	Number	9	10	13
Own personnel	Number	6	6	9
Subcontracted personnel	Number	3	4	4

KPMG Asesores S.L.
Edificio Torre Europa
Paseo de la Castellana, 95
28046 Madrid

Independent Assurance Report to the Management of Fomento de Construcciones y Contratas, S.A.

(Free translation from the original in Spanish.
In case of discrepancy, the Spanish language version prevails.)

We performed a limited assurance review on the non-financial information contained in the Corporate Social Responsibility Report of Fomento de Construcciones y Contratas, S.A. (hereinafter FCC) for the year ended 31 December 2013 (hereinafter "the Report"). The information reviewed is limited to the content referenced in chapter "How the Report was prepared" of the Report, with the symbol ✓.

FCC management is responsible for the preparation and presentation of the Report in accordance with the Sustainability Reporting Guidelines version 4.0 (G4) of the Global Reporting Initiative as described in item G4-32 of the chapter "How the Report was prepared" of the Report, and following the Materiality Matters criteria, obtaining confirmation from the Global Reporting Initiative on the proper application of these. Management is also responsible for the information and assertions contained within the Report; for the implementation of processes and procedures which adhere to the principles set out in the AA1000 AccountAbility Principles Standard 2008 (AA1000APS); for determining its objectives in respect of the selection and presentation of sustainable development performance; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Our responsibility is to carry out a limited assurance engagement and, based on the work performed, to issue a report. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and with the Performance Guide on the revision of Corporate Responsibility Reports of the Instituto de Censores Jurados de Cuentas de España (ICJCE). These standards require that we plan and perform the engagement to obtain limited assurance about whether the Report is free from material misstatement. It concerns a review performed according to KPMG assurance engagement independence rules, as well as the requirements from the International Ethics Standards Board for Accountants Code of Ethics on integrity, objectivity, confidentiality, professional behaviours and qualifications. We have also conducted our engagement in accordance with AA1000 Accountability Assurance Standard 2008 (AA1000 AS) (Type 2), which covers not only the nature and extent of the organisation's adherence to the AA1000 APS, but also evaluates the reliability of performance information as indicated in the scope.

The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore also the level of assurance provided. This report should by no means be considered as an audit report.

Our limited assurance engagement work has consisted of making inquiries to Management, primarily to the persons responsible for the preparation of information presented in the Report, and applying the following analytical and other evidence gathering procedures:

- Risk analysis, including media search to identify material issues during the period covered by the Report.

- Verifying the consistency of the information that responds to the General Standard Disclosures, with internal systems or documentation.
- Interviews with Management to gain an understanding of FCC's processes for determining material issues, as well as the stakeholders engaged in these processes.
- Interviews with relevant staff concerning FCC's policy and strategy application on sustainability, governance, ethics and integrity.
- Interviews with relevant FCC staff responsible for providing the information contained in the Report.
- Visit to 4 installations selected based on a risk analysis considering quantitative and qualitative criteria and considering the FCC Construcción, aqualia, Ámbito and FCC Medio Ambiente business.
- Analysing the processes of compiling and internal control over quantitative data reflected in the Report, regarding the reliability of the information, by using analytical procedures and review testing based on sampling.
- Reviewing the application of the Global Reporting Initiative's G4 Sustainability Reporting Guidelines requirements for the preparation of reports in accordance with comprehensive option.
- Reading the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of FCC.
- Verifying that the financial information reflected in the Report was taken from the annual accounts of FCC, which were audited by independent third parties.

Our multidisciplinary team included specialists in social, environmental and economic business performance.

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the data included in the Corporate Social Responsibility Report of Fomento de Construcciones y Contratas, S.A. for the year ended 31 December 2013 have not been reliably obtained, that the information has not been fairly presented, or that significant discrepancies or omissions exist, nor that the Report is not prepared, in all material respects, in accordance with the Sustainability Reporting Guidelines and Oil and Gas Sector Disclosures version 4.0 of the Global Reporting Initiative as described in item G4-32 in chapter "How the Report was prepared" of the Report. Additionally, and also based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that as a result of FCC implementing the procedures described in the section " Application of the AA1000 Standard in the preparation of this report", any material issues have been omitted as applies to the principles of inclusivity, materiality and responsiveness as included in the AA1000 AccountAbility Principles Standard 2008.

Under separate cover, we will provide FCC management with an internal report outlining our complete findings and areas for improvement. Without prejudice to our conclusions presented above, we present some of the key observations and areas for improvement below:

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In relation to the INCLUSIVITY principle

As in recent years, FCC has undertaken a process of consultation and communication with internal and external stakeholders. With regard to the external consultation process, it has been specifically developed in the different sectors in which the company has its main activities through sectoral organizations. Moreover, throughout this year and due to the company's circumstances, communication with internal stakeholders has gained special relevance. It has been recommended to FCC to continue advancing in the development and formalization of the stakeholders consulted in order to carry out these consultations in a coordinated and consistent way in all the group's activities and in all geographic areas.

In relation to the MATERIALITY principle

FCC has carried out a materiality study to identify the relevance of the different items to be included in the CSR Report, taking into account the lines of the Master Plan 2012-2014 and the considerations required in different reporting standards (for example, G4). In this prioritization, it has been considered both external and internal reviews, and has been based on the impacts that each of the issues generates inside and outside the organization. It has been recommended to FCC to further progress in this direction and to consider the process in a systematic way, including the impacts for both external and internal stakeholders, inside and outside the organization, taking into account the entire value chain of the company. Another aspect to take into account in this prioritization, and due to fact that the company is in a deep process of internationalization, must be the impacts on the value chain in the different geographies where the company operates.

In relation to the RESPONSIVENESS principle

For FCC, its Corporate Social Responsibility Report represents one of the main ways to meet the stakeholder's needs, supplemented by communication channels established within the company's Master Plan 2012-2014. The company could continue advancing in the formalization and extension of these bidirectional communication channels to all its stakeholders and in all geographic areas in which the company operates. Additionally, the expectations gathered through this communication channel should be gradually integrated into the company's management systems, which, among other forms of communication, provide information for the Corporate Social Responsibility Report.

KPMG Asesores, S.L.

(Signed)

José Luis Blasco Vázquez

AA1000 Licensed Assurance Provider 000-38

5 June 2014

MATERIALITY MATTERS
Global Reporting Initiative™
AT THE TIME OF PUBLICATION THE G4-17 TO G4-27 DISCLOSURES WERE CORRECTLY LOCATED IN THIS G4 CONTENT INDEX AND FINAL REPORT.
2014

BOARD OF DIRECTORS

OLIVIER ORSINI, member of the Appointments and Remuneration Committee. He is currently Director of International Development at Électricité de France (EDF). He was Chairman of Proactiva from December 2002 to June 2013, when Veolia, one of this Group's founding shareholders, acquired 50% of the company from FCC. Orsini was formerly General Secretary and Deputy General Manager of Veolia Environnement, the world's largest environmental services group, where he spent almost his entire professional career until April 2012. He has a degree in Applied Economics and a diploma from the École Supérieure de Commerce de Paris, this French executive has considerable international experience in environmental services and infrastructure management.

CLAUDE SERRA is member of the Board of Directors, member of the Paris Bar and senior partner in the Corporate Law Department of the New York law firm Weil, Gotshal & Manges, LLP. A law graduate from Aix-en-Provence University and one of the most prestigious lawyers in Europe in the area of mergers and acquisitions; he advises multinationals on major transactions. An expert in shareholder disputes, Serra advises a number of boards of directors and executive committees on issues related to corporate governance, legal strategy, directors' fiduciary duties and crisis situations. He is a member of the Legion of Honour of the French Republic.

GONZALO RODRÍGUEZ MOURULLO, member of the Appointments and Remuneration Committee and one of the most prestigious Spanish jurists. He has Ph. D in Law studied at the University of Santiago. Currently he is Professor Emeritus of the Madrid Autonomous University and full member of the Royal Academy of Case Law and Legislation. He was awarded the Castelao Medal, the highest distinction of the Xunta de Galicia, for his contribution to legal science. He has been a member of the Madrid Bar since 1962.

GUSTAVO VILLAPALOS, Chairman of the Audit and Control Committee and member of the Strategic and Appointments and Remuneration committees. He has a Ph. D in Law and is a History of Law professor at the Madrid Complutense University. He was dean of this academic institution from 1987 to 1995. In 1995 he was appointed Minister of Education, Culture and Sports for the Autonomous Region of Madrid, a government position he held until 2001. He is Doctor Honoris Causa of over 20 universities worldwide, Chairman of OSCE's Human Rights Sub-Committee, member of the UNESCO Advisory Committee on World Heritage cultural assets and of the Royal Academy of Case Law and Legislation.

WATER MANAGEMENT

EDUARDO GONZÁLEZ GÓMEZ, Non-Executive Chairman of FCC Aqualia. He studied Industrial Engineering at the Madrid Polytechnic University and began his professional career at Iberduero, now Iberdrola, where subsequently he held a variety of senior management positions, both in corporate and operational areas. He is also former Chairman of the Spanish Nuclear Industry Forum and of Foratom. In 2008 he joined FCC as Chairman and General Manager of the Energy Division, a position he currently holds.

FÉLIX PARRA MEDIAVILLA, General Manager of FCC Aqualia. He graduated from Madrid Complutense University in 1977 with a degree in Geology. From 1980 to 1993 he held several positions at Geoservices, S.A., a multinational company that provides oil and gas exploration and production services. In 1993, he joined the Générale des Eaux Group (currently Veolia) in Spain, where he held the positions of Deputy Regional Manager for Andalusia, Director of Development and in 1998 he was named Regional Manager for Central Spain. In 2000, he was appointed Director of FCC Aqualia for the Central Spain region. At the end of February 2013 he was appointed Deputy General Manager of FCC Aqualia.

ENVIRONMENTAL SERVICES

AGUSTÍN GARCÍA GILA, Chairman of Environmental Services. He has a degree in Industrial Engineering studied at ICAI and started his professional career as a project engineer at Material Auxiliar de Electrificación (MADE). Two years later he moved to FCC, where he has spent his entire career in the Environment Division, scaling from supervisor to his current position as General Manager.

JORGE PAYET PÉREZ, General Manager of Environmental Services. He studied a degree in Industrial Engineering at the Industrial Engineering Technical School in Barcelona (ETSIIB) and a Senior Management Programme at IESE. He began his professional career in 1980 at IFAC, an installations company. A year later he joined FCC in the Studies and Project Department at the Eastern Andalusia office. In 1983 he was appointed Production Manager for Sewerage and Industrial Cleaning Services in Barcelona and after that Manager of the Tarragona and Lerida areas for FCC Medio Ambiente. In 1988 he took up the position of Director of FCC Medio Ambiente's Levante I Office and in 1996 he was appointed Director of FCC Medio Ambiente's Zone I, with six regional offices under him. A position he has held up until now.

ENVIRONMENTAL SERVICES

BJÖRN MITTENDORFER, CEO of .A.S.A.. He has a MBA from the Karl-Franzens University, Graz (Austria) and joined .A.S.A. in 1995 as Controller of International Activities. From 1997 to 1998 he was Director of Operations Management Control for the Austrian subsidiaries. Subsequently he was appointed Finance Director for the country, responsible for all the Czech Republic entities and in 2001 Finance Director for the Group. In 2010 he was appointed member of the management board ("Vorstand") of .A.S.A. (.A.S.A. Abfall Service AG) Group, a position he held until his recent appointment.

ANTONIO ALFONSO AVELLO, Head of the International Division of FCC Environment. He holds an MSc in Civil Engineering from the "Universidad Politécnica de Madrid" and an MBA from the Wharton School, University of Pennsylvania. He joined FCC in 2008 as Advisor to the Chairman and CEO. In 2010 he was promoted to Managing Director of the Industrial Companies Division at FCC Construction and in 2013 was appointed CEO of Alpine Energie. Since October 2013, he combined his duties at Alpine Energie, until its sale, with the role of Deputy Managing Director of the International Division of FCC Environment. Prior to joining FCC he worked for Dragados and Goldman Sachs.

CENTRAL SERVICES

JUAN JOSÉ DRAGO MASÍA, General Manager of Administration. He has a degree in Economics and Business Studies studied at Barcelona University and he joined FCC in 1987 as an economist. For the first few years he worked in the Administrative Coordination Department, on accounting standards and on the consolidation of the Group's accounts. In 2006 he was appointed Director of the Economic Control Division to perform the analysis and monitoring of the Group companies' financial statements and to manage the modernisation of the Group's financial reporting systems in Spain. Three years later in 2009, he took up the position of Deputy General Manager of Administration, which he held until his recent appointment.

EXECUTIVE PERSONNEL

Executive Personnel	
Chairwoman	**Esther Alcocer Koplowitz**
Second Vice Chairman and CEO	**Juan Béjar Ochoa**
Corporate	
Corporate Manager for Organisation	Ana Villacañas Beades
Corporate Manager for Divestments	Carlos Barón Thaidigsmann
General Secretary's Office	
General Secretary	Felipe B. García Pérez
Corporate Manager for Legal Affairs	José Fernando Cerro Redondo
Corporate and commercial law	Cristina López Barranco
Litigation	Fernando Díaz Barco
Finance	Esther Adroher Pérez
IT/Procurement	Ana Pérez Ocón
Barcelona Legal Affairs Office	Esteban Correa Artés
Construction	Leyre Navarro Aranda
Services	Alfonso Goncer Coca
Versia	Juan de los Ríos Jimeno
Corporate Expenses and General Services	José María Seoane Yarza
Deputy Manager	Francisco J. Sánchez Pérez
Organization	
Corporate Manager	Ana Villacañas Beades
Procurement Management	Jaime Peromarta Regert
Human Resouces Department	
Organisation Processes and Services	José María Merino Matesanz
Employee Services	Emilio Hermida Alberti
Safety	Antonio Escudero Pérez

Administration	
Corporate Manager	Juan José Drago Masià
Administrative Coordination	Juan Carlos Andradas Oveja
Accounting Consolidation and standardisation	Daniel Sorroche Pérez
Administrative Procedures	Emilio López Pérez
Taxes	Daniel J. Gómez- Olano González
Finance	
Corporate Manager	Víctor Pastor Fernández
Finance Manager	Manuel Somoza Serrano
Stock Market and Investor Relations	Miguel Coronel Granado
Management and Budget Control	Romain Dvorak
Domestic Financing and Tesury	José Manuel Carrasco Delgado
International Financing	José Liébana Alcantarilla
Structured Financing	Francisco Vila Meizoso
Studies and Projects	Jesús González García
Financing Control	José Manuel Moreno Gálvez
Insurance	Carlos Serantes Montalbán
Internal Audit	
Corporate Manager	Miguel Hernanz Sanjuán
Deputy Manager	María Jesús Fernández López
Communication and Corporate Responsbility	
Corporate Manager	José Manuel Velasco Guardado
Media Relations	Julio Pastor Bayón
Corporate Responsability	Javier López-Galiacho Perona
Environmental Services	
Chairman of Enviromental Services	Agustín García Gila
Central Services	
Administration and Finance	Juan Ricote Garbajosa
Human Resources	Luis Suárez Zarcos
Legal Affairs	Alfonso Goncer Coca
International Development	Felipe Urbano de Saleta
Communication and Marketing	Juan Pablo Merino Guerra
Tecnhical Services	Alfonso García García

Machinery	Antonio Bravo Díaz
Procurement	Santiago Muñoz Crespo
Studies	Antonio Pousa Blasco
Management Systems	José María López Pérez
Waste Treatment	Sylvain Cortés
Technical Services	Juan José González Vallejo
Coordination and Development	Catherine Milhau
Information Systems and Technologies	Ignacio Arespacochaga Maroto
Spanish Enviromental Services	
Managing Director	Jorge Payet Pérez
Zone I	**Pablo Martín Zamora**
Aragón - La Rioja	Jesús Joaquín Jiménez López de Oñate
City of Barcelona and Balearic Islands	Francisco Javier Martín Garriga
Catalonia I	Martín Juanola Carceles
Catalonia II	Jesús Padulles Caba
East Coast I	Salvador Otero Caballero
East Coast II	Francisco Javier del Olmo Gala
Serveis Municipals de Neteja de Girona, S.A.	Miquel Boix Moradell
Tirssa	Juan Almirall Sagué
Tirmesa	Pedro Barceló Martínez
Zone II	**Faustino Elías Morales**
Andalusia I	Francisco Javier Irigoyen Arcelus
Andalusia II	Francisco José Cifuentes Santiago
Canary Islands	Miguel Ángel Castanedo Samper
Murcia-Almería	José Alcolea Heras
Zone III	**Jesús Medina Peralta**
Castilla y León	Antonio Rodríguez Gómez
Centre	José María Moreno Arauz
Galicia	Guillermo de Cal Alonso
Guipúzcoa-Navarra	Carmelo Aguas Martínez
Madrid	Raúl Pérez Vega
North	Ernesto Barrio Vega
Vizcaya	Eladio Orive Fernández
High-tech systems and vehicles (SVAT)	Ignacio Cabanzón Alber

Industrial Waste	
Corporate Manager	Aurelio Blasco Lázaro
Administration and Finance	Domingo Bauzá Mari
Development	Mª Jesús Kaifer Brasero
Studies	Antonio Sánchez-Trasancos Álvarez
East	Felip Serrahima Viladevall
North	Julián Imaz Escorihuela
South	Manuel Cuerva Sánchez
Paper and Cardboard	Javier Montero Sánchez
Portugal	Manuel Simôes
United States	Íñigo Sanz Pérez
International Enviromental Services	
Managing Director	Antonio Alfonso Avello
International Manager	Tomás Núñez Vega
Administration	Javier Corrales Sánchez
Legal Affairs	María Isabel Sánchez de Vivar Jiménez
Information Systems and Technologies	Manel Miranda Acuña
Central and Eastern Europe	Björn Mittendorfer
Administration	Antonio Hervella Garces
Finance	Johannes Spalek
Development	Franz Predl
Human Resources	Silvia Slusna
Information Systems and Technologies	Miroslav Cerveny
Communication and Marketing	Lucie Zumrova
Legal Affairs	
Austria, Hungary	Wolfgang Leitner
Czech Rep., Poland	Arnost Kastner
Slovakia, Romania, Bulgaria, Serbia	Tomas Antal
United Kingdom	Paul Taylor
Administration and Finance	Vicente Orts Llopis
Development	Richard Belfield
Human Resources	Lesley Callaghan
Estates	David Harker

EXECUTIVE PERSONNEL

Comunication and Marketing	Kristian Dales
Legal Affairs	Carol Nunn
Operations	Agustín Serrano Minchán
Treatment and Disposal	Chris Ellis
Collection	Fernando Capelástegui
Incineration	Steve Brown
Egypt	Manuel Ramírez Ledesma
Portugal	Emilio Peñas Jiménez
Water Management	
Chairman	Eduardo González Gómez
Corporate Manager	Félix Parra Mediavilla
Economics Department	Isidoro Marbán Fernández
Administration	Antonio Marco Floriano
Accounting	Eduardo Rincón Maroto
Administrative services management	Bernardo Cristóbal Perela
Planning and Control	Pedro Fernández Chinchilla
Human Resources	Carmen Rodríguez Gómez
Corporate Development	Pedro Rodríguez Medina
Studies, Analyses and Investments	Alejandro Benedé Angusto
Technical Management	Pedro Ruiz Herrera
Innovation (R+D+i)	Frank Rogalla
Corporate Social Responsibility and Management Systems	Enrique Hernández Moreno
Health and Safety	Pascual Capmany Corchón
Management and Client Control	Manuel Castañedo Rodríguez
National client management	Miguel Perea Fernández-Pacheco
Planning and client strategy	Arturo Martínez de Zubieta
IT support	Mº Ángeles Vicente Fernández

Legal Affairs	Elena Barroso Beltrán
Contracting	Antonio Vassal'lo Reina
Marketing and Communication	Juan Pablo Merino Guerra
Zone I	**Santiago Lafuente Pérez-Lucas**
Asturias	Francisco Delgado Guerra
Castilla y León	Juan Carlos Rey Fraile
Castilla-La Mancha	Matías Loarces Úbeda
Center and Canary Islands	Higinio Martínez Marín
Conservation and Systems	Ángel Luis Pérez Buitrago
Galicia	José Luis García Ibáñez
Rest of the North	Fernando de la Torre Ruiz
Zone II	**Juan Luis Castillo Castilla**
Balearic Islands	Eduardo del Castillo Fernández
Catalonia and Aragón	Jordi Aguilera Orpinell
East Coast (Valencia and Murcia regions)	Manuel Calatayud Ruiz
Zone III	**Lucas Díaz Gázquez**
Andalusia I	Antonio Nicola García
Andalusia II	Francisco Jiménez Medina
Extremadura	Francisco Blanco Berciano
Zone IV	**Luis de Lope Alonso**
Area I.South Europe	Roberto Pérez Muñoz
Area II. Central and Eastern Europe	Rafael Pérez Feito
Area III. North Africa and North America	José Miguel Janices Carpintero
Area IV. Middle East	José Enrique Bofill Maestre
Zone V. Aqualia Infraestructuras	**Javier Santiago Pacheco**
Area I. America	Emilio Soler Rangel
Area II. Europe	Juan Bofill Maestre
Area III. Spain and MENA	José Martínez Blázquez

Construction	
Chairman of FCC Construcción	Fernando Moreno García
General Manager of FCC Construcción	Miguel Jurado Fernández
Human Resources	María Sánchez Sanz
Economics-Finance	José Antonio Chamorro Garijo
Legal Affairs	Leyre Navarro Aranda
Management Control	María Carrasco Martínez
Institutional Relations	Guillermo Aparicio Torres
General Management	
Holdings and Middle East	Santiago Ruiz González
Studies and Transport Spain	Alejandro Cisneros Müller
Contracting	Pedro Gómez Prad
Technical Services	José Luis Álvarez Poyatos
Europe	Jordi Ferrando Cuadradas
Latin America and North Africa	Vicente Mohedano Martín
Concessions	Antonio de Santiago Perals
Managing Director of Spain	
Northeast Region	Santiago Farré
Southern Region	José Mª Torroja Ribera
Central Region and Portugal	Antonio Pérez Gil
Northwest Region	Juan Sanmartín Ferreiro
Managing Director of Latin America and North Africa (Algeria)	Vicente Mohedano Martín
Algeria	José Antonio Madrazo Salas
Central America	Víctor Alberola Ruipérez
Mexico + Colombia	Eugenio del Barrio Gómez
Peru + Chile	Enrique Marijuan Castro
Managing Director of Holdings and the Middle East	Santiago Ruiz González
Riyadh	Jaime Freyre de Andrade Calonge
Middle East	Yago Mijangos Gorozarri
FCC Industrial	Pablo Colio Abril
Real Estate Development and Management	Guillermo Moya García-Renedo

Cement	
Chairman and CEO of Cementos Portland Valderribas S.A.	José Luis Sáenz de Miera Alonso
Corporate Human Resources	Fernando Dal-Re Compaire
Corporate Technical Management	Luis Herreras López
Corporate Strategic Planning Management	Victor García Brosa
Corporate Legal Affairs Management	José Luis Gómez Cruz
Corporate Finance and Administration Management	Jaime Úrculo Bareño
Corporate Internal Auditing Manager	Fernando Robledo Sáenz
Spanish and UK Business Management	Francisco Zunzunegui Fernández
Managing Director of Societé des Ciments d'Enfidha in Tunisia and North African Business Manager	Pablo Hidalgo Blázquez
US Business Management	José Llontop

Citizen Services

www.fcc.es