ANNUAL REPORT 2010

FCC
Citizen Services

INDEX

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May 2011

2010

Citizen Services

LETTER FROM THE CHAIRMAN AND MANAGING DIRECTOR

LETTER

LETTER

LADIES AND GENTLEMEN:

In a few years' time, when the economic difficulties of today have definitely become a thing of the past, we will look back on **the crisis as having had some positive effects as well.** The most important positive effect will certainly be that we were forced by **emergencies of the moment to overhaul our business in order to regain a competitive footing** in those economies that had been living beyond their means. This we did by returning to the old values of saving money, striving for efficiency and controlling investments. We were also forced to make financial markets more transparent, recalibrate our risk perception systems, strengthen our institutions and bring certain basic principles back to the fore.

The crisis is the greatest challenge that we, as economies, businesses and professionals, have ever faced. In the FCC Group we are aware that, in order to weather the storm, we have to find the way to steer through the turbulence without straying from our course, and in that endeavour **our best allies are our committed, talented employees** and shareholders, with Esther Koplowitz in the forefront. Together they are providing the power to drive our consolidated business undertaking through the crisis and come out on the other side stronger than before.

LETTER

Since the onset of the crisis, **FCC has managed to hold its net profit steady at around 300 million euro** and keep dividends firm at 180 million euro. That is how it was again in 2010, when we reported a profit (301 million net result attributable to the controlling company) 1.8% higher than the profit of the previous fiscal year. These figures are proof of the group's strengths, and they are also the outcome of a serious effort on management's part aimed at containing costs and controlling investments.

The results of 2010 reflect the consistency of our main lines of strategy, which were defined at the start of the current economic cycle and still remain in force three years later. The crisis itself has accentuated the wisdom of every one of our lines of strategy, which may be summarized as: consolidate businesses and market share, make business more international, enhance efficiency and weave closer ties with the world around us through sincere, neighbourly corporate social responsibility policies. In other words, we are focusing on revenue diversification and cost adjustment, two measures that are even more pertinent in bad times.

In application of these lines, 2010 was for FCC **an additional step forward in the internationalization** process. The group was already doing business in more than 50 countries, and it stepped up the pace of international activity in terms of turnover and backlog. Revenue earned abroad came to 5,562 million euro, which was 46% of total revenue, while contracts won outside Spain rose by 7%. **The total contract backlog** at the close of the year was thus worth 35,309 million euro, the equivalent of nearly three years' turnover.

The group's turnover in 2010 was 12,114 million euro, down 4.6% in a year plagued by difficulties in the countries around us. By business areas, the turnover earned by Energy (+5.4%), Versia (+3.2%) and Services (+2%) helped cushion the impact of slower business in Construction (-7%) and Cement (-14.4%).

Despite the adverse circumstances, FCC wound up the year with **an increase in the returns on its operations and an improvement in its margin.** Last year the group achieved a 64-million-euro reduction in overhead and other indirect costs and practically froze its staff costs.

The gross operating results (EBITDA) were 1,434 million euro, with a 0.1-percentage-point improvement of the margin, now up to 11.8% due to enhanced operational efficiency. Services and Energy made a significant contribution; their gross operating results now account for 60% of the total.

Although it has adjusted its flow of investments to suit the present circumstances, FCC has not ceased seizing opportunities for growth through investment. In fact, **net investments** made in 2010 added up to 576 million euro, 31% less than in the fiscal year before. The biggest growth investments were 175 million euro put into various transport infrastructure concessions in the Construction area and 42 million euro put into building one of the two solar thermal plants included in the Energy area's project portfolio.

A dynamic management strategy was applied to the non-strategic asset portfolio, resulting in agreements to sell off the vehicle inspection business and the underground car park business, both of which lay outside FCC's basic paths of growth (i.e., infrastructure, environmental services and energy). These transactions fetched 66 million euro in revenue in 2010, although the grand total for the two divestments came to 252 million euro.

One point to be gathered from an analysis of the balance sheet is how indebtedness has been contained. It would have been substantially reduced if needs for working capital had not increased. By year's end the net financial debt was 7,748 million euro, slightly up by just 1.2%, in line with the objectives set at the start of the year. In September 2010 the group signed an extension of its most significant syndicated loan, worth 1,287 million euro, with 14 domestic and international financial groups. In a transaction in which the market recognized FCC's financial solvency, the loan's maturity date was extended by three years from May 2011 to spring 2014. The group still has the objective of lowering its leverage to a ratio of three times its EBITDA.

LETTER

Major Events

FCC continues gaining market share and operating margin in its business in the Services area, which earn 55% of the group's EBITDA. In 2010 it renewed practically all of its urban waste management contracts in Spain and won new contracts in cities and towns on the Iberian Peninsula, in the United Kingdom and in Central Europe.

Aqualia, the FCC subsidiary for end-to-end water management, showed similarly positive backlog development. In 2010 Aqualia's contract backlog went up 5% to 13,000 million euro, with big contracts in Portugal and Chile, among other foreign countries. In Spain several cities in Andalucía, Castilla-León and Castilla-La Mancha contributed an additional 550 million euro.

In the Infrastructure area, railroad work was one of the group's biggest businesses. In 2010 consortiums in which FCC Construcción is a partner won 3,100 million euro's worth of railroad contracts. In October FCC won the contract to build the Panama Metro, worth more than 1,000 million euro. Before that it won the contract for a railroad line in northern Algeria worth 935 million euro, followed by a second railroad line having a budget of more than 1,200 million euro.

Alpine in its turn won the 295-million-euro contract to build a tunnel for London Crossrail and a 310-million-euro contract for an urban railway tunnel in Karlsruhe, Germany, in December.

FCC remains the Spanish leader in high-speed train infrastructure. Over the course of the year it took home the 129-million-euro contract for the line between Madrid and France plus the contracts for a section of the line between Madrid and Lisbon and a section of the North-Northwest corridor. In the Basque Country it won a section in Guipúzcoa worth 106 million euro, and in Barcelona, the approaches to La Sagrera Station, worth 223 million euro.

In November FCC Energía and the Japanese firm Mitsui & Co. Ltd. signed an agreement to run joint solar thermal energy projects in Spain. This alliance will begin with the commissioning of a 50-MW plant in Palma del Río, Córdoba.

Strategic Vision

The success we have reaped in terms of winning big infrastructure and service contracts outside Spain shows us the way to go in the times to come. FCC's greatest asset is the knowledge our professionals can bring to bear. They are demonstrating that they can put their skills to work anywhere in the world, especially in those countries whose political and financial conditions make them top-priority targets for us.

The commitment to profitable expansion based on already-established leadership positions will enable FCC **to maintain shareholder rewards through dividends** (and FCC pays some of the most attractive dividends on the Spanish stock market) without giving up opportunities for growth. For this purpose, we are building a technological platform to facilitate management reporting and cost control, foster greater integration among group companies and facilitate the sharing of experiences between business areas, professionals and countries.

And we are determined to do all this in harmony with our surroundings and in an alliance with our stakeholders. In 2010 we were again listed on the World and European Dow Jones Sustainability Indices, which testify to the ethical view of business that FCC wishes to support and share with its shareholders, employees, clients and with society as a whole. That is our **great commitment to day-to-day sustainability**, the kind of sustainability that has a daily impact on citizens' quality of life. That is what we are all about.

Baldomero Falcones Jaquotot
Chairman and Managing Director

GOVERNING BODIES

BOARD OF DIRECTORS

Baldomero Falcones Jaquotot
Chairman
Managing Director
Executive Director

B-1998, S.L.
Representative: Esther Koplowitz Romero de Juseu
First Vice Chairman
Director, representing a major shareholder

Dominum Desga, S.A.
Representative: Esther Alcocer Koplowitz
Second Vice Chairman
Director, representing a major shareholder

EAC Inversiones Corporativas, S.L.
Representative: Alicia Alcocer Koplowitz
Director, representing a major shareholder

Dominum Dirección y Gestión, S.A.
Representative: Carmen Alcocer Koplowitz
Director, representing a major shareholder

Fernando Falcó y Fernández de Córdova
Director, representing a major shareholder

Marcelino Oreja Aguirre
Director, representing a major shareholder

Rafael Montes Sánchez
Director, representing a major shareholder

Miguel Blesa de la Parra
Director, representing a major shareholder

Gonzalo Anes y Álvarez de Castrillón
Independent Director

Juan Castells Masana
Director, representing a major shareholder

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

Robert Peugeot
Director, representing a major shareholder

Cartera Deva, S.A.
Representative: Jaime Llantada Aguinaga
Director, representing a major shareholder

César Ortega Gómez
Independent Director

Nicolás Redondo Terreros
Independent Director

Antonio Pérez Colmenero
Director, representing a major shareholder

Javier Ribas
Independent Director

Henri Proglio
Independent Director

Francisco Vicent Chuliá
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.A.

Fernando Falcó y Fernández de Córdova

Javier Ribas

Juan Castells Masana

Rafael Montes Sánchez

Robert Peugeot

Jaime Llantada Aguinaga,
on behalf of Cartera Deva, S.L.

GOVERNING BODIES

EXECUTIVE COMMITTEE

CHAIRMAN

Baldomero Falcones Jaquotot

MEMBERS

Fernando Falcó y Fernández de Córdova

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

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

Juan Castells Masana

Jaime Llantada Aguinaga,
on behalf of Cartera Deva, S.A.

Secretary (non-member)
Francisco Vicent Chuliá

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

AUDIT AND CONTROL COMMITTEE

CHAIRMAN

Gonzalo Anes y Álvarez de Castrillón

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

Juan Castells Masana

Secretary (non-member)
José María Verdú Ramos

APPOINTMENTS AND REMUNERATIONS COMMITTEE

CHAIRMAN

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

MEMBERS

Fernando Falcó y Fernández de Córdova

Alicia Alcocer Koplowitz,
on behalf of Cartera Deva, S.A.

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

Rafael Montes Sánchez

Antonio Pérez Colmenero

Jaime Llantada Aguinaga,
on behalf of Cartera Deva, S.A.

Robert Peugeot

Gonzalo Anes y Álvarez de Castrillón

Secretary (non-member)
José María Verdú Ramos

STEERING COMMITTEE

CHAIRMAN

Baldomero Falcones Jaquotot

MEMBERS

Esther Alcocer Koplowitz
Alicia Alcocer Koplowitz
Felipe B. García Pérez (Secretary)
Fernando Falcó y Fernández de Córdova
Antonio Gómez Ciria
Dieter Kiefer
Eduardo González Gómez
Francisco Martín Monteagudo
José Luis de la Torre Sánchez
José María Verdú Ramos
José Mayor Oreja
Víctor Pastor Fernández
José Manuel Velasco Guardado
Miguel Hernanz Sanjuan
Juan Bejar Ochoa

STRATEGY

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LINES AND PATHS OF STRATEGY

The basic lines of strategy steering management in the current fiscal year (whose most important numerical point of reference is the internal budget) are consistent with the effort FCC has been making in recent years, even before the current economic cycle began, to become more international. The group's lines of strategy are aimed at getting the most out of FCC's historical strengths, such as staff knowledge and expertise, the long-term business view, financial capability and closeness to stakeholders. Here is a bare-bones summary of the lines of strategy:

1. Consolidate current business

- Preserve market share and improve margins, especially in the business areas most sensitive to the economic cycle.
- Put international acquisitions on a secure footing.
- Ensure the profitability of operations and the generation of free cash flow.

2. Enhance the organization's efficiency

- Organizational and process reengineering.
- Gains in efficiency through information technology developments.
- Cost optimization.
- Talent management.
- Result orientation.

3. Seize opportunities for growth in

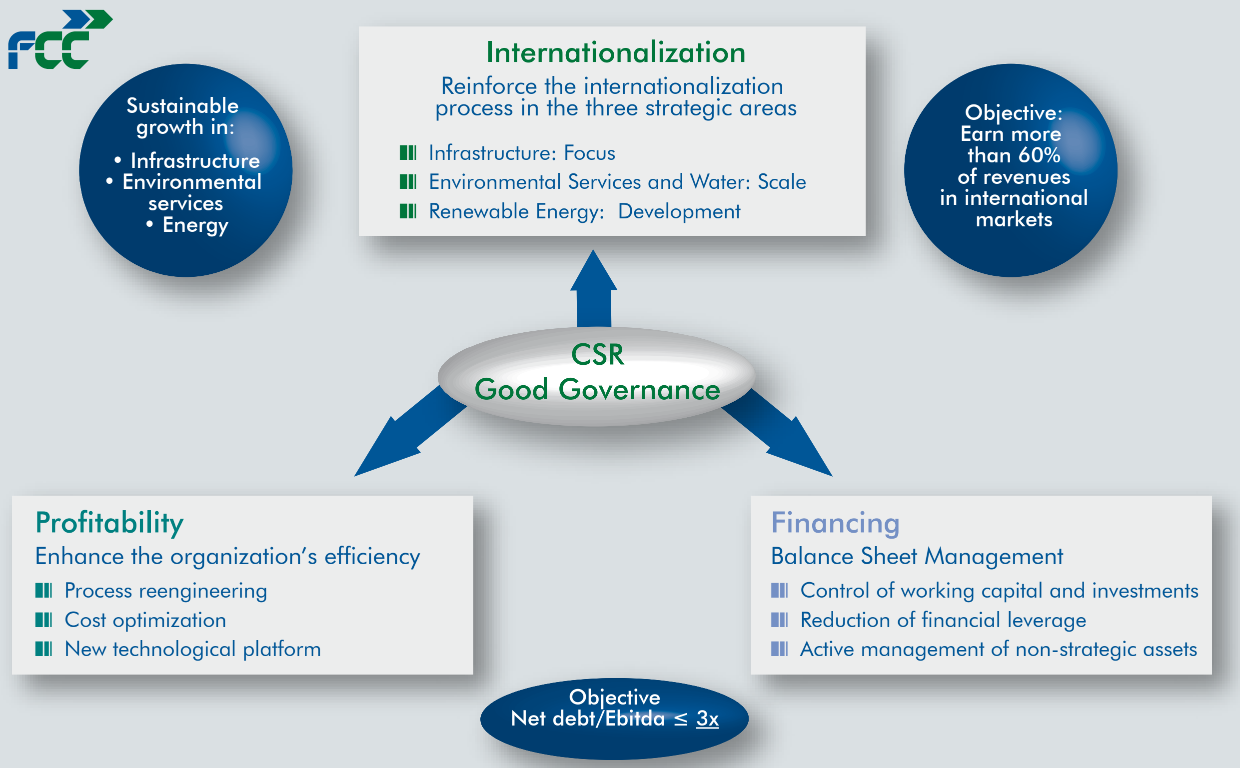
- International infrastructure, services and water and industrial construction.
- Define strategic regions: Central Europe, USA, UK and selected emerging countries.
- Diversify further through development of the Energy area and leadership in energy from waste.

4. CSR and quality

- Management focused on being close to stakeholders and engaging in dialogue with them. Commitment to "day-to-day sustainability".
- Accent on quality: Furnishing of value and closeness to the client.

STRATEGY

In accordance with the deployment of the lines of strategy, in 2011 management rests on three basic pillars: internationalization, efficiency and financial solidity.



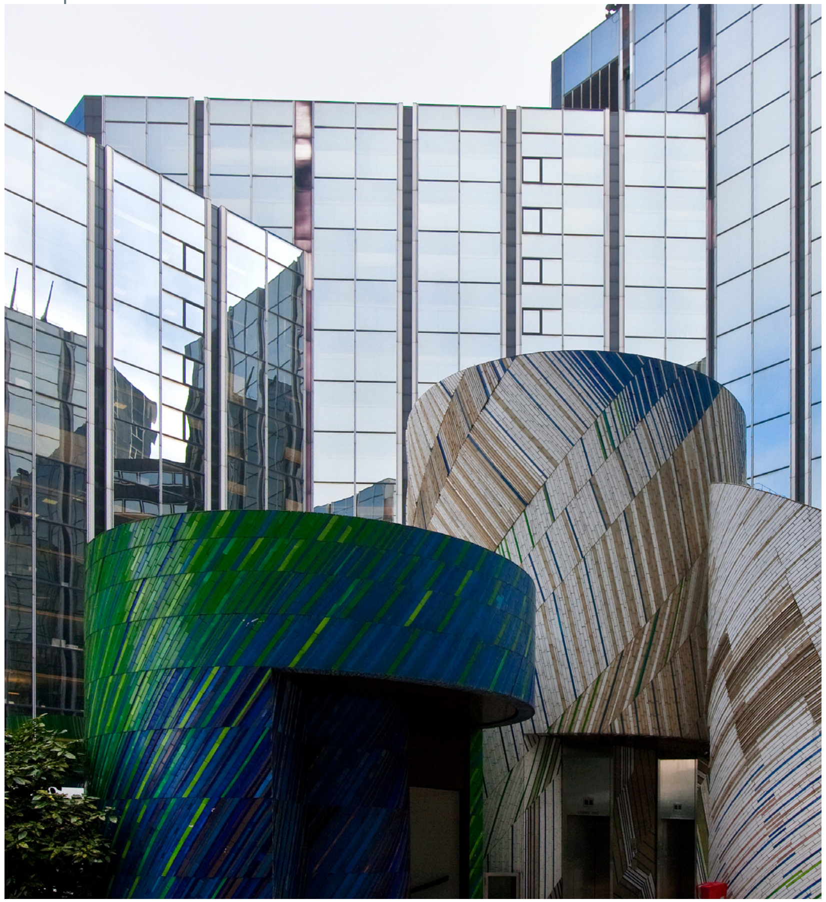
FCC has set the objective of increasing international business' contribution to two thirds of the group turnover figure within a three- to four-year period. Fiscal year 2010 closed with international business responsible for 45% of the general turnover and 55% of the turnover in the Infrastructure area (Construction and Concessions).

The process of cultivating international production is built on a painstaking analysis of the countries that can contribute to greater geographical diversification. The selection criteria are based on each country's legal certainty, economic situation and plans for infrastructure modernization and public services.

In order to boost profitability, a new technological platform has to be created and spurred in its task of supporting internal processes and catalyzing synergies, savings and efficiencies in the group as a whole. Centralization of purchasing processes is the number-one measure in this regard.

To keep its financial statements solid, the group will continue keeping its investments and working capital under tight rein. The combination of a prudent investment rate with active management of non-strategic assets will help bring down indebtedness, with the medium-term objective of three times the net-debt-to EBITDA ratio.

The group will persevere in its strategic lines, which have proved themselves wise in times of crisis, and will implement management based on the stated pillars of growth, striving toward the ultimate goal of maintaining shareholders' rates of return.



RELEVANT EVENTS

REGULATORY DISCLOSURES IN 2010 AND OTHER REPORTS SENT TO THE CNMV

RELEVANT EVENTS

03/02/2010

The Board of Directors of FCC resolved at its meeting of 27 January 2010 to accept the resignation tendered by director Max Mazin Brodovka

26/02/10

Presentation of 2009 earnings

26/02/2010

FCC sent in its Annual Corporate Governance Report

23/04/2010

Call to Meeting of Shareholders and resolutions

28/05/2010

The resolutions made at the Meeting of Shareholders held in Barcelona on 27 May 2010 were reported, the foremost being the following:

- To proceed to re-elect Dominum Dirección y Gestión, S.A., Cartera Deva, S.A., Larranza XXI, S.L., Robert Peugeot, Fernando Falcó y Fernández de Córdova, Marcelino Oreja Aguirre, Juan Castells Masana and Antonio Pérez Colmenero as directors representing major shareholders
- To proceed to re-elect Gonzalo Anes y Álvarez de Castrillón as independent director
- To proceed to re-elect Felipe Bernabé García Pérez as executive director
- To proceed to elect Javier Ribas and Henri Proglio as independent directors

At a meeting held on the same date, 27 May 2010, after the Meeting of Shareholders, the Board of Directors in turn passed resolutions including the following:

- To re-elect Dominum Dirección y Gestión, S.A., Fernando Falcó y Fernández de Córdova, Cartera Deva, S.A., Larranza XXI, S.L. Robert Peugeot, Juan Castells Masana and Javier Ribas as members of the Strategy Committee.
- To re-elect Fernando Falcó y Fernández de Córdova, Cartera Deva, S.A., and Juan Castells Masana as members of the Executive Committee.
- To re-elect Fernando Falcó y Fernández de Córdova, Gonzalo Anes y Álvarez de Castrillón and Juan Castells Masana as members of the Audit and Control Committee.
- To re-elect Dominum Dirección y Gestión, S.A., Fernando Falcó y Fernández de Córdova, Gonzalo Anes y Álvarez de Castrillón, Cartera Deva, S.A., Robert Peugeot and Antonio Pérez Colmenero as members of the Appointments and Remunerations Committee.

28/05/2010

Report of payment of the final dividend for the 2009 fiscal year, a gross sum of 0.715 euro per share.

01/07/2010

Mutua Madrileña and FCC sign an agreement for the sale of FCC's underground car park business unit.

12/07/2010

Reorganization of B-1998's interests.

02/08/2010

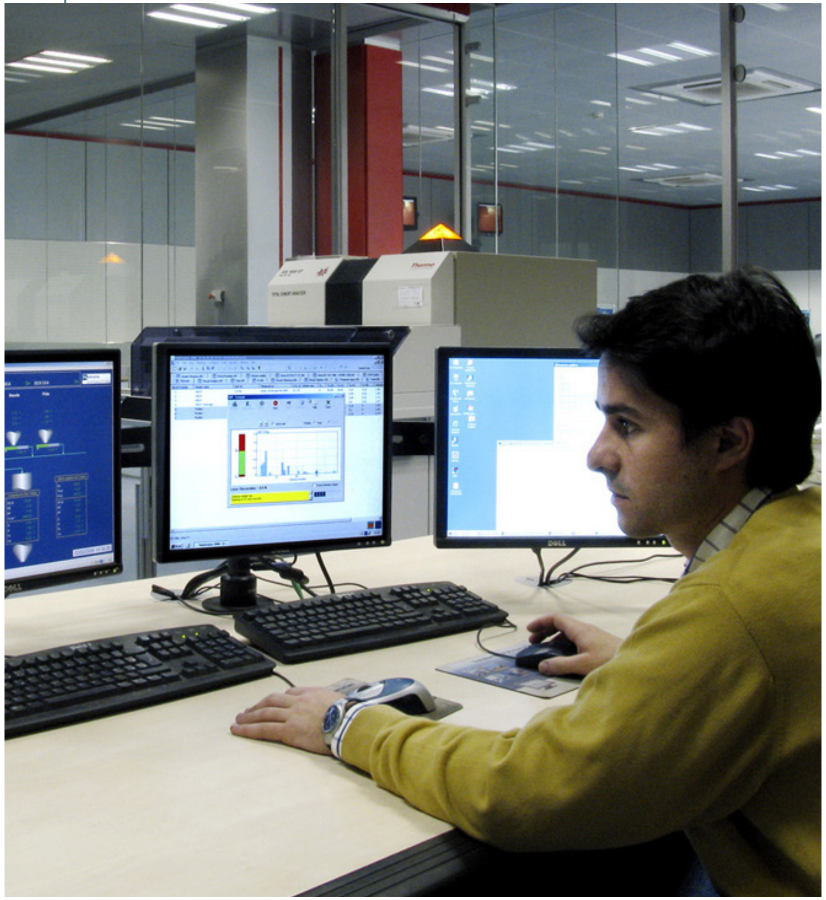
FCC extends a 1,125-million-euro syndicated loan to 2014.

13/12/2010

FCC sells its motor vehicle inspection business in Spain and Argentina for 180 million euro.

17/12/2010

The company reports information on the distribution of the 2010 interim dividend.



FCC IN FIGURES

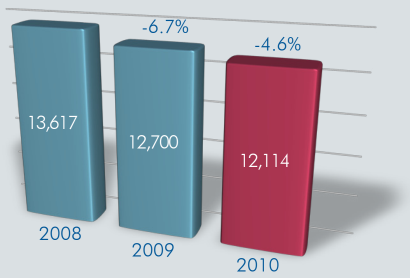
CONSOLIDATED FIGURES

FIGURES

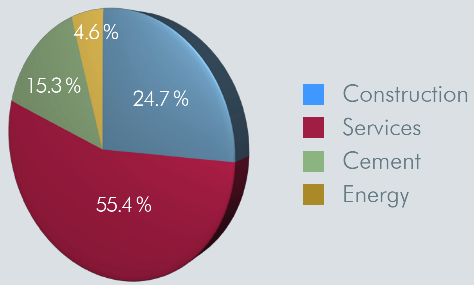
FCC IN FIGURES

FCC IN FIGURES

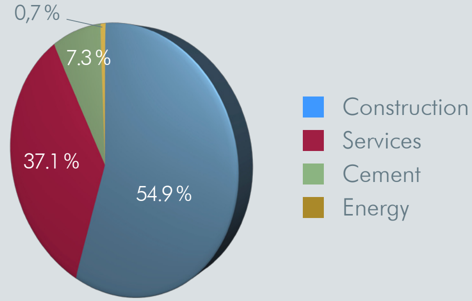
Turnover
Million euro



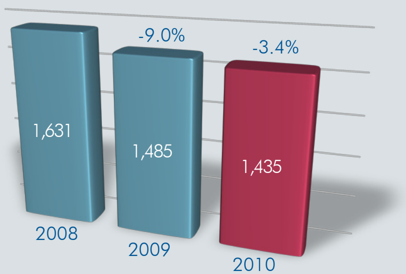
EBITDA
by Activity



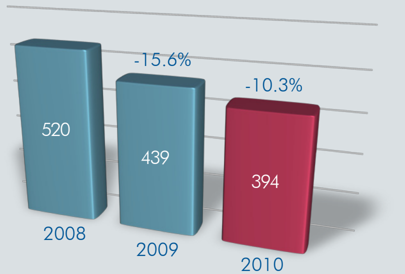
Turnover
by Activity



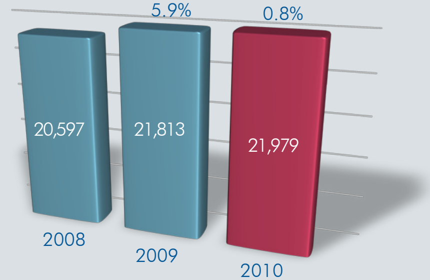
Gross Operating Profit (Ebitda)
Million euro



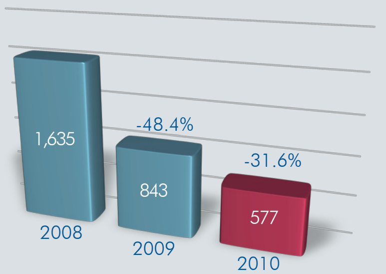
Pre-tax Profits
Million euro



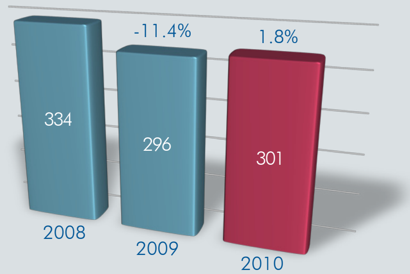
Total Assets
Million euro



Net Investments
Million euro



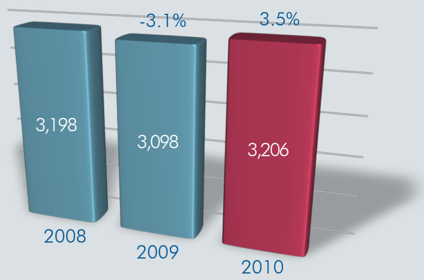
Profit Attributed to the Parent Company
Million euro



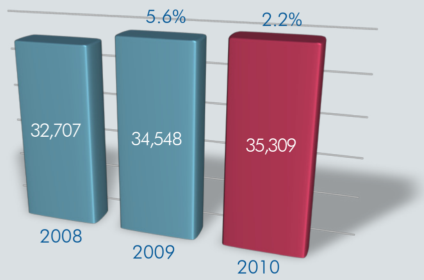
FCC IN FIGURES

CONSOLIDATED FIGURES

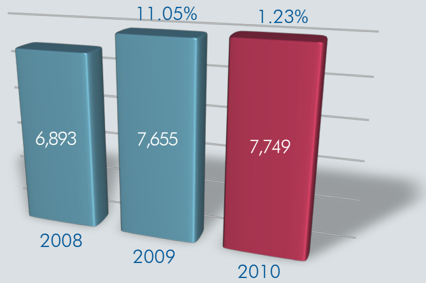
Net Wealth
Million euro



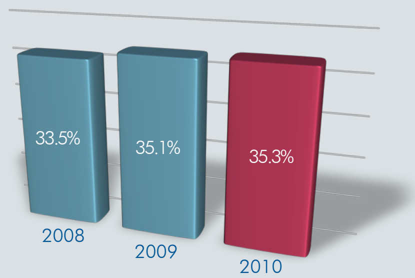
Construction Work and Service Backlog
Million euro



Net Financial Indebtedness
Million euro



Leverage %
(Net debt/total assets)



FCC IN FIGURES

Market and share evolution

The year 2010 witnessed some improvement of global economic growth, especially in the developed countries. The GDP registered a 1.7% increase in the Eurozone and a 2.8% increase in the USA, as compared to a 4.6% increase in worldwide economic terms. In Europe Germany led the expansion, backed by its exports, its moderate indebtedness and the limited impact of its public spending adjustment. That situation was the opposite of what was experienced by other economies, such as that of Spain, which, while not straying from the path of gradual stabilisation, still felt a 0.1% contraction of its economic production.

The expansion of liquidity generated on the North-American market to jump-start the demand fanned a rise in the stock market, which went up 12.8% over the course of the fiscal year, while in Europe the Eurostoxx 50 fell 5.3% due to the weight of the ECB's policy (much more restrictive than that of its US opposite) plus the public spending cutback commented on above and speculative attacks on the euro's stability. These attacks were spurred by the action taken in the first and second halves of the fiscal year to provide Greece and Ireland, respectively, with financial support.

In this context, the evolution of FCC's shares over the year was affected by various factors. The demand for investment in activities dependent on construction was weak in the building industry's different markets, with the greatest fall-off happening in Spain. In addition, bearish expectations of the euro, fanned by the imbalances of some of the Eurozone members, and the revision of the Monetary Union's own operating rules invited bearish attacks on certain markets (The Ibex 35 registered a 17.4% drop, as opposed to 5.3% in the Eurozone) and certain securities, such as FCC, which was more exposed to the reigning economic situation.

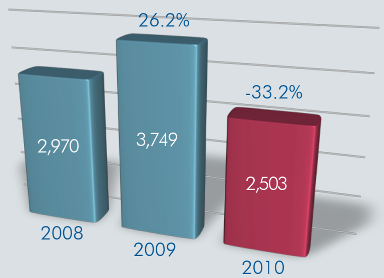
Stock market capitalisation

FCC ended the year with a capitalisation of 2,503 million euro, 33.2% less than the figure registered in 2009.

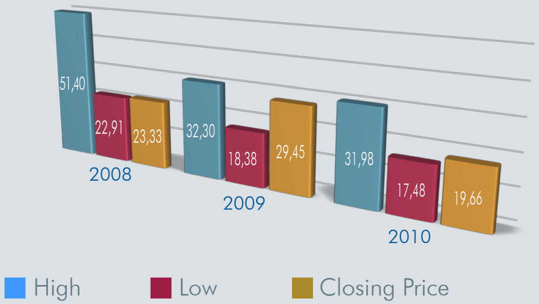
Trading

The total volume traded this fiscal year was over 158 million shares, with a daily average of 618,005 shares, which was 33% more than the daily average for 2009. In the year as a whole, 124% of the total share capital of FCC rotated. The daily average cash value traded was over 13.5 million euro, up 8% from the previous year.

Stock Market Capitalisation
Million euro



Share Quotations:
High, Low and Closing Price

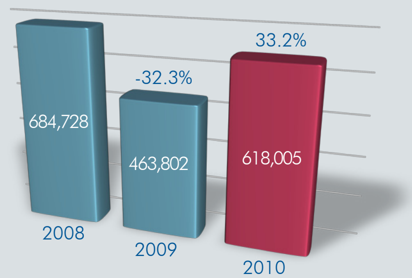


Dividends

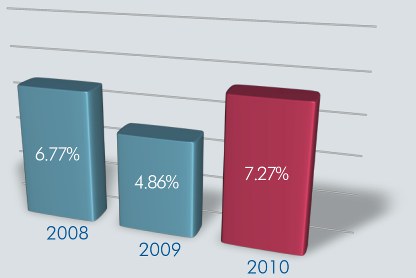
If the proposal that will be submitted to the General Meeting of Shareholders in June 2011 is approved, the amount to be distributed to shareholders in the form of dividends paid on fiscal 2010 will be €1.43 (gross) per share, distributed in two payments: the interim dividend of €0.715 (gross) per share paid on 4 January 2011 and the final dividend of €0.715 (gross) per share.

This payment would mean the payment per share is identical in size to that of 2009, which fact, together with the evolution of FCC's shares, makes for a high rate of

Trading Volume
Average number of shares daily



Dividend Returns per Share
Calculated with the quotation at the close of the fiscal year



FCC IN FIGURES

return, 6.5% of the average quotation registered during the year.

The resulting pay-out in 2010 would be 60.42%, down slightly (1.08%) from the year before, due to the reduction in net profit from 2009.

Treasury shares

As of 31 December 2010, the treasury shares numbered 12,614,951, equivalent to 9.909% of the company's share capital.

The treasury shares are linked to the issue of five-year convertible bonds in October 2009. In November of that same year, in tandem with the convertible bond issue, the Extraordinary Shareholders' Meeting approved a share buyback programme that would enable compliance with the obligations stemming from the bond issue and avoid the risk of future dilution for current shareholders in FCC.

Given the treasury share position at the close of the fiscal year and the number of shares necessary to cover the potential bond conversions (equivalent to 9.108% of the share capital), the risk of dilution mentioned above has been fully eliminated.

Shareholders

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

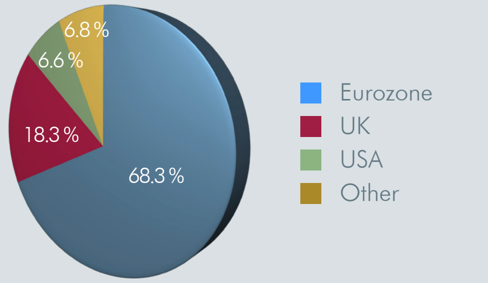
PRINCIPAL SHAREHOLDERS		
B 1998, S.L.	59,871,785	47.031%
Azate, S.L. (*)	8,653,815	6.798%
The Royal Bank of Scotland PLC	4,330,938	3.402%

*Wholly owned subsidiary of B 1998, S.L.

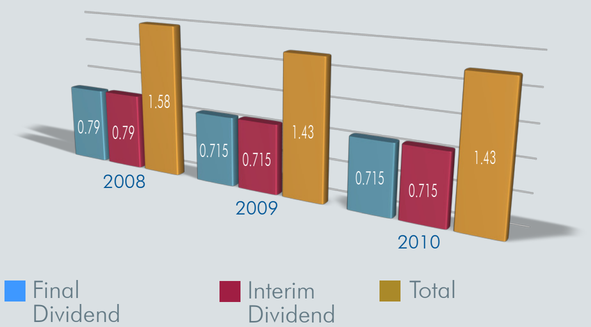
FCC's free float is 36.1%. Its estimated distribution, without including the company's treasury share position, is: 8.6% Spanish minority shareholders, 16.5% Spanish institutional investors and the remaining 11% foreign institutional investors.

The composition of the free float is as follows:

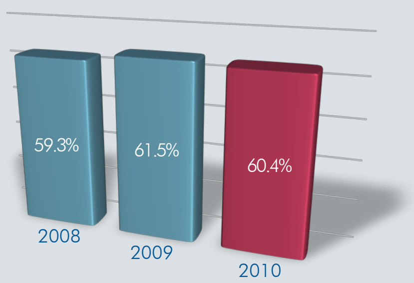
Free-float Distribution by Country
As of May 2010



Dividend per Share
In euro



% Pay-out
(Dividend w/o parent company's ordinary net profit)



FCC IN FIGURES

EVOLUTION OF THE MAIN FINANCIAL INDICATORS

Fomento de Construcciones y Contratas, S.A., and dependent companies (Consolidated Group) at 31 December 20010 (thousands of euros)

ASSETS	31-12-2010	31-12-2009
NON-CURRENT ASSETS	**13.393.742**	**13.384.655**
Intangible fixed assets	5.063.691	5.009.277
Property, plant and equipment	5..833.737	5.957.478
Investment properties	259.033	264.093
Investments carried using the equity method	1.222.895	1.145.754
Non-current financial assets	415.709	404.024
Deferred tax assets	598.597	604.029
CURRENT ASSETS	**8.585.395**	**8.427.874**
Inventories	1.138.375	1.103.282
Trade and other accounts receivable	5.491.691	5.372.976
Other current financial assets	225.763	230.980
Other current assets	50.915	66.174
Cash and cash equivalents	1.678.651	1.654.462
TOTAL ASSETS	**21.979.137**	**21.812.529**

LIABILITIES		31-12-2010		31-12-2009
EQUITY		**3.206.301**		**3.097.574**
Net equity allocated to the parent		2,562,930		2,444,892
Capital and reserves	2.840.066		2.770.427	
Value adjustments	(277.136)		(325.535)	
Minority interests		643.371		652.682
NON-CURRENT LIABILITIES		**10.962.527**		**11.178.933**
Grants		104.693		85.692
Provisions -non-current		1.047.836		906.535
Non-current financial liabilities		8.628.968		8.952.544
Deferred tax liabilities		1.156.043		1.216.910
Other non-current liabilities		24.987		17.252
CURRENT LIABILITIES		**7.810.309**		**7.536.022**
Provisions -current		143.233		110.773
Current financial liabilities		1.988.231		1.519.368
Trade and other accounts payable		5.662.968		5.896.831
Other current liabilities		15.877		9.050
TOTAL LIABILITIES		**21.979.137**		**21.979.137**

FCC IN FIGURES

INCOME STATEMENT

Fomento de Construcciones y Contratas, S.A., and dependent companies (Consolidated Group) at 31 December 20010 (thousands of euros)

	31-12-2010	31-12-2009
Net turnover	12.114.168	12.699.629
Own work capitalised	82.597	50.460
Other operating revenue	337.955	357.527
Changes in inventories of finished products and work in progress	15.035	(25.397)
Raw materials and consumables	(5.623.811)	(6.126.122)
Staff costs	(3.300.764)	(3.296.522)
Other operating charges	(2.190.628)	(2.174.662)
Fixed asset depreciation	(732.140)	(752.381)
Grants for nin-financial fixed assets and others	2.700	2.673
Impairment and profit/ loss on fixed asset disposals	145.351	60.844
Other profit (loss)	(76.738)	(6.537)
OPERATING RESULTS	**773.725**	**789.512**
Finance income	59.791	66.196
Finance expense	(442.085)	(377.675)
Change in fair value of financial instruments	(30.486)	5.189
Exchange differences	20.819	(32.541)
Impairment and losses on disposal of financial instruments	(4.972)	(29.997)

	31-12-2010	31-12-2009
FINANCE INCOME/COSTS	**(396.933)**	**(368.828)**
Profit (loss) of companies carried by the equity method	16.839	18.361
BEFORE-TAX PROFIT (LOSS) FROM CONTINUOUS OPERATIONS	**393.631**	**439.045**
Corporate income tax	(80.048)	(115.229)
PROFIT/LOSS FOR YEAR FROM CONTINUING OPERATIONS	**313.583**	**323.816**
PROFIT/LOSS FOR THE YEAR	**313.583**	**323.816**
Profit/loss attributed to the parent company	301.253	296.036
Profit/loss attributable to minority shareholders	12.330	27.780
EARNING PER SHARE		
Basic	2.60 €	2.43€
Diluted	2.56 €	2.42€

SERVICES

SERVICES

SERVICES

SERVICES

Citizen Services

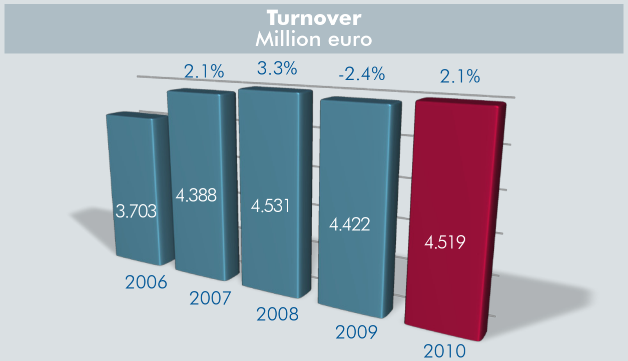
ENVIRONMENTAL SERVICES COVERS THE NEEDS OF 3,449 CITIES AND TOWNS, A POPULATION OF OVER 27.5 MILLION INHABITANTS

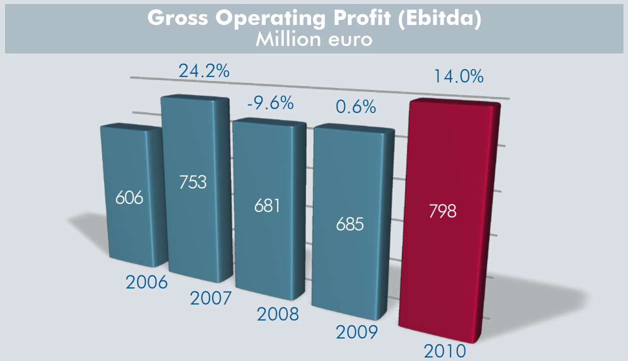
As a citizen service company, FCC has kept environmental activities as one of its core businesses practically ever since the company was created more than a century ago. The Services business area furnishes 46% of FCC's gross operating results and 30% of its turnover.

FCC clusters its Services activity into two major areas:

- **Environmental Services**, which covers all business related with urban sanitation (rubbish collection, street cleaning, urban waste treatment and industrial waste recycling);
- **Versia**, which sold off its underground car park and vehicle inspection businesses and therefore has seen a reduction in activity this year. In the wake of these divestments, Versia's remaining activities are logistics, airport handling, urban furniture, car parks, conservation and systems, passenger transport and industrial vehicle sales.

In 2010 the environmental services backlog lived up to the strong example set the year before. In the last fiscal year the backlog hit a value of 25,325 million euro, which means it showed a 6.9% year-on-year increase.





FCC MEDIO AMBIENTE, S.A.

SECTOR ANALYSIS

Urban sanitation business met its forecasts for 2010 due to a 17% rise in contract awards (total contracts awarded: 448). The value of these contracts (for solid waste collection and treatment, street cleaning and sewer system maintenance) added up to 2,243 million euro, as opposed to 1,544 million euro in 2009.

On the other hand, the building and retail space cleaning and maintenance subsectors and the park and garden maintenance and upkeep sector did feel the fallout of the economic crisis. In 2010 841 million euro in contracts were awarded, 26% less than in the fiscal year before (1,146), in 922 calls for tenders (also fewer than those held in 2009). The fundamental reason for this downslide lay in both private and public organizations' tendency to extend the contracts they already had instead of calling for new tenders.

The fact that 2011 is an election year means that forecasts for this fiscal year are much lower than those of last year; government activity at all levels slows down as a consequence of the impasse caused by election-related activities.

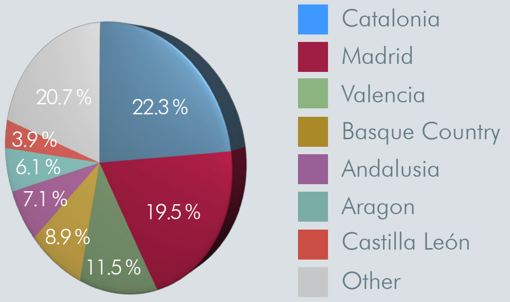
FCC'S ACTIVITY

FCC renders urban sanitation services in 3,449 cities and towns throughout Spain, covering a joint population of over 27.5 million inhabitants, who produced 6.700.577 tons of rubbish. For this kind of work, the Citizen Service Group has a fleet of 11.865 vehicles, 272 of which are electrical or hybrid.

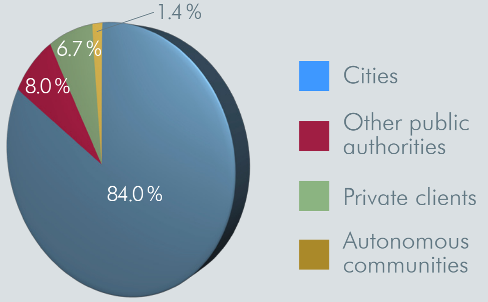
City	Service	Period
Gandía	Solid urban waste service and street-cleaning service	25 years
Almería	Cleaning service for public institutions, offices and schools	2 years
Castellón de la Plana	Solid urban waste service and street-cleaning service	15 years
Cartagena	School-cleaning service	2 years
Tarragona	Solid urban waste service and street-cleaning service	10 and 7 years
Mataró	Park and garden maintenance service	4 years
Badalona	Solid urban waste service and street-cleaning service	10 years
Cambrils	Park and garden maintenance service	4 years
Badajoz	Solid urban waste service and street-cleaning service	12 years
Orense	Solid urban waste service and street-cleaning service	10 years

SERVICES

Geographical Area
Contracts in Spain

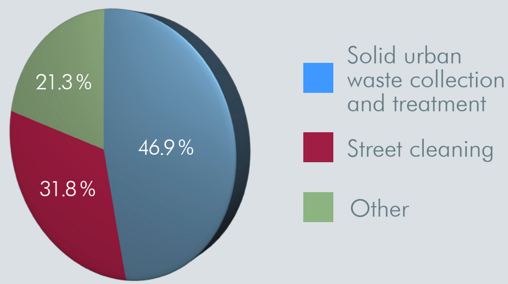


Breakdown by Client Type
Contracts in Spain

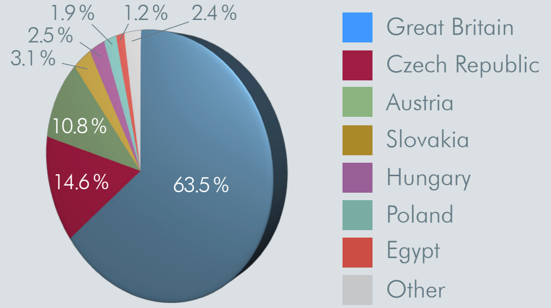


Outside Spain FCC is one of the leading end-to-end solid urban waste management and energy recovery firms in the United Kingdom, central and eastern Europe and northern Africa. It does business in 12 countries (the United Kingdom, Austria, the Czech Republic, Slovakia, Hungary, Poland, Romania, Bulgaria, Serbia, Lithuania, Portugal and Egypt). During 2010 it earned more than 1,022 million euro in turnover. In Latin America FCC does business through Proactiva Medio Ambiente, a company owned in equal shares by FCC and Veolia Environmental.

Breakdown by Service Type
Contracts in Spain



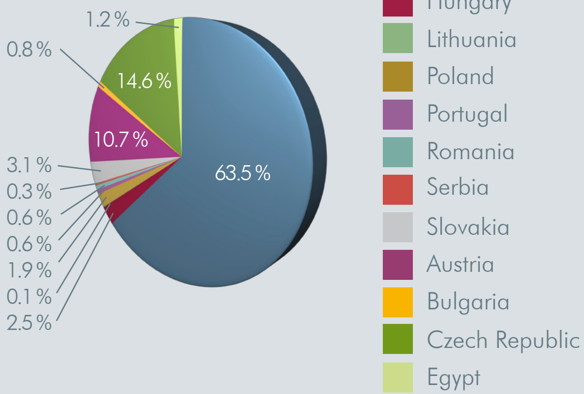
Geographical Area
Contracts Abroad



INTERNATIONAL ENVIRONMENT

During 2010 the International Environment Division won a total of 28 calls for PFI tenders in street cleaning, waste collection, waste transport, waste treatment and waste disposal in the geographical areas listed below:

International Environment Division
Turnover in 2010 - Geographical Location



CONTESTS ADJUDGED IN THE EXTERIOR			
FCC United Kingdom (WRG)		**FCC central and eastern Europe (ASA)**	
Gained contests:	18	Gained contests:	10
Population covered:	5.182.300 inhabitants	Population covered:	2.042.000 inhabitants
Treated tons:	1.142.000 tpa	Treated tons:	418.400 tpa
Annual invoicing:	65.235 k£	Annual invoicing:	18.114 k€
Contracted portfolio:	1.818.500 £	Contracted portfolio:	110.589 k€

DESPITE THE GLOBAL ECONOMIC CRISIS, OUR AUSTRIAN SUBSIDIARY ASA INCREASED ITS SALES BY 14% IN 2010

SERVICES

Some of the most significant contracts won in 2010:

FCC United Kingdom (WRG).

- PFI contract for the county of Lincolnshire (eastern England).

Services rendered: Treatment and disposal of the county's municipal waste. The proposed solution includes the design, construction and operation of an incinerator plant capable of handling 150,000 tons of waste per year.

The incinerator plant will put out more than 84,000 MWh of electricity per year, which is equivalent to the power consumed annually by more than 17,000 homes.

Population covered: 646.000 inhabitants.

Contract term: 25 years.

- PFI contract for the county of Buckinghamshire (southeast England).

Services rendered: Treatment and disposal of the county's municipal waste plus commercial and industrial waste. The proposed solution includes the design, construction and operation of an incinerator plant capable of handling 300,000 tons of waste per year and two transfer stations for transporting the region's waste.

The incinerator plant will put out more than 179,000 MWh of electricity per year, which is equivalent to the power consumed annually by more than 36,000 homes.

Population covered: 487.000 inhabitants.

Contract term: 30 years.

- Landfill disposal contract with the Thurrock Council, United Kingdom.

Services rendered: Household waste treatment and disposal in landfill

Population covered: 143.000 inhabitants.

Contract term: 7 years.

- Contract to operate transfer stations in the county of Hertfordshire, United Kingdom.

Services rendered: Transfer plant operation

Population covered: 1.066.000 inhabitants.

Contract term: 8 years.

- Household waste transfer and disposal contract in the county of Norfolk, United Kingdom.

Services rendered: Household waste transfer, treatment and disposal

Population covered: 853.000 inhabitants.

Contract term: 5 years.

FCC central and eastern Europe (ASA)

- Street-cleaning contract for two districts of Prague, Czech Republic.

Services rendered: Street cleaning and winter services

Population covered: 1.200.000 inhabitants.

Contract term: 8 years.

- Municipal rubbish collection contract in one district of Sofia, Bulgaria.

Services rendered: Waste collection, transport and disposal

Population covered: 70.000 inhabitants.

Contract term: 4 years.

- Contract to recover contaminated soil in Srdce (Bratislava), Slovakia.

Services rendered: Contaminated soil recovery

Population covered: Not applicable

Contract term: 3 years.

- Street-cleaning contract for the city of Bratislava, Slovakia.

Services rendered: Street cleaning and winter services.

Population covered: 440.000 inhabitants.

Contract term: 8 years.

SERVICES

TECHNOLOGICAL INNOVATIONS

In recent years environmental issues have exerted a growing influence over calls for tenders and bids, which have become more and more demanding in their environmental exigencies. These conditions force us to develop or improve technologies, such as the technologies involved in pollution emissions from machinery. For this reason different processes have been developed that are of huge interest in terms of our services' vehicle emissions.

Innovation in running automobiles on natural gas.

Today we have the necessary consolidated, applied technology to treat emissions by using natural gas as a fuel in high-pressure gas-filling plants and in more than one thousand, two hundred and fifty vehicles from our fleet. We require these vehicles to provide street-cleaning, waste collection, gardening and fountain-cleaning services, and even sewer cleaning and maintenance, which means we have had to develop more than thirty different types of vehicles.

In 2010 we launched an important and possibly unique innovation in the field of natural gas as applied to automobiles. It is a contract requiring 700,000 Nm3 of natural gas to be supplied per year, to power 43 vehicles. Laying pipe to run gas directly to where the contract specifies would be extremely expensive and difficult. In Castellón we built the first station providing natural gas for vehicle consumption on the basis of LNG (liquefied natural gas) shipped by road in cryogenic storage (-173 ºC).

The station has a double-walled storage tank holding 60 m3 of LNG.

The liquefied gas is run into an external pressurizing circuit equipped with cryogenic pumps that compress the gas to a maximum pressure of 350 bars. The compressed gas is then piped to a vaporizer, where it is converted into the gaseous state. It can then flow into the lorry tanks through

the five double pumps installed at the station, without requiring the use of compressors.

The gas that evaporates during the process is reused in the boilers that provide the station's hot water and heating.

Electrical Vehicles

FCC's first big fleet of street-cleaning vehicles, a total of 89 units, was rolled out in Barcelona in 2009. To expand the fleet and continue along the same lines, FCC has carried on working to develop an electrically powered auxiliary vehicle. The resulting vehicle has contributed in a big way to reducing pollution emissions by releasing much lower emissions than its diesel equivalent yet maintaining the same manoeuvrability and useful load-bearing capacity. At present FCC has a total of 252 vehicles running on electric and electric/hybrid technology in Environmental Services.

The strides FCC is making in electrical drive systems (including system control) and energy storage systems have also enabled the group to develop and roll out two more types of electrical units that completely eliminate pollutant gas and noise emissions while at work. These units are known as ZEVs, or zero-emissions vehicles.

- The first is a wholly electrical street-cleaning vehicle with a maximum admissible weight of 3.5 tons. It has a tilting chassis capable of holding 10 cubic metres, so it is clearly superior in waste load-bearing capacity to the light vehicle debuted in 2009.
- The other ZEV is also a completely electrical vehicle, but its maximum admissible weight is 5.2 tons. It is for loading, handling and carrying side-loading containers in vehicle-unfriendly areas –in other words, rubbish collection. Its chassis can carry up to three side-loading containers, and it is powered entirely by electricity.

Both of these units will be going into service under FCC's contract with the city of Badalona. The initial fleet will contain 12 units: eight tilting units and four container-loading units. In both cases the vehicles' features and performance figures are the same as or better than those of a vehicle run on an equivalent combustion engine.

In another important step forward, the technology behind the 32 electrical and hybrid KB I collection and compacting vehicles that are currently operating in Madrid, Barcelona and Zaragoza is being extended for use in street-washing services in hard-to-reach historical areas. This equipment too is electrical and hybrid, using electricity to drive all units all the time. Except for the sound of the water, the noise these street washers produce is practically unnoticeable, because the vehicles have no internal combustion engines at all. What is more, there are absolutely no emissions of pollutant gases.

SERVICES

Pneumatic Rubbish Collection

Pamplona is the scene of a new, trail-blazing activity by FCC: the construction and operation of the first pneumatic rubbish collection system, which will cover the city's entire central area. To deploy the new system, rubbish collection shafts (topped by terminals known as "letterboxes") have been set up. Nearly six kilometres of waste transport system and more than 100 "letterboxes" have had to be installed, accommodating three different types of rubbish: paper/cardboard, plastic and metal food and drink containers and other rubbish. The system has a collection capacity of 5,080 tons per year and will collect the sorted rubbish of more than 6,400 homes and 834 shops.

The system's heart is a central collection station outfitted with the necessary machinery for producing suction (480 kW, via turbo extractor fans), decanting, filtering off any air and compacting the rubbish. This process is performed separately for each waste type. The system is controlled and operated remotely via electronic controls, which activate the entire system from a single point located right at the central station. In other words, products sorted and deposited in the appropriate letterbox by householders are automatically collected, without the aid of any vehicles, through a fast underground network under the control of a single person. The waste is conveyed to the central station, where it is automatically compacted into large containers that are loaded onto lorries and shipped to the disposal or treatment plant.

The collection network is 5,712 metres long, with steel pipe 500 millimetres in diameter to carry the waste. The network also has 122 letterboxes for waste pick-up (36 for paper/cardboard, 35 for food and drink containers and 51 for other rubbish) scattered over 35 locations in the historic centre of Pamplona.

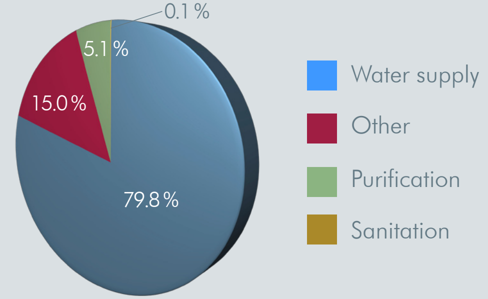
This underground collection system poses major environmental advantages, because it makes it unnecessary to send any vehicles at all to make door-to-door pick-ups, with the exception of vehicles collecting glass and items too large to fit in the letterboxes.

ANALYSIS OF THE SECTOR

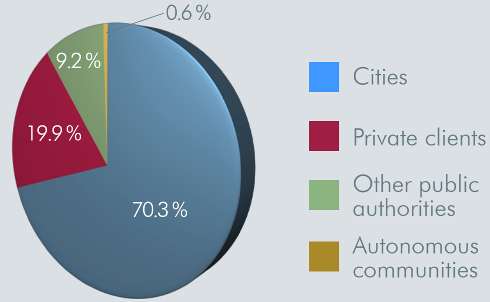
Large quantities of high-quality water are key for economic prosperity everywhere and necessary for any society that prizes wellbeing today. For this reason, optimum water management has become a necessary requirement and something very like a planet-wide challenge: How to make water a solution instead of a problem in the 21st century. In fact worldwide water consumption doubles every 20 years, and the United Nations anticipates that the demand will surpass the water supply by more than 30% by 2040. In this context it seems now to have been universally agreed that water is an economic asset, –that is, water is scarce and is subject to alternative uses.

Experience tells us that end-to-end water cycle management is being used as a mechanism for subsidizing different business activities, by setting water prices that are lower than the real cost of water use. In this context there is a need to set a price on water service. This can only be done on the basis of cost/benefit analyses covering all the needs and uses of this precious resource, as stated in the Water Framework

Breakdown by Service Type

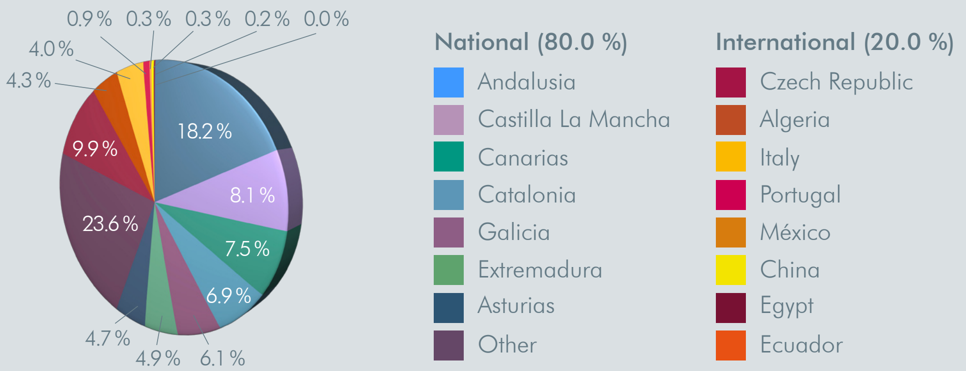


Breakdown by Client Type
Contracts in Spain



SERVICES

Geographical Area



Directive (WFD). Logically, all benefits pertaining to economic profitability alone should be put down under "Benefits", but the benefits of social and environmental profitability have to go at the top of the list. Planning work will make it possible to identify what infrastructure building and replacement needs must be addressed in the upcoming years. Practice tells us we need to identify the possible sources of financial resources for satisfying those needs. So, it just seems to make sense for the private sector's financial contribution to be regarded as linked to its recovering the funds it contributes. How? By operating the infrastructure thus funded.

It is the specialized companies that can furnish the solutions cities and towns are demanding, solutions always respectful of the environment, sustainable resource use and clear orientation toward citizens. An expert company that has the finest professionals with training spanning many disciplines can furnish technical assistance in the tasks of water resource planning, alternative technology evaluation, infrastructure design to optimize the resource by minimizing environmental impact, plus guaranteed good operation at minimum cost.

In the construction of infrastructure and the manufacturing of production goods related with the end-to-end water cycle, companies can also contribute value by incorporating the latest technologies and ensuring quality. For example, companies have proprietary RDI developments that ensure durability and reduce operating costs over the span of infrastructure's useful life. Those business projects that embrace several of these fields of activity at once will be more effective at cooperating with the administration in working toward the general objective of optimizing end-to-end water cycle management.

In recent years the Spanish government has been encouraging the private sector to participate in the field of end-to-end water cycle management. This is a good thing and a wise thing for it to do. Government's attitude is making it easier for Spanish firms to gain a lead in the international market and to position themselves as the world's standard setters in water management. And it is through starting business in different countries –many of which need modern, expert management in order to solve historic water problems we have been facing for a great many years– that will prove a source of wealth and high added value for Spain.

SERVICES

DIVERSIFICATION STRATEGY AND TARGETING OF THE INTERNATIONAL MARKET

FCC'S WATER BUSINESS IN 2010

The water management sector is not immune to the current financial situation. However, while reductions in consumption and cutbacks in public investment are the order of the day, **Aqualia** continues full speed ahead. In addition, **Aqualia**'s diversification strategy and years-old commitment to the international market have enabled **Aqualia** to maintain both its business backlog and its turnover by engaging in activity in countries forecast for big growth in the water management sector. **Aqualia**'s international strategy for emerging countries regards public-private partnership (PPP) systems as the best way of getting a start in a new country, because PPPs are projects that entail just a limited risk and provide a better grasp of the rules of the game as played in the country in question.

In fact, FCC subsidiary **Aqualia** Infraestructuras already has 75% of its production abroad. This is also because of **Aqualia**'s business model, which is end-user oriented. **Aqualia** stays in direct touch with its end users, the people who pay regular bills. Thus, **Aqualia** can maintain minimum bad debt rates and generate a constant cash flow in long-term (25- to 30-year) government contracts regulated by economic and financial equilibrium.

The present complicated financial situation is especially affecting cities and towns; and it is this very circumstance that has paved the way to a change in municipal water service management models and enabled a high level of contract bidding to be maintained in 2010. **Aqualia**, positioned for years now as an expert in end-to-end water cycle management, participated in 516 calls for tenders related with the sector and won 210 contracts worth 1,134.6 million euro, which make the overall backlog 12,818.8 million euro.

Water activity coverage is 177.2 months. That is 9.2 months longer than in 2009 and practically 15 times the yearly turnover. Territories are demanding more efficient, customer-oriented water service, on a foundation of environmental and social commitment, and **Aqualia** is responding. **Aqualia** was awarded the Spanish Ministry of Health, Social Policy and Equality's "Equality in Enterprise" insignia, which only about thirty organizations managed to earn this year. What is more, **Aqualia** simultaneously earned AENOR certificates in RDI Management and Energy Management, a special achievement, since no other firm in the sector holds these certificates.

In Spain **FCC**'s water business area was the biggest winner of contracts from the Ministry of the Natural, Rural and Marine Environment. For instance, **Aqualia** was selected to build the largest water treatment plant put out to tender in Spain in 2010, the plant in Gijón.

In the international field, **Aqualia** won a new water management contract in Portugal, in the city of Fundão. Fundão joins Elvas, Campo Maior, Abrantes and Cartaxo and helps consolidate the company as one of the main indirect water management operators in our neighbour across the border.

During 2010 new contracts were won in countries including Romania (where **Aqualia** is currently engaged in building two wastewater treatment plants), Mexico (where the company has signed its third contract) and Chile (**Aqualia** has successfully entered the Chilean market for the production of desalinated water). In addition, the company is still working in regions such as the Middle East.

SERVICES

Ámbito covers FCC's activities in the full-service management of all kinds of industrial waste: hazardous waste, non-hazardous waste, recyclable waste, soil and environmental liabilities. After two years of severe economic crisis, 2010 was for Ámbito a year in which to reap the harvest of the measures taken in the 2008 and 2009 fiscal years.

The numbers speak for themselves: Sales went up 17%, taking turnover to over 280 million euro, with a 44% increase in gross operating results (EBITDA). In addition, the average collection period and the delinquency rate were reduced. The rosy picture is not limited to certain countries only. In all the countries where FCC Ámbito does business (the top three being Spain, the US and Portugal), sales increased.

The causes behind the recovery are both internal (reduction of expenditure and increase in efficiency, both introduced in the last two fiscal years) and external (materials recycled by FCC Ámbito have benefited from the rise in the price of raw materials). Also, because of the more international business focus taken in line with the overall strategy of the Citizen Service Group, sales abroad now account for 42% of total sales, with the eventual target of over 45% in 2011.

One of the Industrial Waste Division's most important projects is the decontamination of Flix Reservoir in Tarragona. Work there is now well advanced. It is the biggest decontamination project ever awarded in Europe, with a budget of 150 million euro and a million tons to be decontaminated and treated.

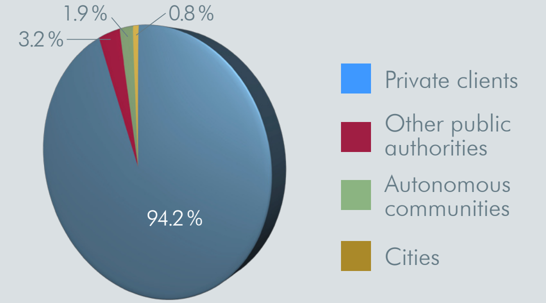
SALES
WENT UP
17%

Syracuse, Italy, is another of the settings where FCC Ámbito is busy. Waste management work began in Syracuse in November of last year with a budget of 60 million euro and the objective of treating 260,000 tons of contaminated sludge.

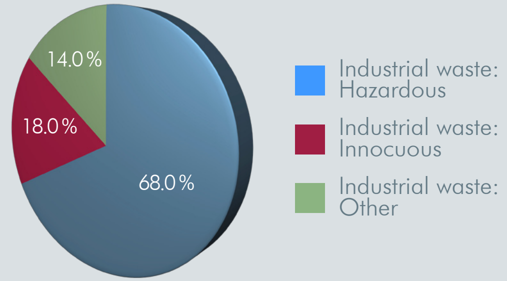
The new plant opened in Portugal in late 2008 is enjoying a similarly stellar career. In terms of both turnover and profitability, last year's figures beat the already good results of 2009 (the plant's first full business year). In addition, in the last stretch of the fiscal year, EGF and Electricidade de Portugal each awarded a contract, so improvement can be expected over the figures posted in 2010 by Ecodeal, FCC Ámbito's Portuguese subsidiary.

The United States was the setting of the start of a promising new activity, petroleum waste management on the eastern coast of the US and the Gulf of Mexico. In this business FCC Environmental achieved two-digit growth in turnover, operating profit and results.

Breakdown by Client Type
Contracts in Spain



Breakdown by Service Type

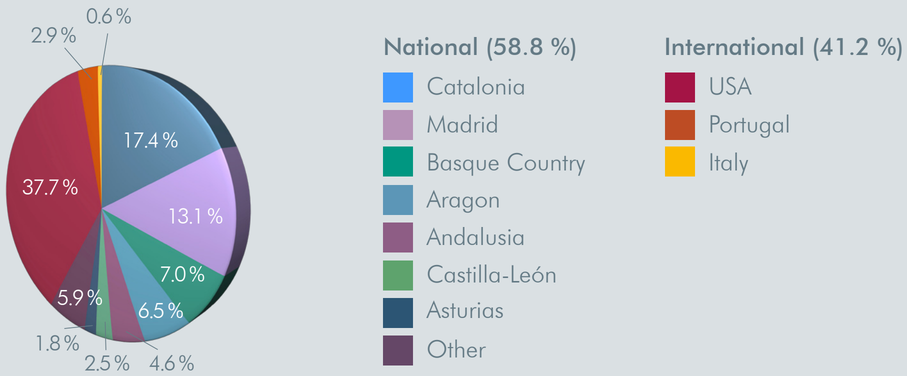


SERVICES

Back home in Spain, contracts for new waste management services all over the country were secured with high-profile clients like the Bertelsmann Group (a ten-year contract), ENDESA (for the full-service plant waste management system for all of Andalusia), Renault, Mapfre and Citroën.

The FCC subsidiary in the paper recovery business, Marepa, succeeded in increasing its market share in Spain, and in addition its already large business in selective collection was fattened by contracts with cities including Orense, Castellón, Badajoz, Segovia and Benidorm.

Geographical Area



FCC versia,s.a.

Versia handles FCC's activities in non-environmental services, which are:

- Logistics
- Airport handling
- Urban furniture
- Car parks
- Vehicle inspections
- Conservation and systems
- Sales of cleaning vehicles and specialty vehicles (SVAT)

TURNOVER:
846
MILLION EURO

In 2010 there have been two events of particular relevance for Versia, one result was the sale of Versia's underground car park business to the Mutua Madrileña Automovilística insurance firm. Under the sale terms, Mutua Madrileña Automovilística bought 31 car parks for 120 million euro.

In December it was the vehicle inspection business's turn to be sold, to the Swiss SGS Group. The 180-million-euro sale included all inspection stations operating in Spain and Argentina.

In the rest of its activities, Versia persevered in its efforts to optimize its production structures, control costs and at the same time improve its indebtedness ratios. At the close of 2010, its consolidated turnover came to 846 million euro.

SERVICES

FCC logística

TURNOVER:
285
MILLION EURO

FCC Logística renders services in Spain and Portugal. Its clients are some of the leading firms in a range of sectors, including the automotive, food, cleaning product, perfume, cosmetic and personal care and appliance sectors. Industry and technology, the pharmaceutical and optical sector, mass distribution platforms and B2B and B2C goods-shipping platforms complete the picture of the realm this division of the Citizen Service Group works in.

FCC's Logistics Division holds the Quality Seal, which guarantees compliance with the sector's Good Practice Code in FCC's commitment to help forge an image of reliability, integrity and transparency in the logistics sector.

In some of the foremost events of the fiscal year:

- A new base for the shipping fleet was officially opened in Cabanillas del Campo, Guadalajara. It features a lorry park, a private petrol station and modern garage facilities for fleet maintenance. The new base is attached to an office building that houses the Shipping Unit.
- An automated order preparation facility went into operation at the logistic centre in Azambuja, Portugal, which works with the pharmaceutical sector.
- Activities got under way to provide supervision support at the Valencia Port Border Inspection Station, after FCC Logística won the five-year contract offered by the Valencia Harbour Authority.
- Inauguration of an 18,000-m² platform in Burgos dedicated to the Mahou-San Miguel Group, to serve customers in northern Spain.

SERVICES

flight care
Ground services

Flightcare, S.L., is the FCC service company that provides ramp-, passenger- and cargo-handling services at 14 airports all over Europe. In 2010 it served more than 34 million passengers flying with 250 companies, totalling 324,000 movements and handling more than 333,000 tons of cargo.

In Spain Flightcare provides ramp- and passenger-handling services at the airports in Barcelona, Málaga, Alicante, Valencia, Fuerteventura, Jerez and Almería. In addition it provides cargo-handling services in Madrid, Barcelona, Valencia and Alicante.

In Belgium Flightcare is the principal ramp- and passenger-handling operator and one of the leading cargo-handling operators at Brussels Airport. Flightcare can be found also at the airports in Ostend-Bruges, Liège and Charleroi.

In Rome Flightcare is the principal independent handling agent at Fiumicino Airport and the only independent operator at Ciampino Airport.

The leading events of 2010 included the signing of a contract with Lufthansa and Swiss for Barcelona Airport and Rome-Fiumicino Airport. Flightcare already held a contract with the same clients for Brussels Airport. In addition, in September a new cargo centre was opened at Rome Airport; in just four months' use, the new centre is already at over 75% of its capacity. This fact, together with the ramp and passenger services Flightcare was already providing, make Flightcare the only handling firm at Rome Airport that provides its clients with comprehensive service.

Flightcare also sailed with flying colours through the Spanish audits for the renewal of its quality and environment certifications for another three years. In addition, Brussels was the first airport where Flightcare earned ISAGO (IATA Safety Audit for Ground Operations) certification.

TURNOVER:
244,4
MILLION EURO

SERVICES

CEMUSA

The design, manufacture, installation and maintenance of many kinds of urban furniture and the marketing of advertising space on urban furniture are Cemusa's specialities. More than 160 cities in Europe and America, such as New York, Madrid, Rio de Janeiro, Barcelona, Boston, Lisbon, Milan and Brasilia, are host to Cemusa's 160,000 installations. Cemusa's urban furniture designs are produced in cooperation with architects and designers of recognized worldwide prestige.

Cemusa too saw 2010 as a year of recovery after the previous two fiscal years of severe economic crisis. With the recovery of the advertising sector, this urban furniture company regained market share, while its commitment to technological innovation placed it in the vanguard of new advertising formats.

For example, Cemusa endowed its urban furniture range with digital capabilities. The world's first digital newsstands, a Cemusa product, were rolled out in New York City, where Cemusa has been managing street furniture since 2006. In world-famous Times Square, Cemusa installed a circuit of high-definition LCD digital screens built right into newsstands to broadcast advertising videos and other content. This circuit provides the first large-format digital advertising opportunity in the streets of the Big Apple.

In the Italyn market, Cemusa also expanded its range of advertising in Milan with the installation of illuminated billboards all along the perimeter of the Citylife project. Citylife aims to transform the city and includes the construction of a huge park, three skyscrapers, a design museum, residential and retail areas and underground car parks.

At home in Spain, Cemusa won the contract to run the advertising at tram stops in Bilbao. It also took home the contract to adapt the newsstands on Barcelona's popular thoroughfare Las Ramblas for advertising using digital technology and to operate the advertising afterwards.

TURNOVER:
129,4
MILLION EURO

SERVICES

Estacionamientos y Servicios, S.A.

FCC's parking-facility business focuses primarily on regulated on-street parking management, municipal vehicle-towing and vehicle impoundment services and the development and introduction of computer applications to handle traffic violations.

The company manages approximately 133,000 regulated on-street parking spaces in 60 cities. In 18 of these cities FCC also furnishes towing services to remove improperly parked vehicles.

The new contract awards of the year were:

- San Sebastián, Guipúzcoa. Regulated on-street parking in the Gros, Atotxa, Amara Nuevo, Antiguo Ondarreta and Ibatea neighbourhoods and the business areas of Miramón, Zuatzu and Igara, in the car park for public transport users at Paseo de Ondarreta, Plaza Lautximinieta, Illumbe and in the area for recreational vehicles on Paseo de Berio, a total of 11,646 parking spaces, for a five-year period, extendable for an extra four years.
- Salamanca. 2,794 spaces of regulated on-street parking and management of the vehicle towing service, for a ten-year period.
- Benicàssim, Castellón. 259 spaces of regulated on-street parking for a two-and-a-half-year period, extendable up to a maximum of four years.
- Huercal-Overa, Almería. 220 spaces of regulated on-street parking for a four-year period, extendable by a further four years.

TURNOVER:
76,8
MILLION EURO

SERVICES

Conservación y Sistemas

Conservación y Sistemas, S.A., is a technological firm specializing in the design, installation, operation and maintenance of traffic management and shadow toll projects in interurban road systems, safety facilities in road and railway tunnels and urban infrastructure maintenance and upkeep. Its areas of action are:

- City upkeep and other services: Pavements, sewer tunnels and systems, irrigation and water distribution.
- Traffic management systems for toll motorways and dual carriageways.
- Control and safety systems for tunnels on roads, railways tunnels, buildings and special installations.

In 2010 Conservación y Sistemas satisfactorily passed ISO 9001:2008 Quality Management System audits conducted by AENOR.

TURNOVER:
33,1
MILLION EURO

Its most significant contract awards and projects included:

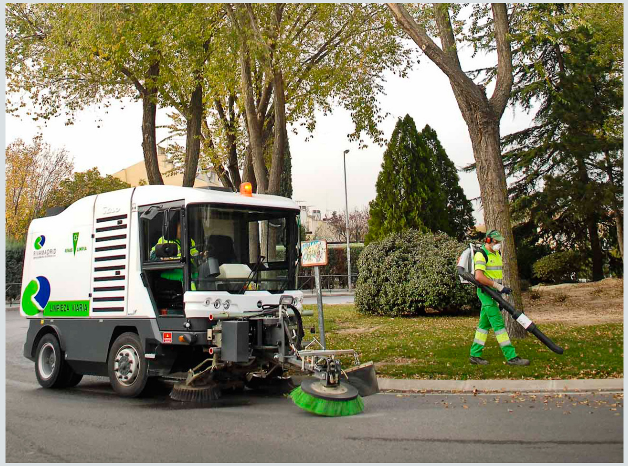
- Traffic management systems
  - Traffic and shadow toll management (AUTO-ESTRADA TRANSMONTANA).
  - Variable message signage (SPANISH DIRECTORATE-GENERAL OF TRAFFIC).
  - Maintenance of the Catalan Speed Monitor System (SERVEI CATALA TRANSIT).
- Road tunnel control systems
  - Monrepós Tunnels (SPANISH MINISTRY OF DEVELOPMENT).
  - Tunnels on road C-17 between Vic and Ripoll (CEDINSA).
- Technical systems for railways
  - Safety and communications systems (MURCIA TRAM).
  - Ticketing, ITA and information panel systems (ZARAGOZA TRAM).
- Urban service upkeep
  - Sewer system upkeep for one-third of the Autonomous Community of Madrid.
  - Sewer system upkeep for Rivas-Vaciamadrid.

- Street and road work
  - Surface repairs and improvements in Madrid, Getafe and Fuenlabrada.
  - Remodelling of the Entrevías Bus Station and compressed-gas filling stations for EMT (the municipal transport company), Madrid.
- Renovation and repairs of the water supply system for Canal Isabel II.

SERVICES

SVAT
SISTEMAS Y VEHICULOS DE ALTA TECNOLOGIA, S.A.

TURNOVER:
22
MILLION EURO



Sistemas y Vehículos de Alta Tecnología (SVAT) sells high-tech equipment and vehicles for city sanitation, coastal water and beach cleaning and industrial cleaning.

In 2010 SVAT continued to lead sales of compact city street sweepers featuring technological improvements that have reduced pollutant gas emissions, sound levels and fuel and water consumption.

The technological innovations launched for the first time in 2009 in SVAT's Barcelona contracts were reflected this year in many other Spanish cities. The Euro 5 engines, the electronic engine regulation system that saves fuel and reduces RPMs, and the dual sweeping system with tile-scrubbing and water-recycling capability have become widespread features of our street sweepers.

The main cities where street-cleaning machines were delivered were: Barcelona; Valladolid; Madrid; Orihuela, Alicante; Palma de Mallorca; Vigo; Orense; Castellón; Calafell, Tarragona; Reus, Tarragona; El Prat de Llobregat, Barcelona; Ronda, Málaga; Badalona, Barcelona; Badajoz; Calviá, Mallorca; Cartagena, Murcia; Tres Cantos, Madrid; Fuenlabrada, Madrid; San Juan, Alicante; Zarauz, Guipúzcoa; Amorebieta, Vizcaya; Pollensa, Mallorca; Sagunto, Valencia, and Benicàssim, Castellón.

The industrial cleaning and sewer market rebounded slightly; combined units that suck water in and jet it back out were delivered in Gijón, Córdoba, Mallorca and Tarragona.

Floating-waste collection vessels continued working along the coast of Catalonia.

CONSTRUCTION

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GOOD GLOBAL EXPECTATIONS OF GROWTH

ANALYSIS OF THE SECTOR

Current Setting

In the international context, despite the slow relative growth of the advanced economies in comparison to the emerging economies, there are grounds for feeling that the global financial crisis is over. Market evolution, which has to do with the situation of the economy, is positive (The bullish stock market inspires confidence and encourages consumer spending and investment) and foretells good global expectations of growth.

There persists, however, a cloud of disquiet that has to do with geopolitical risks, increased tension in currency markets, the loss of ground in fiscal consolidation in the advanced economies and a certain overheating of the emerging economies' activity due to their high relative growth.

Deleveraging and recovery are going to take years, and structural reforms will be needed in the peripheral economies –on even tougher terms if confirmation is forthcoming of the risks engendered by the unrest in North Africa, which will cause a supply shock and inflationist tensions.

In Spain the tenuous signs of recovery that marked the start of 2010 lost momentum in the second part of the year due to the budgetary adjustment and the sovereign debt crisis, which affected the peripheral countries of the eurozone.

Spain is facing another tough fiscal year, with the perspective of being unable to set specific spending ceilings for 2012 in view of the additional risk of backlash from the development of oil prices.

There are also doubts over growth outlooks, so it is a top priority to get credible reforms under way to palliate the public deficit, quell the solvency and liquidity crisis and finance the current deficit.

Reforms aimed at boosting growth will have positive effects on the risk premium (as actually already perceived):

- Compliance with deficit targets.
- Reform of collective bargaining.
- Wages not indexed to oil prices.
- Energy reform.
- Market unity.
- Investment in transport infrastructure.
- Fostering of research by private enterprise.
- Education aimed at creating employability.

Because of the magnitude of the public deficit (9.2% of the GDP in 2010), it is going to require a huge effort to reduce the deficit to 3% as anticipated in the Fiscal Consolidation Plan, which seeks to recover the structural deficit of 2007 by 2013. These measures will affect the GDP in the short run, but they will also hamper the

CONSTRUCTION

economy's growth in the medium term unless the right structural reforms are made.

The Spanish economy is anticipated to recover more slowly and later than other European countries' economies. This is because Spain has not yet solved the problem of the private sector's high level of indebtedness, its dependence on foreign financing and the high unemployment rate.

The Spanish economy is being forced to deal with the change in cycle under the stigma of unemployment and with the need to avoid lagging behind its neighbours, who are getting the situation under control, albeit not without difficulties. In quarter-on-quarter terms, the increase in the employment rate in industry and agriculture has failed to offset the declines in construction and services.

According to Eurostat, one good figure, the Spanish Harmonized Labour Cost Index, displayed a 0.8% decline (the first in a historical series) for the third quarter of 2010. That figure contrasts with the 0.8% increase registered in the eurozone. For the first time wage revisions have apparently broken their link with the CPI, and productivity has shown a mild improvement.

The Construction Sector

The construction sector is facing its fifth consecutive year of production declines, which affect the four traditional subsectors (residential, non-residential, refurbishment and civil engineering works). From the perspective of supply, the decline is sharper, 10.8% in real terms from 2009, as opposed to 0.1% in the Spanish economy as a whole, pulling the GDP down by 1.6 points.

The fiscal year culminated with a total production of 147,900 million euro and a negative variation of 10.8% in real terms from 2009 (negative 9.3% in building and negative 13.5% in civil engineering works).

One highly revealing indicator of the standstill of domestic construction activity is the apparent consumption of cement, which registered a 15% drop. That makes for an accumulated 56% backslide over the last three years to a consumption level similar to that of 1988.

The investment in construction (GAV), which accounted for 14.3% of the GDP in 2009, shrunk to 12.7%, a level similar to that of France but still 2.3 points higher than the average for the euro area, toward which Spain's investment level is inexorably converging. The ratio between investment in construction and GDP has bounced back to what it was in the early seventies.

By subsectors, residential building, the heavyweight of the construction industry, accounted in 2010 for 26.0% of the total (still 10 points more than in the countries around Spain), with a balance down 17.0% from 2009.

Porta Fira Towers, Barcelona

CONSTRUCTION

HOUSING SALES IN SPAIN ROSE AGAIN IN 2010

Launching gantry

Among the leading indicators, the area of new construction according to architect's permits registered a negative rate of 26.9% as a consequence of the drop in its two components, residential and non-residential (which lost 30.5% and 19.3%, respectively).

It is estimated that in 2010 the number of housing units begun was no more than 100,000, 33% fewer than in 2009. There were estimated to be 260,000 finished housing units, also 33% fewer than in the preceding fiscal year.

On the other hand, housing sales in Spain rose again in 2010 after two years of plummeting figures, although the approximately 440,000 flats that changed hands over the last year are still far short of pre-crisis sales levels, when over 700,000 transactions were closed per year. Sales went up 6.8% in 2010, as opposed to the 25% and 28% drops of the two preceding fiscal years. These figures are most probably affected by the fact that thousands of new homeowners hurried to take advantage of the tax incentives available for home purchases at all income levels as of 2011.

Non-residential building accounted for 16.0% of business, down 5% from the previous fiscal year (10 points higher than in 2009/2008, when the reduction was 15%). Building permits in this subsector experienced a 19.3% drop.

Building refurbishment and maintenance, which made up 25% of the total, fell off by 4.0% (seven points less than in 2009). The execution budget for expansions and improvements went down by 10% in nominal terms (as opposed to the 1% loss registered in the fiscal year before).

This subsector presents investment figures 18 points below its European Monetary Union counterparts, and therefore it may be inferred to have room to grow. However, while other subsectors are seeing convergence toward the same levels as the countries around us, unfortunately refurbishment is not following suit.

Civil engineering works accounted for 33% of the sector's total overall production, with a year-on-year decrease of 14.0%, the first decrease in many years.

During 2010 Spain dropped from fourth to fifth place in the European Union construction market, with 10.4% of the total, after Germany (which slips into first place with 19.7%), France (18.8%), Italy (12.0%) and the United Kingdom (10.8%).

Last fiscal year government calls for tenders went down 32% in nominal terms to 26,519 million euro. The national government, which was responsible for 20.9%, slashed its potential contracts by 54.7% to 5,531 million, with reductions in all departments.

The Ministry of Development was the biggest reducer, offering 3,662 million in contracts, 60.2% less than the year before. The cutback was due fundamentally to the 69.5% decline in ADIF's contracts to 1,604 million because work on the AVE high-speed railway line to Valencia was completed.

Despite these data, the Ministry of Development made a real effort to invest, with an average yearly investment of:

- 10,086 million euro in the 2001-2004 period
- 15,497 million euro in the 2005-2008 period
- 16,765 million euro in the 2009-2011 period

In 2010 14,091 million euro in investments were made, and in 2011 plans are to invest 13,636 million euro. The effort the Ministry of Development is making for the 2011 fiscal year is equal to 1.7% of the GDP, as opposed to 0.69% of Germany's and 0.50% of the United Kingdom's.

The autonomous communities, which were responsible for 35.0% of all government calls for tenders, showed a 21.3% drop to 9,413 million, and local administrations, with 43.6%, reduced their calls for tenders by 22.4% to 11,574 million.

The budgetary restrictions under which all levels of government are now labouring in order to meet public deficit objectives have created an environment in which private capital is being called upon to cover the cost of building public infrastructure.

In 2010 the volume of the concessions put out to tender by all levels of government together came to 10,483 million euro (more than twice the budget for the projects promoted in all of fiscal year 2009). Basically concessions were offered by autonomous communities seeking road infrastructure. The ratio of concessions to the total number of calls for tenders was 39.5% (1% of the GDP), up 27.2% since 2009.

THE JOB MARKET

In 2010 the construction sector contained 8.9% of the total working population, 1.1% less than in 2009. In the last two years the sector has lost 1,145,000 jobs, 54% of the total number of jobs destroyed in Spain. Despite the cruel readjustment, the sector has now dropped a further 12.6% to 1,650,830 people employed.

Construction took more hits to employment than any other business sector in relative terms, with a 5.7% reduction in the number of working people since the third quarter of the year.

THE VOLUME OF THE CONCESSIONS PUT OUT TO TENDER BY ALL LEVELS OF GOVERNMENT TOGETHER CAME TO 10.483 MILLION EURO

CONSTRUCTION


Vela Hotel, Barcelona

FORECASTS

The forecasts for 2011 point toward a tendency consistent with the cycle, with an overall sector production decrease of between 8% and 10.0% in constant terms.

Considering the effect of the Immediate Action Plan, the two main investing ministries (the Ministry of Development and the Ministry of the Natural, Rural and Marine Environment), their agencies, public entities, business enterprises and publicly owned companies are dealing with allocations that require them to reduce the investment earmarked for infrastructure policy by 31.2% from what it was in 2010, in current terms.

By subsectors, and more specifically in the case of **residential building**, the sharpness of the drop will soften from 2010's 17.1% to 4.5% for 2011 as a whole, due to the stock (400,000 to 500,000 properties), which will shrink as 2011 progresses. In 2012 mild positive growth of around 1% is expected.

Non-residential building production will go down by as much as 3.0%, the same as the investment in the sector, which will not rise until the markets' recovery has been consolidated. This will happen, as in the past, in stages: first offices and leisure, then retail and logistics. The decline will continue to bottom out in 2011 and will slide into growth in 2012.

Civil engineering works will continue to keep construction activity on its feet. The investment in infrastructure in the upcoming fiscal year is expected to show a decline of between 19% and 22% from the investment made in 2010.

For the 2011 budget, the Immediate Action Plan, the Fiscal Consolidation Plan and the cutbacks of May 2010 mean a 5,205-million-euro reduction (down 26.1%) in the real investment made by the Ministry of Development and the Ministry of the Environment, in comparison to the budget liquidated in 2009 (historic high). In addition, the culmination of the 2010 Local Fund for Employment and Sustainability programme will bring negative weight to bear.

The adjustment will continue in 2012, although more moderately, with cutbacks of 4 to 5% due to the measures aimed at reducing the public deficit and rebuilding confidence.

The big challenges to face on the path to recovery in 2011 are:

- The closing of railway and road corridors by means of committed public-private partnerships, consolidation of the PEI (Special Infrastructure Plan) and advancing of project schedules
- Compliance with payment terms by public administrations, until the new late payment directive is transposed
- No new additional budgetary cutbacks in real investment, which would entail even more severe, unsustainable adjustments in the sector

Concessions will continue constituting a source of business for the construction sector. Private initiative will keep applying its technological and financial support toward the effort to bear up under the investment deficit both in Spain and abroad.

CONSTRUCTION

The Spanish Ministry of Development has just launched its Extraordinary Infrastructure Investment Plan (EIP), through which it anticipates mobilizing an investment of 17,000 million euro in concert with private capital over the span of several years, to fund railway and road projects and thus offset part of the public investment adjustment.

Because of the internationalization of the major building firms, the reduction in domestic business has been successfully offset with business abroad. This is the real situation as well as a necessity, and it is in response to the potential generated during the expansive cycle and the considerable expectations of growth in the world economy for 2011-2012.

That is why it is so important to maintain investment activity in our country. Such activity has enabled our companies to grow and to acquire know-how and a knowledge of other markets that would have been unthinkable in other times yet today is –not just temporarily, either– a guarantee of business sustainability.

Big Spanish building firms have become leaders in markets unknown less than a decade ago, and their backlogs contain an increasingly significant share of projects abroad, where Spanish firms compete under the same conditions as other firms from other countries in a highly competitive market.

THE REDUCTION IN DOMESTIC BUSINESS HAS BEEN SUCCESSFULLY OFFSET THANKS TO INTERNATIONALIZATION

San José Caldera Motorway, Costa Rica

CONSTRUCTION

FCC CONSTRUCCION

CONSTRUCTION IS STILL THE HEAVYWEIGHT OF THE GROUP'S TURNOVER IN QUANTITATIVE TERMS; IT ACCOUNTS FOR 55,3% OF THE TURNOVER

FCC'S ACTIVITY

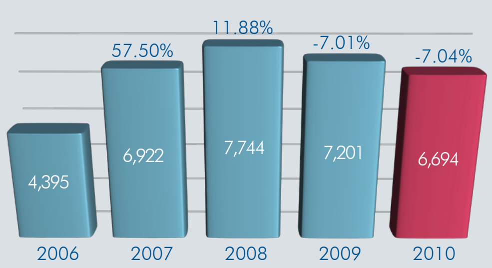
FCC's construction business is clustered around one company, FCC Construcción, S.A., which in 2010 earned 6,693.6 million euro in turnover, 7% less than in the preceding fiscal year. More than half (54.8%) of the turnover came from transactions outside Spain.

The gross operating result (EBITDA) came to 355.5 million euro, which is down 12.5% from 2009.

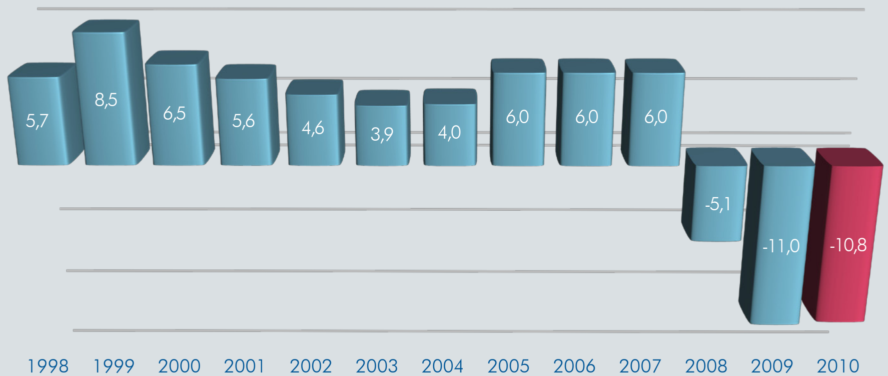
The construction business's contribution to the Group's total EBITDA amounted to 24.8%.

During 2010 FCC Construcción won 6,133.8 million euro's worth of contracts, bringing its backlog of outstanding projects to 9,984.0 million euro. Contracts abroad made up 44.8% of this backlog.

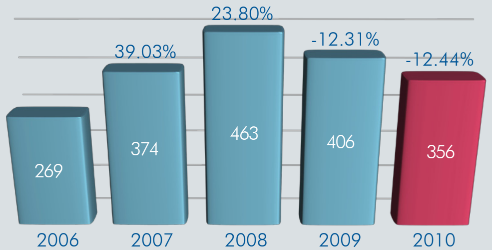
Turnover
Million euro



Annual Variation Rates in
In constant terms (Source: Seopan)

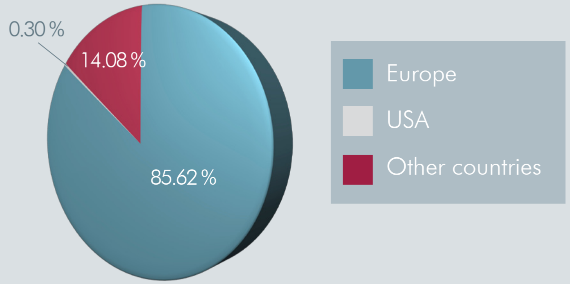


Gross Operating Profit (Ebitda)
Million euro

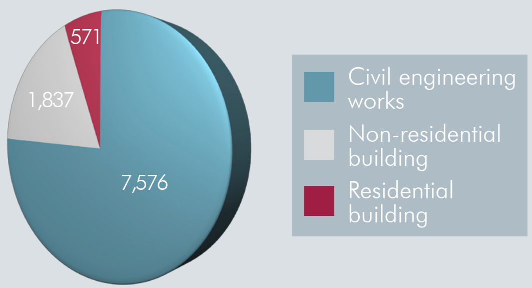


THE SECTOR THAT GENERATES THE MOST PRODUCTION AND PROJECT BACKLOG

International Turnover



Backlog



MOTORWAYS, DUAL CARRIAGEWAYS AND ROADS

This is the most active subsector of civil engineering works and the subsector that generates the most production and project backlog.

The list below gives the most important contracts won during the last fiscal year.

- **S5 expressway in Poland**, between the cities of Posen and Wrocław, including bypasses around the cities of Bojanowo and Rawicz. The 29-kilometre-long section will be twinned to four lanes.
- **Viaduct for the new northern approach to Seville.** The work consists in a 784-metre-long viaduct with spans measuring 48 to 66 metres apiece. The structure is made of precast components. Two 3.8-metre-tall, 2.5-metre-wide box girders form the deck.
- **Motorway A1 in the section between Świerklany and Gorzyczki, in Poland.** This 18.3-kilometre-long segment of the A1 runs between the Świerklany exit and the Czech border at Gorzyczki, in southern Poland. The design includes the construction of two junctions, two rest areas and 31 bridges. The project's major construction job is a 380-metre cable-stayed bridge.
- **General improvement of access to road C-31, from kilometre point 231+800 to kilometre point 235+000, in Cabrera del Mar/Mataró, Barcelona.** The section is 3.2 kilometres long and calls for the construction of six viaducts, six bridges, three flyovers, eight undercrossings and two 185-metre-long tunnels.
- **Improvement of road EN4, phase 1, between the Lidl roundabout and the Las Sochinhas roundabout,** in the city of Elvas, Portugal. The work consists in modifying the existing 3,810 metres of road to create a section of two three-metre-wide roads.
- **Two sections of the pan-European corridor in Serbia.** The contract is for the construction of a 15-kilometre section of dual carriageway and seven bridges of lengths ranging between 50 and 500 metres. The project's two main components are the 5.8-kilometre-long Dimitrovgrad bypass (in eastern Serbia) and the 8.6-kilometre-long section of road to the Bulgarian border.
- **Rehabilitation of the Pan-American Highway (Section: Carlos/Penonomé)** and maintenance of roads and tracks on Circuit "A" of Coclé province, Panama. The work consists in providing regular maintenance for 204.5 kilometres scattered along six sections of road.

CONSTRUCTION

Seville lock

MAJOR DOMESTIC AND INTERNATIONAL PROJECTS

AIRPORTS

- **Retrofitting of the flight field at Lanzarote Airport.**
- **Apron slab improvements at Tenerife North Airport.** The work consists in improving rigid and flexible surfacing on the aircraft parking apron. There are 67,200 m² of rigid surfacing. The project includes replacement of drainage facilities, surface markings and beacons.
- **Retrofitting of check-in and boarding areas at the air base at San Javier, Murcia (which is open to civil air traffic).**

HYDRAULIC WORKS

The foremost contract awards from the last fiscal year were:

- **New approach to the Panama Canal.** The new approach channel to the Panama Canal from the Pacific is part of the project for the placement of the third set of gates at Miraflores. The work consists in the construction of 3.7 kilometres of 200-metre-wide approach channel to the Pacific gates.
- **Operation, maintenance, updating and upkeep of the automatic hydrological information system for the Júcar River Basin.**
- **Seawater desalination plant at Guía de Isora, Tenerife.** The work includes the collection of sea water from eight 60-metre-deep shafts 650 millimetres in diameter, the desalination facility proper, the brine disposal system featuring an outfall up to five metres deep, a pumping station, a 10,000-m3 storage tank, land development and the electricity supply.
- **Second main drinking-water distribution ring. Section: Retamares artery branch to Getafe storage tank branch, Madrid.** The pipe layout runs parallel to road M-50 from Boadilla del Monte to Getafe along a length of 18.77 kilometres.
- **Second phase of the Lower Los Payuelos Canal, León.** There are 30 kilometres of canal between Santas Martas and Sahagún de Campos.
- **Design and construction of the Las Lajas main and the Rogelio Sinán pipe, Panama.** The work consists in redesigning and building the Las Lajas main, which entails the installation of 11,340 metres of pipes.

MARINE CONSTRUCTION

The foremost contract awards were:

- **Foundations of Duques de Alba DA-1 and DA-2 at the docking jetty at the hydrocarbon storage and distribution terminal at Bahía de Algeciras Harbour, Algeciras, Cádiz.** The work consists in laying the foundations and rubble mound for the construction of a docking terminal once the sea bottom has been dredged and the terrain has been consolidated with gravel columns.
- **Facilities at Port Adriano in Calviá, Baleares.**
- **Enlargement of the Química quay in Tarragona.** The project is intended to enlarge the existing quay by reclaiming land from the sea through the construction and sinking of 34 reinforced-concrete caissons to form three berthing lines, one 495 metres long, one 373 metres long and one 326 metres long.

RAIL INFRASTRUCTURE

Rail infrastructure remains one of the most dynamic sectors there is, thanks to plans to expand the high-speed railway network and projects to build new underground lines.

During the last fiscal year, the following were the foremost contract awards:

- **Construction and supply of the entire rail system for Line 1 of the Panama Metro.** The work consists in the construction of a new metro line approximately 13.7 kilometres long. Thirteen stations will also be built; five are on viaducts, five are underground and one is partially underground, at one end of the line. This last station will double as an interchange facility where passengers can switch to and from other means of transport.
- **Railway line 185 kilometres long running west of the capital of Algiers and connecting the cities of Relizane, Tiaret and Tissemsilt, in Algeria.** The new line will have a single set of tracks split into two distinct sections: the 121.1-kilometre-long Relizane/Tiaret section, on which five tunnels will be built using the new Austrian method; and the 64.2-kilometre-long Tiaret/Tissemsilt section. The work also includes the construction of seven passenger stations, five level junctions and improvements to the existing stations at Relizane and Tissemsilt.
- **Approaches to La Sagrera Station.** The work consists in the construction of the approaches to the future La Sagrera Station and the Villafranca/Maçanet and Vilanova/Mataró local train lines, plus the bed to hold the high-speed line from Madrid to Barcelona to the French border.
- **Bergara/Antzuola section of the bed of the new Basque Country railway network.** The work consists in the construction of a 4.3-kilometre-long section of the route, including the construction of a 3,706-metre-long tunnel with a free cross-section of 85 m². An emergency tunnel is being built parallel to the main tunnel; the emergency tunnel is 2,750 metres long and has a free cross-section of 26 m².
- **Urban railway tunnel in Karlsruhe, Germany.** The contract covers the project design and special underground engineering work, in addition to the construction of roads, tunnels and stations.
- **Bed for the high-speed railway between Madrid and Extremadura. Section: Alcántara Reservoir/Garrovillas.** The work consists in the construction of a new bed for a twin set of high-speed tracks 6,266 metres long. One special feature of the section is a 996-metre-long viaduct over the Almonte River. Its central arch span is made of concrete, stretching 384 metres underneath the deck. That is a record for Spain and the third-longest such span in the world.

ONE OF FCC CONSTRUCCIÓN'S MOST DYNAMIC SECTORS

Underground tunnels in Gerona

CONSTRUCTION

Housing in the northern area, Las Tablas, Madrid

ALL OVER THE COUNTRY, ALL OVER THE WORLD

URBAN DEVELOPMENT AND PARKING FACILITIES

Foremost contract awards:

- **The development portion of execution unit 213-02 in Bilbao.** The work consists in rectifying existing streets, extending one street and installing all utilities mains.
- **Development of the distribution area at lot 1.7 in Nuevo Tres Cantos, in Madrid.**
- **Improvement of Passeig de Sant Joan. Plaça Tetuan/Arc de Triomf section, in Barcelona.** The designed section calls for two great 17-metre-wide pavements for pedestrians, adjacent to each of the two lines of buildings, and a street with two lanes in each direction with a bicycle lane a total of four metres wide.
- **Improvement of traffic safety and sustainable urban mobility in the city of León**, in the city centre, Avenida de Ordoño II, Avenida de la Independencia, Avenida del Padre Isla and Plaza de Santo Domingo.
- **Partial development of the Garrido Sur III district of Salamanca.**
- **Development of the Alicante park road. Section: Avenida Lorenzo Carbonell/El Palmeral, in Alicante.** The work consists in a corridor with two lanes in each direction, a bike lane and a railway bed. The corridor has a total cross-section of 41 to 45 metres and is 1,400 metres long.

RESIDENTIAL CONSTRUCTION

The foremost contract awards were:

- **59 homes in Sanchinarro, Madrid.**
- **72 homes, garage space and appurtenances at the Montecarmelo Development Action Plan site in Madrid.**
- **1,000 homes developed directly by FCC** in Madrid's Nuevo Tres Cantos sector, split into four developments (288, 288, 207 and 217 units).
- **55 homes in Vilafranca del Penedés, Barcelona,** with a total floor area of 8,336 m². One basement and five above-ground floors.
- **102 homes built for sale directly by FCC in Tres Cantos, Madrid.**
- **Construction of 17,700 m² of government-supported housing in Mexico City.**
- **91 homes built with basic public sponsorship, Tres Cantos, Madrid.**
- **Completion of 116 units of publicly sponsored housing in eight blocks in San Jerónimo-Alamillo, Sevilla.**
- **137 homes in the Villaverde district, Madrid,** consisting in two rectangular buildings having a total floor area of 17,900 m².
- **84 units of publicly sponsored housing in Galdar, Las Palmas de Gran Canaria**, consisting in a building with a floor area of 7,760 m² above ground and 2,318 m² below ground.
- **77 units of publicly sponsored housing in Elche, Alicante.** The building has a basement floor for parking, a ground floor and seven floors of housing with a total floor area of 12,771 m².

NON-RESIDENTIAL CONSTRUCTION

Included under this heading is the construction of administrative buildings, schools, health service buildings, cultural, athletic and commercial facilities, hotels and industrial buildings.

Administrative and Office Buildings

- **Building to house the Provincial Directorate of the National Social Security Treasury in San Sebastián, Guipúzcoa.**
- **Remodelling and maintenance of the buildings where the London Olympics will be held** to accommodate the needs of accredited radio, TV and print journalists at the games. The floor area involved measures more than 60,000 m².
- **Foundations of the skyscraper for BBVA de México**, to house the bank's headquarters in Mexico's capital.
- **Panama Electoral Tribunal.** The project consists in a combination of three buildings with five storeys of offices and a basement car park. These three buildings (two having 2,433.6 m² per storey and one having 2,402.4 m² per storey) fit together into an H. The total area is 33,000 m².
- **Office building for the FCC Group in Las Tablas.** The building consists of 13,656 m² of floor area below ground level, split into three storeys, and 19,064 m² of floor area above ground level in seven storeys.
- **Construction, upkeep, maintenance and 32 years' operation of Els Plans Penitentiary in Tárrega, Lérida.** The complex has buildings that do not rise above ground level plus two buildings with prefabricated modules and an approximate area of 74,000 m².

Schools

- **New School of Economics** on Chemical Institute premises in Sarría, Barcelona.
- **Secondary school in Castelldefels, Barcelona**, with a floor area of 3,986 m².
- **Secondary school that also offers initial vocational qualification programmes in Suances, Cantabria**, with an area of 4,611 m².

BUILDINGS
FOR MANY DIFFERENT USES

BID office building, Nicaragua

CONSTRUCTION


Magic Box, Madrid

THE SORTS OF
BUILDINGS
WE BUILD

Health Service Centres

- **Ten primary healthcare centres on the island of Mallorca** under a construction, upkeep and operation contract.
- **Day centre and home for the elderly in Avilés** with a floor area of 8,000 m².
- **Design, construction, equipping and financing of Hospital Luis "Chicho" Fábregas in the province of Veraguas, Panama.** The design observes the strictest criteria of environmental friendliness. It encourages responsible water use, reduces energy demands as much as possible and optimizes systems to improve their energy efficiency.
- **Second Phase of the Master Plan for the La Coruña Hospital Complex.** The work will be done in two phases without shutting down hospital operations. There are 7,386 m² of new construction and 15,371 m² of alterations to the existing building.
- **Enlargement and alterations to Hospital Santiago Apóstol in Miranda de Ebro, Burgos.** The job consists of 1,688 m² of alterations and 7,366 m² of new construction.

Cultural, Entertainment and Athletic Complexes

- **New stands at Ramón de Carranza Stadium in Cádiz.** Included in the contract is the demolition of the old stands and the construction of a new set of stands with an eight-storey structure (basement, ground floor and six floors above that).
- **Phase II of the Reyno de Navarra Arena multi-purpose pavilion in Pamplona, Navarra.** The work consists in the construction of walls, roof, finishes and systems of the Reyno de Navarra Arena. Development of the entire surrounding area is included.
- **Work on the main Majadahonda bicycle network, phase 1**, consisting in the construction of several sections of bike lane (eight kilometres) in the centre of the city of Majadahonda, Madrid.
- **Retrofitting of the Escuelas Pías municipal building** for social and educational use in the Centro district of the city of Madrid.

Shopping Centres, Fairgrounds and Conference Facilities

- **Special foundations and the first phase of foundations for the central Port Adriano shopping centre building in Calviá, Baleares.**
- **Second phase of the Madrid International Convention Centre**, consisting in foundations and structure up to ground level, roof and waterproofing.

Refurbishment and Maintenance

- Alterations to the senior citizens' home in Arenys de Mar, Barcelona.

CONSTRUCTION

FCC INDUSTRIAL

FCC Industrial is the new brand name under which the FCC Group means to implement its growth strategy based on diversification and internalization. Thanks to this move, FCC will cement its position in the industrial and energy sectors, which continue to receive strong support from all public and private sectors.

The FCC Industrial brand name was launched in November 2010. Under its flag different FCC Construcción firms from the industrial sphere will be operating. They have a long career in projects in this area of business, which is the best guarantee for a shared future full of success.

In parallel with the creation of the new brand name, two of FCC's investees, Ibérica de Servicios y Obras (ISO) and Auxiliar de Pipelines (APL), merged in December of last year. Since the start of this fiscal year they have been doing business jointly under the name "FCC Actividades de Construcción Industrial". The new firm will be active in the following business areas:

- Construction of all kinds of projects, with an emphasis on industrial projects
- Turnkey contracts and EPC contracts for renewable energy production facilities (solar thermal plants, biomass and other projects related with renewable energy production)
- Turnkey contracts and EPC contracts for industrial plants (refineries, combined-cycle plants, cement-making plants)
- Regasification plants and liquid natural gas (LNG) storage tanks
- Construction of oil pipelines, gas pipelines and gas- and hydrocarbon-handling facilities

Furthermore, in order to strengthen and unify the image of the resulting company, foster fresh business possibilities and take advantage of the synergies from these companies, ESPELSA has changed its company name to "FCC Servicios Industriales y Energéticos", and it has taken over DENEO, ELCEN, EURMAN and GEINSA. The new company will be responsible for the following business areas:

- Turnkey contracts and EPC contracts for photovoltaic plants and systems in energy plants
- Railways (catenaries, railroad installations and systems)
- Distribution networks (power substations, overhead and underground lines, etc.)
- Maintenance and energy efficiency
- Manufacturing of electrical service panels
- Systems (advanced information systems engineering)

Lastly, the following companies have also been brought into the FCC Industrial Group: InterNational TECAIR, specializing in building HVAC systems; Prefabricados DELTA, maker of precast building components, and MEGAPLAS, which renders corporate image services. They will all carry on doing business under the same name within the FCC Industrial Group.

Denia Landfall 3. Underwater gas pipeline

CONSTRUCTION

WE GUARANTEE
MAXIMUM QUALITY AND
SAFETY

Murcia Tram

FCC ACTIVIDADES DE CONSTRUCCIÓN INDUSTRIAL, S.A.

On 17 December 2010 the merger took place. Ibérica de Servicios y Obras, S.A. (ISO), took over Auxiliar de Pipelines, S.A. (APL), by a process that allows both companies to continue doing business under ISO's name, corporate tax ID code and business address.

Moreover, as a consequence of the merger process, the resulting company will be changing its name to "FCC Actividades de Construcción Industrial, S.A." This change will become effective in the month of February 2011.

This report contains the joint activities of the two merged companies, since the accounting records for both are unified as of 31 December 2010.

The building activity of FCC Actividades de Construcción Industrial, S.A., has focussed fundamentally on industrial facilities, shopping centres, residential and non-residential building, housing developments, oil and gas pipelines and HVAC, hot water and refrigeration systems.

The following are the features of the most important projects awarded to the company:

- EPC (engineering, procurement and construction) contract for a 50-MW solar thermal power plant in Palma del Río, Cartagena.
- Construction of 180 homes under basic public sponsorship in Leganés, Madrid.
- Construction of a building for industrial activities at the Vicálvaro Development Action Plan site, Madrid.
- Construction of the floor slabs, scenic lift structure, metal reinforcements in the lift shaft core and additional jobs in the new Edificio Windsor, Madrid.
- Cartagena-Puertollano oil pipeline, Section I, Murcia. The pipeline is 92 kilometres long and made of API-5L-X60 carbon steel 14" in diameter.
- Tivissa-Paterna gas pipeline, Central section, Castellón. The pipeline is 54 kilometres long and made of API-5L-X70 carbon steel 40" in diameter.

FCC SERVICIOS INDUSTRIALES Y ENERGÉTICOS, S.A.

FCC Servicios Industriales y Energéticos S.A., is the company resulting from the merger of several of FCC Construcción's industrial companies in the industrial and energy sectors. It has been doing business under this name since January 2011. FCC Servicios Industriales y Energéticos, S.A., combines the synergies and experience of its component companies to attain a clear, solid position in the industrial sector. Its goal is to earn its clients' trust and to expand its business portfolio, thanks in part to diversification and the momentum some business areas are gathering from being more in touch with the times (as in the case of the Renewable Energy Division and the new Railroad Division).

This report contains the joint activities of the two merged companies since the accounting records for both were unified as of 31 December 2010.

The following are the features of the most important projects awarded to the company:

Renewable Energy Division

- 50-MW solar thermal power plant in Palma del Río, Córdoba.
- 50-MW solar thermal power plant in Villena, Alicante.
- Construction of a photovoltaic farm in Sardinia, Italy. There are two plants constructed on greenhouse roofs, with a peak power of 0.69 MW and 3.6 MW, respectively.

CONSTRUCTION

Railroad Division

- Málaga Metro, Lines 1 and 2. All jobs involved in electrification and installation of rigid catenary and tram catenary, ventilation systems, communication systems, data transmission networks, etc.
- Barcelona Metro, Line 4. Increase and improvement of the power input for Line 4 of the Barcelona Metro. This includes remodelling the Maragall, Verdaguer and Verneda substations.
- Murcia Tram: Construction of four substations and installation of the electrical and electrification systems and the tram catenary for the Murcia Tram.

Electrical Installations Division

- Electrical mechanical systems at Port Adriano in Calviá, Mallorca.
- Remodelling of Cibeles Palace. Indoor and outdoor decoration systems using LEDs (light-emitting diodes).
- Hospital de Torrejón de Ardoz, Madrid. Low-voltage and medium-voltage system, power-generating set, indoor, outdoor and emergency lighting. Communication and voice and data system, Wi-Fi system, IP voice system, in addition to a rooftop photovoltaic facility.
- Several office buildings at calle Albasanz and García Noblejas, in Madrid.
- Tizi Ouzu in Algeria. Provisional systems for the camp housing the workers building the athletic complex.
- Vitoria Penitentiary. Electrical and mechanical systems.

Distribution Network Division

- Medium-voltage setback work on the Valmojado/Illescas section of the La Sagra Dual Carriageway.
- Power supply for ADIF'S AVE (high-speed railway) facility control building in Albacete.
- Modernization of the systems in Hospital Comarcal de Hellín, in Hellín, Albacete.
- Contract for the operation, maintenance and construction of power distribution facilities in the provinces of Albacete, Cuenca and Madrid.
- Assembly of power substations in the region of Madrid.

Maintenance and Energy Efficiency Division

Thanks to the synergies of the merged companies, FCC SIE is prepared to offer comprehensive maintenance service that includes high added value. The maintenance contracts on the following buildings were renewed:

- The Cervantes Institute's main offices on Calle Alcalá in Madrid.
- The National Library in Madrid.
- The Sogecable broadcasting and production centre.
- Torre Realia in Plaza Castilla, Madrid.
- Laboratorios Abbot.

Systems Division

- MPB (Mission Planning Briefing) System. Design and development of the Eurofighter "GSS Mission Planning and Briefing" programme.
- Flight simulator for the Spanish Directorate-General of Traffic's DGT FNPT II MCC, based on Eurocopter's AS 355 NP. FCC Servicios Industriales y Energéticos, S.A., developed a flight simulator based on the Eurocopter AS 355 NP. The AS 355 NP is a twin-turbine helicopter recently acquired by the DG of Traffic for highway surveillance. In cooperation with the DG of Traffic, the company ran a battery of flight tests in December, earning a certificate from the National Air Safety Agency.

Wind farm

CONSTRUCTION

RDI Projects

The RECOMP (Reduced Certification Costs Using Trusted Multi-core Platforms) Project is a research project funded by Artemis Joint Undertaking, a European Commission organization. The project's objective is to create a standard-setting European technological platform for certifying systems containing safety-critical components in the aeronautic, automotive and industrial sectors in order to minimize safety certification costs and make the process more flexible.

HEATING AND AIR CONDITIONING

InterNational Tecair, S.A.

InterNational Tecair, S.A., designs engineering projects and installs HVAC systems and electrical installation control systems and provides full-service management and maintenance of its products. It has been in business since 1984.

InterNational Tecair, S.A., is noted for its pursuit of development and its commitment to innovation. Its use of advanced technologies, such as ecological coolant gases, stands as a token of its principles.

During the last quarter of the year, InterNational Tecair, S.A., began working actively with the newly created FCC Servicios Industriales y Energéticos, S.A. Like FCC SIE, InterNational Tecair, S.A., has begun doing business under the Group's new brand name, FCC Industrial. This enables the company to utilize the synergies in this field to better advantage, in order to continue offering its clients innovation and quality.

The main jobs done in 2010:

- El Matadero complex in Madrid. Energy-producing equipment was installed for part of the new culture and art complex.
- Provincial Historic Archive of Guadalajara. HVAC, plumbing and fire protection work.
- Cáceres Provincial Police Headquarters. The HVAC system work was done.
- Centro Hospitalario de Alta Resolución (CARE), a healthcare centre in Córdoba.
- National Centre of Cardiovascular Research (CNIC), Carlos III University, Madrid. HVAC, purified-water and steam system.
- Hospital Torrejón. The HVAC, control and centralized management systems are being installed.
- New International Centre of Economic and Social Studies (CIEES) in Majadahonda, Madrid. HVAC system featuring air-to-water heat pumps, air treatment equipment and four-pipe fan coil units.
- The Higher Centre of Scientific Research's Molecular Microbiology Institute in Alcalá de Henares. HVAC and air treatment systems.

R&D Projects

Continuation of the BALI (Building Acoustics Living) project. The objective is to develop architectural products and systems with top-of-the-line acoustic features and tools to help the building sector in the comprehensive design of buildings that are more efficient in terms of acoustic comfort.

Matinsa
MANTENIMIENTO DE INFRAESTRUCTURAS, S.A.

INFRASTRUCTURE UPKEEP

The FCC Group operates in this sector through Mantenimiento de Infraestructuras, S.A. (MATINSA), covering the following areas:

Dual Carriageways and Roads

Maintenance of more than 1,600 kilometres of dual carriageways and 2,100 kilometres of conventional roads belonging to several tiers of road systems (national, regional, provincial, district, etc.).

Matinsa maintains the approach to Madrid on dual carriageway A-6 from Villalba, which includes the section containing the BUS-VAO lane. The reversible, high-occupancy BUS-VAO lane is one of Europe's pioneering models of infrastructure.

Also, Matinsa provides upkeep for the ring roads around Barcelona, Ronda de Dalt and Ronda Litoral and the approaches to the city of Zaragoza. It is responsible for the maintenance of a great many sections of road, including the fourth ring road around Zaragoza.

During the 2010 fiscal year upkeep contracts were renewed in the provinces of Gerona, Madrid, Guipúzcoa, Tarragona, Jaén, Barcelona, Salamanca and Palencia.

Hydraulic Infrastructure Maintenance

This year Matinsa was chosen by tender to maintain and operate the following Júcar River Basin canals:

- The Júcar-Turia Canal, 60 kilometres long, providing water for the city of Valencia, the Valencia metropolitan area and Sagunto.
- The main Campo del Turia Canal, 60 kilometres long, which carries water for the irrigation needs of 24,500 hectares and the drinking-water needs of Losa del Arzobispo and Villar del Arzobispo.
- The main Magro River Canal, 11.8 kilometres long, and the canal on the left bank of the Magro River, 28.2 kilometres long.

Matinsa also operates and maintains SAIH, the Júcar River Hydrographic Confederation's automatic hydrographic information system.

Forestry Jobs

These jobs include forestry work, forest replanting and forest improvement in the autonomous communities of Madrid, Andalusia, Extremadura, the Valencian Community and Castilla y León.

One of the foremost events of the year was the award of the contract for the Riofrío Forest Silvopastoral Plan at the La Granja office, for the Spanish National Heritage authorities.

OUR COMMITMENT IS TO BEING A RESPONSIBLE UNDERTAKING

Winter road maintenance

Forest fire prevention

CONSTRUCTION

Fighting forest fires

Forest fire prevention

Forest Fire Prevention and Fighting

Matinsa has been providing reserve crew service uninterruptedly since 1998 for the eastern zone of the Community of Madrid, with a total of 234 operators, eight heavy forest fire pumps, 15 lightweight pumps, two high-mobility vehicles (VAMTACs), one twin-turbine helicopter and 14 forestry engineers.

The company has also managed the fire-fighting service for Madrid's Casa de Campo ever since 2003, and it manages the forest fire-fighting service on railway lines in northeast Spain (Aragon and Catalonia).

Environmental Otherration

The company engages in environmental Otherration work and work to reclaim deteriorated spaces (for example, dune systems) plus work to keep up and maintain reclaimed areas afterwards.

The most significant environmental Otherration work done during the fiscal year is still under way; it is the recovery of the Guardamar del Segura dune system in Alicante.

This fiscal year the company was awarded the contract to create a pedestrian track, build a barricade and replant slopes on road M-601 in Navacerrada pass, Madrid.

Maintenance and Upkeep of Natural Spaces, Gardens and Landscaped Areas

This fiscal year the following action is being performed:

- Upkeep of parks and gardens requiring special protection in Madrid, including the Templo de Debod, the Sabatini Gardens, El Capricho Park, Dehesa de la Villa Park, Oeste Park, Quinta de los Molinos and the Tres Cantos forest area.
- Upkeep of Bosquesur Park in Madrid.
- Upkeep and maintenance service for areas of bare earth, pavements and items of civil engineering work in the Casa de Campo, Madrid.

The company was awarded coastline upkeep and rebuilding service in Pontevedra, which it will be doing for the Ministry of the Natural, Rural and Marine Environment.

RDI Projects

Matinsa participates in the following research, development and innovation projects:

- Project Fénix-TIC, consisting in the development and establishment of a management system for forest fire prevention and fighting.
- Project Puentes, for the design of a system for the real-time auscultation of structures while in use, using wireless sensors.

THE EXTRA VALUE OF
CARING ABOUT PEOPLE AND THE
ENVIRONMENT

CONSTRUCTION

PROSER
PROYECTOS Y SERVICIOS, S.A.

ENGINEERING

Proyectos y Servicios, S.A. (Proser), studies and designs engineering plans. The following are the foremost of the contract awards won during the fiscal year:

Dual Carriageways and Roads

- Plans for twinning road EX-370. Section: Plasencia to A-66 Cáceres.
- Draft plan and feasibility study for the construction, upkeep and operation of dual carriageway A-306. Torredonjimeno to El Carpio.
- Design of a new bus station in Castelló d'Empúries, Gerona.

Conventional and Urban Railways

- Construction plans for the high-speed line from Madrid to Extremadura to the French border. Section: Madrid to Oropesa, Toledo. Subsection: Oropesa to the border of the province of Toledo.
- Services for activities performed as part of the study on mobility vis-à-vis the introduction of the Costa del Sol railway corridor.

Hydraulic Works

- Design of the project to adapt the Viñuela/Málaga pipeline to the new channels prepared for streams at El Rincón de la Victoria, Málaga.
- Construction of the Segarra-Garrigues System irrigation distribution system.
- Reports on the first safety check and behaviour reports on Terradets Dam, Baserca Dam and Llauset Dam in the provinces of Lérida and Huesca.

Technical Assistance for Architectural Supervision Teams

- Technical assistance, control and monitoring of the upstream dikes belonging to Itoiz Reservoir. These are the Oroz Betelu and Nagore dams, located upstream of the reservoir.
- Technical assistance for supervision of work on the bed of the north-northwest high-speed corridor. Section: Valladolid to Burgos. Subsections: Venta de Baños Intersection to Torquemada and Torquemada to Quintana del Puente.
- Architectural supervision for the WWTP (wastewater treatment plant) and discharge collection system in San Bartolomé de la Torre, Huelva.
- Technical assistance for the architectural supervision team working on flood defences in Rosal de la Frontera, Huelva.
- Technical assistance for the architectural supervision team working on regulating tanks for the central system of the Sierra de Huelva.
- Technical assistance for improvement of roads C-154, B-432, BV-4405 and BP-4653, which make up the section of the Vic/Gironella Corridor between Olost and Olvan and the new Prats de Lluçanès relief road.

RDI

- During 2010, as part of its RDI programme, PROSER engaged in certain tasks concerning the optimization of the geometric cross-section of tunnels. These tasks were part of a project entitled, "Urban Tunnels: Research into New Methodologies for the Analysis, Design and Construction of Tunnels in Urban Areas". This RDI project has been certified for the second year running by EQA (European Quality Assurance).


Torquemada Viaduct, Palencia

- In 2010 the "InnoProser" intranet application was launched. "InnoProser" is a set of calculating, design and drafting applications available to any user of the PROSER network.

Arrangements are currently being made to have this application certified as a technological innovation, since its activity finished in 2010.

- Also, in December 2010 initial contact was made for the implementation of a cooperation project on railway tunnel safety. The future consortium has the following participants: FCC Construcción, the Biomechanics Institute of Valencia (IBV), AITEMIN and Madrid Polytechnic University (UPM).

CONSTRUCTION

CORPORATE IMAGE
PROFESSIONALS

CORPORATE IMAGE

MEGAPLAS, S.A.

Megaplas is the FCC Group company that provides European corporate image services, working through its two production and management centres in Madrid and Turin.

In the petrol sector, Megaplas began 2010 by debuting the new corporate image for DISA's service station network. DISA is the number-one petrol station operator in the Canary Islands, with 204 stations in the archipelago. In this, its first year, the image was introduced at 35 petrol stations. During the coming years all the remaining stations in the network will gradually switch over.

Empresa Municipal de Transportes de Madrid (EMT) chose Megaplas to design, make and install a three-sided, 38-metre-tall advertising totem for its new operations centre in Sanchinarro and to identify the centre's 40-metre-long main entranceway with an illuminated sign.

In the automobile sector, Megaplas was designated as one of the Fiat Group's two European corporate image suppliers to introduce the new Jeep image on the continent. Megaplas is also to continue as corporate image supplier for the group's other brand names, Alfa Romeo, Lancia and Fiat.

Corporate image designed for a petrol station chain

PRECAST COMPONENTS

PREFABRICADOS DELTA, S.A.

- During 2010 Prefabricados Delta manufactured and supplied:
- 26.5 kilometres of post-tensioned concrete pipe with metal sleeves and elastic joints.
- 1,550 metres of reinforced-concrete pipe with metal sleeves and joints for welding.
- 40.5 kilometres of fibreglass-reinforced polyester (FRP) pipe.
- More than 172,000 pre-tensioned monoblock sleepers of different types.
- 1,636 segmented reinforced-concrete rings for inner tunnel linings.

By business sectors, the foremost supplies in terms of size or special requirements were:

Water Pipe Supplies

A total of 68.5 kilometres of pipe was manufactured and supplied. Of that total, 40.5 kilometres were fibreglass-reinforced polyester pipe, and 28 kilometres were concrete pipe with metal sleeves.

The most significant works contracts included the following:

- Organization of wastewater from the plant in Pinedo, Valencia; section II of the pipe from Catarroja to Benifayó. The company manufactured and supplied 10,212 metres of post-tensioned concrete pipe with metal sleeves, elastic joints and an inner diameter of 1200 mm, for a maximum design pressure of six atmospheres.
- Hydraulic infrastructure from after the point of transfer from the Júcar River to the Vinalopó River, right-hand branch. For this contract Prefabricados Delta manufactured 8,100 metres of post-tensioned concrete pipe with metal sleeves, elastic joints, an inner diameter of 900 mm and design pressures of 10, 12.5 and 16 atmospheres.
- Supply of post-tensioned concrete pipe with metal sleeves to improve irrigation in the Malvinas Sector of the El Fresno Irrigation Community. The company supplied 3,780 metres of post-tensioned concrete pipe with metal sleeves, an inner diameter of 1,000 mm and a maximum design pressure of 10 atmospheres.
- Payuelos II Canal. Manufacture and supply of the pipes for the U-bends on Payuelos II Canal, which consists in two parallel reinforced-concrete pipes with metal sleeves, joints for welding and an inner diameter of 2,600 mm, for a maximum design pressure of five atmospheres. It so happens that these are the largest, heaviest pipes Prefabricados Delta has ever manufactured.
- Irrigation distribution pool for the Segarra-Garrigues System, Sector 13. A total of 15 kilometres of FRP pipe were supplied.
- Modernization of hydraulic infrastructure for irrigation in the main Molina de Segura irrigation ditch. Eight thousand metres of FRP pipe were installed.
- Aboño mains, with a total of 11 kilometres of fibreglass-reinforced polyester pipe in diameters ranging from 400 to 800 mm, rated for a pressure of six atmospheres.

PRECAST COMPONENTS FOR CIVIL ENGINEERING WORKS

CONSTRUCTION

Pre-tensioned monoblock sleepers

DOING BUSINESS IN INFRASTRUCTURE CONCESSIONS THROUGH THREE COMPANIES

Railway Sleeper Supplies

During 2010 172,116 pre-tensioned monoblock sleepers were supplied, fundamentally type PR-01 (multipurpose sleepers for domestic- and international-gauge rails).

Sleepers were also supplied for the Albacete/Almansa section of the high-speed lines approaching the Levante region of Spain and for the North-Northwest High-Speed Corridor section from Ourense to Santiago.

Reinforced-Concrete Segment Supplies

In 2010 manufacturing was finished on reinforced-concrete segments for the project to build the infrastructure for the extension of Line 2 of the Madrid Metro system to Las Rosas.

During 2010 a total of 1,636 rings (2,454 linear metres) were supplied, making a total of 13,088 units manufactured, including the necessary rail support components and the actual tunnel segments themselves.

INFRASTRUCTURE CONCESSIONS

For building 2010 was a year of crisis, especially domestically, and especially for construction projects planned, executed and sold directly by the company. The concession sector too felt the pinch, in the form of a lower number of calls for tenders. But the sector affected most of all is that portion of the financial market that deals with structured financing for infrastructure projects. The result is a miasma of uncertainty and a reduction in the funds earmarked for financing projects of this kind.

The Concessions Management Office was mindful of this situation and stuck closely to the 2008-2010 Strategic Plan. It prudently took advantage of any opportunities of growth that came to light.

The objectives the office looked at in selecting which concessions to bid on were:

1. To submit bids that were more solid and more likely to get financing.
2. To diversify the backlog of work in order to mitigate the domestic situation by laying greater emphasis on different markets abroad. One of the keys to success is engaging in activities not only in the domestic market, but in the international market.
3. To close on contract financing.

The foremost events in 2010 concerned the closing of financing deals for several contracts awarded to the company. Such developments were especially important because of the situation of the financial market for structured and project financing (especially in domestic terms).

Most of the contracts for which financing deals were closed in 2010 in the domestic market were contracts in which FCC's Concessions Management Office participated.

Financing Deals Closed in 2010:

- **Eix Transversal, Catalonia.** A total of **487 million euro** in financing was obtained, good until 2033. Three financial institutions, La Caixa, the European Investment Bank and the Spanish Institute of Official Credit, participated. The way the financing is structured includes a new feature: A product offered by the EIB and called "LGTT" (Loan Guarantee for TEN Transports). This product is a guarantee that covers possible drops in trade from the base-line case for the first five years of operation.

CONSTRUCTION

The financial structure's complexity, volume and characteristics earned recognition from Euromoney, which declared the Eix Transversal financing scheme one of its **Deals of the Year for 2010**.

The regional government (Generalitat de Catalonia) will furnish construction financing in the form of a 254.2-million-euro subsidy.

- **Line 9 of the Barcelona Metro.** The amount financed totalled 960 million euro. Two contracts were made, one with the EIB (European Investment Bank) for 200 million euro, and the remainder (760 million euro) was financed by a group of several domestic financial institutions: Caja Madrid, La Caixa, Banco Santander, BBVA, the Spanish Institute of Official Credit, Banesto and Dexia Sabadell.
- **Zaragoza Tram.** The amount financed totalled 232 million euro, with the participation of ACF (Ahorro Corporación Financiera), the Spanish Institute of Official Credit, La Caixa, BBVA, Banco Santander and the EIB.
- **Murcia Tram.** Financing was arranged for 153 million euro, with the participation of Société Générale, Banco Popular, Banco Santander and the Spanish Institute of Official Credit.
- **Mallorcan health centres (CAPSA).** Fifteen million euro in financing.

Concession Business

FCC works infrastructure concessions through three companies:

- FCC CONSTRUCCION (Concession Division)
- THE ALPINE GROUP (79.27% FCC)
- GLOBAL VIA INFRAESTRUCTURAS (50% FCC)

Below is a list of the concession holders in which FCC holds an interest:

Spain

- **Tranvía de Murcia (50%)**

Murcia Tram. In April 2009 the Murcia City Council awarded a contract for the construction, maintenance and operation of Line 1 of the Murcia Tram (17.76 kilometres and 28 stops) for 40 years.

The foremost events in 2010 were the closing of the financing deal (153 million euro) and the sale of 10% of FCC's interest to FCC's partner, COMSA. Tram service is expected to be opened to the public in March 2011.

- **Tranvía de Zaragoza (16.62%)**

Zaragoza Tram. The Zaragoza City Council held a call for tenders in order to select the partner of a partially government-owned company that would be in charge of building, commissioning, maintaining and operating Line 1 of the Zaragoza Tram (12.8 kilometres) for a 35-year period. The contract was awarded to TRAZA, a consortium to which FCC belongs. Twenty percent of the capital in the new company will belong to the city of Zaragoza, and 80% will belong to TRAZA.

The new service, whose technology has already won it regard as the most modern tram in Spain, will be fully operational in 2013. The first phase is currently under construction and is expected to go into service in March 2011.

City of Justice, Barcelona

CONSTRUCTION

Enniskillen Hospital, Northern Ireland

Urbicsa (29%)

Company awarded a public works concession contract for the construction, maintenance and operation of the buildings and facilities of the City of Justice project in Barcelona and L'Hospitalet de Llobregat.

The 2010 fiscal year was the first full year of maintenance and operation of the eight-building complex making up the "Ciutat de la Justícia de Barcelona i l'Hospitalet de Llobregat", since the judicial authorities completed their move to the new venue in 2009.

Autovía Conquense (100%)

Cuenca Dual Carriageway. In 2007 the Ministry of Development awarded FCC Construcción a 19-year public works concession to keep up and operate the portion of roads A-3 and A-31 that runs through the province of Cuenca. FCC has been doing maintenance work there ever since the contract was signed.

In September 2009 all plans were delivered. At the end of last year one-fourth of the construction had been completed.

Hospital de Torrejón de Ardoz (5%)

The Community of Madrid awarded the contract for full management of Hospital de Torrejón de Ardoz for 30 years in August 2009. The hospital will have an area of 62,000 m^2 and 240 beds, and it will provide health care for more than 133,144 people. FCC represents 66.67% of the construction company and has a stake of 5% in the capital.

Construction began in early January 2010 and is estimated take 18 months to finish.

Centros Salud de Mallorca (33%)

Mallorcan healthcare centres. In late 2009 the Health Service of the Autonomous Community of Islas Baleares provisionally chose a consortium featuring FCC Construcción to receive the public works concession contract to build, keep up and operate five health centres and five basic health units.

The foremost events in 2010 were the closing of the financing deal and the completion of the five basic units for delivery in early 2011.

Cedinsa Eix Llobregat (34%)

Holder of the concession for the construction and shadow toll operation of the road between Berga and Puig-Reig, Barcelona, as well as the upkeep and maintenance of the San Fruitós de Bages/Puig-Reig section, both of which are part of road C-16 (the Llobregat Artery). Two thousand and ten was the third year of full operation. The average daily traffic on these sections amounted to 21,000 vehicles.

CONSTRUCTION

Cedinsa d'Aro (27.2%)

In December 2005 Cedinsa won the contract for a 33-year shadow toll concession covering the 27.7 kilometres of the dual carriageway from Maçanet to Platja d'Aro. The contract comprises the design, construction and operation of the section of road C-35 between Vidreres and Alou and the operation of the Maçanet/Vidreres section of road C-35, the Alou/Santa Cristina d'Aro section of road C-65 and the Santa Cristina d'Aro/Platja d'Aro section of road C-31. Two thousand and ten was the second year of full operation. The average daily traffic amounted to 24,300 vehicles.

Cedinsa Ter (27.2%)

In 2006 FCC Construcción was awarded the concession for the 48.6-kilometre-long Vic/Ripoll shadow toll dual carriageway. Included are 25.2 kilometres of new route between Centelles and Ripio. The term of the concession is 33 years, including three years for construction and 30 years for operation. In July 2010 section 3A, between Masies de Voltregà and Sora, was inaugurated and thrown completely open to traffic. The average daily traffic was 28,000 vehicles.

Cedinsa Eix Transversal (27.2%)

In June 2007 the company was awarded a 33-year shadow toll concession for a 150-kilometre stretch of the Eje Transversal dual carriageway. The contract calls for the design, construction and operation of the Cervera/Caldes de Malavella section of road C-25. Most of the work involves twinning road C-25.

International

New Acute Hospital for the South West, Northern Ireland

In May 2009 the financing and concession contracts were signed between the Sperrin Lakeland Health and Social Care Trust (Health Administration) and the winning consortium (in which FCC holds a 39% interest) for the construction, maintenance and operation (non-health services) of the New Acute Hospital for the Southwest in Enniskillen, Northern Ireland, for a 33-year period. The new hospital will have 315 beds. Over the last year construction continued, amounting to 62% of the total project by year's end. Construction is expected to come to an end in March 2012.

M-50, Ireland

CONSTRUCTION

Global Via Infraestructuras 2010

During 2010 Global Via Infraestructuras (GVI) continued in its consolidation as the platform for major infrastructure projects. In the 2010 fiscal year, GVI took up a position as the world's number-two infrastructure manager in terms of the number of concessions handled.

No new projects were awarded to Global Via in 2010.

Under its portfolio reorganization and management strategy, GVI made the following divestments during 2010:

- **Autovía del Camino:** In July 2010 Global Via Infraestructuras and other shareholders closed an agreement with an international infrastructure fund to transfer part of their holdings in Autovía del Camino, the shadow toll motorway located in Spain's Navarra region, which links Pamplona and Logroño. The transaction meant that GVI remains a shareholder, with 9.1% of this concession-holding enterprise.
- **Marina Port Vell:** Global Via Infraestructuras closed the deal to transfer its 60.49% share of Marina Port Vell, a port concession in Barcelona Harbour with mooring capacity for 413 large ships, to an international infrastructure fund.
- **Nàutic de Tarragona:** In December 2010 Global Via Infraestructuras closed the sale of its 25% share of Nàutic de Tarragona, a marina concession in Tarragona Harbour, with mooring capacity for 417 ships and 8,000 m² of retail space. The buyer was Real Club Náutico de Tarragona, which rose from its former interest of 5.67% to 30.67% of the shares in the marina.

Furthermore, in 2010 Global Via Infraestructuras launched a plan to raise funds by bringing new shareholders into the fold. GVI began the process of scouting out new investors at a time when the international concession market was again looking good to major investors.

As of 31 December 2010, the following concession-holding companies remained pending consolidation in GVI: Túnel de Coatzacoalcos (Mexico), Autopista del Valle entre San José y San Ramón (Costa Rica), Marina de Laredo, Autovía Ibiza-San Antonio, Accesos de Madrid (R3 and R5), and the companies holding the tram concessions in Barcelona, Trambaix and Trambesos.

Because the asset consolidation process begun in 2007 will be drawn out over several fiscal years, the portfolio of projects Global Via manages has been classified into assets already consolidated during fiscal years 2007, 2008, 2009 and 2010 and assets whose transfer Global Via will be concluding in fiscal year 2011.

SECOND-BIGGEST INFRASTRUCTURE MANAGER IN THE WORLD

Concessions already brought within Global Vía's consolidation perimeter as of 31 December 2010:

- **Autopista del Itata (100%).** Itata Motorway. Global Via Infraestructuras holds the contract to build this Chilean toll motorway between Concepción and Chillán, a total of 98 kilometres, and operate it for 13 years. The motorway is operational and in 2010 saw an average daily traffic of 4,007 vehicles.
- **Autopista del Aconcagua (100%).** Aconcagua Motorway. This company holds the government concession to build the section of the Route 5 toll motorway between Santiago and Los Vilos, Chile, a total of 218 kilometres, and to operate the motorway under a 30-year concession. There are three toll stations that charge tolls in both directions. The average daily traffic in 2010 was 12,535 vehicles.
- **Auto-Estrada Transmontana (50%).** Transmontana Motorway. The company holds the contract to build the mixed toll motorway between Vilareal and Bragança, a total of 194 kilometres, and operate it for 30 years. Currently in the design and construction phase.

Viaduct over the Ulla River, Galician Motorway

CONSTRUCTION

- **Autopista Central Gallega (61.39%).** Galician Central Motorway. Government concession to build the toll motorway between Santiago de Compostela and Alto de Santo Domingo and operate it for a 75-year period. The road is 56.8 kilometres long. In 2005 it went into operation. The average daily traffic in 2010 was 6,156 vehicles.
- **Túnel de Sóller (56.53%).** Sóller Tunnel. The company in charge of the government concession to build Sóller Tunnel through the Sierra de Alfabía, part of the corridor from Palma de Mallorca to Sóller, and to operate the tunnel under a shadow toll arrangement. The tunnel is 3.1 kilometres long, and the concession is for 33 years. The tunnel has been in operation since 1989 and in 2010 saw an average daily traffic of 7,752 vehicles.
- **Terminal Polivalente de Castellón (45%).** Castellón Multipurpose Terminal. The company that won the contract to build and operate a 9.5-hectare container- and general goods-handling terminal in Castellón Harbour. In operation since 2006. The terminal saw 63,272 container movements in 2010.
- **Autopista de la Costa Cálida (35.75%).** Costa Cálida Motorway. The company in charge of the government concession to build the toll motorway from Cartagena to Vera and operate it for a 36-year period. The toll section is 98 kilometres long, and there are 16 kilometres of toll-free motorway for internal traffic going around Cartagena. In 2010 the average daily traffic was 2,045 vehicles.
- **Metro Barajas (100%).** The company in charge of the government concession to design, build and operate the section of metropolitan railway between Barajas and the New T-4 Terminal Building on Line 8. The rails are a total of 2.5 kilometres long, and the concession is good for 20 years. The line has been in service since 2007. In 2010 there were 4,499,461 passengers.
- **M-404 (100%).** The company that won the concession to design, build, keep up and operate the 27 kilometres of dual carriageway M-404 between roads M-407 and M-506 as a shadow toll operation. Concession awarded in December 2007.
- **Aeropuerto de Castellón (45%).** Castellón Airport. The company that won a 50-year contract to build and operate Castellón Airport. The future airport will be situated between Benlloch and Villanueva de Alcolea, at an exceptionally well-chosen site that lies within 50 kilometres or less of anywhere in the province. At the close of fiscal year 2010, construction was practically finished, and forecasts are for the first commercial operations to begin in the first half of 2011.
- **Puerto de Gijón, Explanada de Aboño (20%).** Gijón Harbour, Aboño Yard. The company that won the concession to build a 168,000-m² bulk goods terminal in the port of Gijón and operate it for 30 years. During 2010 the terminal moved 1,580,681 tons of goods.
- **Terminal de Graneles de Castellón (30%).** Castellón Bulk Goods Terminal. The company that won the concession to build and for 35 years to operate the solid bulk goods terminal in the southern enlargement of Castellón Harbour, with 300 linear metres of wharf and 60,000 m² of attached yard. Contract awarded in September 2005 and terminal opened in 2008. The terminal moved a total of 543,762 tons of goods during 2010.
- **Hospital del Sureste (66.66%).** The company in charge of the government concession to build and provide full-service maintenance management, including preventive maintenance, corrective maintenance and replacements, cleaning, conventional urban and medical waste collection, internal/external transport, orderlies, administrative staff, reception, information and switchboard staff, security and surveillance, sterilization service, laundry, food service/catering, vermin and insect extermination, storage and distribution management and street and garden upkeep. The hospital had 110 beds for hospitalized patients in 2007, which may be increased to 148 in 2017, with an estimated area of 37,000 m². In operation since 2007.

Gijón Harbour

CONSTRUCTION

Envalira Tunnel

- **Scutvias, Auto-Estradas da Beira Interior (8.33%).** Company in charge of the government concession to build and operate the shadow toll motorway between Abrantes and Guarda. The motorway is 198 kilometres long; of that, 95 kilometres belong to already-existing roads, and 103 kilometres are new-built. The concession is good for 30 years. The concession includes the operation of three petrol stations. Financing for the concession was obtained from the EIB. In operation since 2005. In 2010 it saw an average daily traffic of 10,545 vehicles.
- **M-407 (50%).** This company holds the concession for the design, construction, upkeep and operation of the 11.6 kilometres of the M-407 dual carriageway between roads M-404 and M-506 as a shadow toll operation. The concession was awarded in August 2005 and has been in operation since 2007. In 2010 it saw an average daily traffic of 28,934 vehicles.
- **Concesiones de Madrid (100%).** Government concession for the stretch of the M-45 dual carriageway ringing Madrid from the O'Donnell artery to the N-II, a total of 14.1 kilometres, for a period of 25 years under a shadow toll arrangement. The concession has been in operation since 2002, with an average daily traffic of 84,203 vehicles in 2010.
- **Túnel d'Envalira (80%).** Envalira Tunnel. The company in charge of the government concession for the design, construction and operation of the shadow toll Envalira Tunnel, which links the Grau Roig winter resort to Pas de la Casa and carries traffic between Andorra and France on the Barcelona-Toulouse artery. The tunnel is 3.2 kilometres long, and the concession is for 50 years. The tunnel has been in operation since 1998, and in 2010 it saw an average daily traffic of 1,794 vehicles.
- **Tranvía de Parla (75%).** Parla Tram. The company that won the 40-year contract for the construction, supply of rolling stock, operation and maintenance of the 8.5 kilometres of double tram track in Parla, Madrid. This concession was awarded in 2005 and became operational in June 2007. The tram was used by an average of 4,820,394 passengers per year in 2010.
- **Transportes Ferroviarios de Madrid (49.37%).** Holder of the 32-year concession for the extension of Line 9 of the Madrid Metro underground railway between Vicálvaro and Arganda. The stretch is a total of 20 kilometres long and has three through stations. During 2010 it was used by 6,653,570 passengers.
- **Ruta de los Pantanos (66.6%).** This concession is for the construction, management and upkeep for a 25-year period of the twinned 21.8-kilometre section of roadway on roads M-511 and M-501 between roads M-40 and M-522, in the Community of Madrid. The concession has been in operation since 2002 and in 2010 saw an average daily traffic of 36,763 vehicles.
- **M-50 Dublin (45%).** The company that holds a concession for the construction and 35 years' operation of Dublin's M-50 ring road, the city's primary bypass. The project consists in building 24 kilometres of motorway and operating and maintaining that stretch along with an additional 19.3 kilometres. It is a pay-as-you-go toll road, and it went into operation in September 2010.

CONSTRUCTION

- **Nuevo Necaxa-Tihuatlán (50%).** AUNETI, S.A. de C.V. The company that holds the Necaxa-Tihuatlán dual carriageway concession is the company in charge of designing, building and operating the 85-kilometre motorway between Nuevo Necaxa and Tihuatlán, which lies in the states of Veracruz and Puebla. It forms part of the main overland axis joining Mexico City and Veracruz. This dual carriageway is divided into two sections:
  - TC1 from Nuevo Necaxa to Ávila Camacho, 36.6 kilometres long, four lanes, for construction and pay-as-you-go operation.
  - TC2 from Ávila Camacho to Tihuatlán, 48.1 kilometres long, two lanes, for operation as a toll road.

Construction is in progress.

- **Autovía del Camino (9.1%).** El Camino Dual Carriageway. The company that won the contract to build and operate the dual carriageway from Pamplona to Logroño using the shadow toll system. The road is a total of 70.25 kilometres long and has been in operation since late 2004. In 2010 it saw an average daily traffic of 12,034 vehicles.
- **Port Torredembarra (24.08%).** The company in charge of the government concession to build, operate and maintain a marina situated in Torredembarra, Tarragona. It has mooring capacity for 714 boats plus retail space and stores. Currently in operation.
- **Metro de Málaga (24.50%).** The company in charge of the government concession to design, build and operate lines 1 and 2 of the Málaga Metro system. There are 16.5 kilometres of rails, 71% underground, with 19 stations on the route. Construction of the concession is in progress.
- **Aeropuerto de Santiago de Chile (14.78%).** Santiago de Chile Airport. The company in charge of the government concession to build and operate Arturo Merino Benítez International Airport in Santiago de Chile. In September 2005 the airport opened its second runway, built by the Ministry of Public Works, which improved airport operations. During 2010 there were 10,265,173 passengers.
- **Autopista San José-Caldera (48%).** Motorway from San José to Caldera. The company in charge of the government concession to build and operate the shadow toll motorway from San José to Caldera, in Costa Rica, linking the country's capital with one of Costa Rica's main Pacific ports. The road is 76.8 kilometres long, and the concession is for 25 years. The motorway became operational in January 2010. In 2010 it saw an average traffic of 23,508 vehicles per day.
- **Hospital de Son Dureta (32%).** The company that won the contract to build and operate the Balearic Islands' new reference hospital. The hospital has an area of 193,088 m^2 and 987 beds, and it will provide health services for more than a million people. The concession is for 30 years. The hospital was opened in 2010.

M-50, Ireland

CONSTRUCTION

San José Caldera Motorway, Costa Rica


Laredo Harbour

- **N6 Galway-Ballinasloe (45%).** The company that won the contract to build and operate the N6 Galway-Ballinasloe motorway along the strategic east-west corridor from Galway to Dublin, complying with the requirements of the National Development Plan. It consists of a 56-kilometre-long toll motorway between Galway and Ballinasloe, a seven-kilometre junction to the Loughrea bypass (single lane) and approximately 32 kilometres of slip roads. The concession is for 30 years. The motorway became operational in December 2009. In 2010 it saw an average daily traffic of 9,020 vehicles.

- **R-2 Autopista del Henares (10%).** Henares Motorway. Henarsa, S.A., is the company that won the contract to build and operate the R-2 toll motorway, a 62-kilometre stretch of road that runs between road M-40 and Guadalajara. There are two sections. The inner section, which runs from road M-40 to road M-50, is an alternative route for avoiding traffic jams on road A-1 in San Sebastián de los Reyes and Alcobendas. The outer section is an alternative route to the heavy traffic on road A-2 between Guadalajara and road M-50. The term of the concession is 24 years. The average daily traffic during the last fiscal year was 9,282 vehicles.

- **Circunvalación de Alicante (25%).** Alicante Ring Road. Ciralsa, S.A., is the holder of the concession to build and operate the 28.5-kilometre Alicante ring road. The concession is for 36 years. The ring road has been in operation since December 2007, with an average daily traffic of 7,220 vehicles.

- **Metro Ligero de Sanchinarro (42.5%).** In 2006 Metro Ligero de Madrid, S.A., was awarded the contract to operate and maintain the 5.4-kilometre-long Pinar de Chamartín/Sanchinarro/Las Tablas light metro line that connects lines 1 and 4 of the Madrid Metro system. This line has been operational since May 2007. The concession is for 30 years. In 2010 4,963,478 travellers rode on the light metro.

Concession holders that will be brought into Global Via in 2011:

- **Tramvia Metropolità del Baix Llobregat (19.03%).** Baix Llobregat Metropolitan Tram. The company that won the contract to build tram infrastructure between southern Barcelona and the towns in the Baix Llobregat district and operate the tram system for 25 years. The system has been in service since 2005. In 2009 it was used by 15,542,000 travellers.

- **Tramvia Metropolità del Besòs (19.03%).** El Besòs Metropolitan Tram. This company was awarded a 27-year contract to build, operate and maintain the tram that links the Estación del Norte and the Villa Olímpica in Barcelona with Sant Adrià del Besòs and Badalona. It is 15 kilometres long. In 2009 it was used by 7,464,000 travellers.

- **Autovía Ibiza-San Antonio (50%).** Dual carriageway between Ibiza and San Antonio. The company in charge of the government concession to build and operate the twinned shadow toll section of the road between Ibiza and San Antonio. The project is special, because 1.3 kilometres of the dual carriageway run underground in the San Rafael area. The road is a total of 14 kilometres long, and the concession is for 25 years. In 2010 the road saw an average daily traffic of 30,894 vehicles.

- **Marina de Laredo (42.5%).** Laredo Marina. The company in charge of the government concession to build protective structures at Laredo's new fishing port and recreational marina, which can accommodate 537 recreational crafts up to 20 metres long, and to operate the facility for 40 years. Also included is the construction and operation of a 400-car marina car park and a dry storage yard accommodating 200 boats up to eight metres long. Construction of the concession is in progress.

CONSTRUCTION

- **Autopista San José-San Ramón (48%).** Motorway from San José to San Ramón. The company in charge of the government concession to build and operate the shadow toll motorway between San José and San Ramón, Costa Rica, for 25 years. The motorway is 60 kilometres long.
- **Túnel de Coatzacoalcos (70%).** Coatzacoalcos Tunnel. The company in charge of the government concession to build an underwater tunnel in Coatzacoalcos, in the state of Veracruz, Mexico, and to operate it as a toll tunnel. The tunnel is 2,200 metres long, including 1,200 metres of underwater tunnel built using six pre-tensioned concrete segments precast in a drydock. The concession is for 37 years. Construction started in 2007, and the tunnel is expected to be operational before the end of 2012.
- **Accesos de Madrid (20%).** Approaches to Madrid. This is the company that won a contract to operate the R3 and R5 toll motorways. The R3 is a 33.9-kilometre toll motorway between road M-40 and Arganda del Rey that runs parallel to the toll-free alternative A-3 road. The R5 is a 28.3-kilometre toll motorway between road M-45 and Navalcarnero that runs parallel to road A-5. Both have been in operation since 2004, and the concession is for 50 years. The average daily traffic in 2010 was 12,120 vehicles.

Austrian subsidiary Alpine also holds an interest in these concessions:

- **Design, financing, construction and 30 years' operation of the first section of the A5 motorway in Austria.** This is the country's first motorway concession, a 51-kilometre section of road. It includes the construction of the first part of motorway A5 from Vienna toward the Czech Republic between the towns of Eibesbrunn and Schrick and the prolongation of the north-eastern ring around Vienna, which will connect to the S1 and S2 fast lanes. Phase 1 entered operation in November 2009 and Phase 2 in February 2010.

The following table is a summary of all the infrastructure concessions managed by GVI and FCC as of 31 December 2010, including the contracts managed by Alpine as well.

ALPINE breaks through at Saint Gotthard

Poznan Stadium, Poland

CONSTRUCTION


Hala Ludowa, Poland

Murcia Tram

CONCESSION	COMPANY	TYPE	INVESTMENT (million €)	TERM (YEARS)
Galician Central Motorway	GVI	Toll road	303	75
Costa Cálida Motorway, Murcia	GVI	Toll road	649	36
Motorway from San José to San Ramón, Costa Rica	GVI	Toll road	213	25
Motorway from San José to Caldera, Costa Rica	GVI	Toll road	264	25
N6 Galway-Ballinasloe, Ireland	GVI	Toll road	340	30
R3 and R5 approaches to Madrid	GVI	Toll road	1,003	50
R-2 Henares Motorway	GVI	Toll road	563	24
Alicante Ring Road	GVI	Toll road	445	36
A-5, Austria	ALPINE	Toll road	875	30
Envalira Tunnel, Andorra	GVI	Toll tunnel	54	50
Sóller Tunnel	GVI	Toll tunnel	51	33.5
El Camino Dual Carriageway, Navarra (*)	GVI	Shadow toll road	356	30
M-45, Madrid	GVI	Shadow toll road	214	34
M-407, Madrid	GVI	Shadow toll road	74	30
M-404, Madrid	GVI	Shadow toll road	162	30
Twinned dual carriageway between Ibiza and San Antonio	GVI	Shadow toll road	101	25
Auto-Estradas da Beira Interior, Portugal	GVI	Shadow toll road	933	30
Ruta de los Pantanos	GVI	Shadow toll road	107	25
Coatzacoalcos Tunnel, Mexico	GVI	Toll tunnel	185	30
N. Necaxa-Tihuatlán, Mexico	GVI	Toll road	493	30
M-50 Dublin, Ireland	GVI	Pay-as-you-go toll road	419	35
Itata Motorway, Chile	GVI	Toll road	198	15
Aconcagua Motorway, Chile	GVI	Toll road	457	13
Transmontana Motorway, Portugal	GVI	Shadow and real toll road	706	30
Cedinsa Eix Llobregat	FCC	Shadow toll road	174	33
Cedinsa d'Aro	FCC	Shadow toll road	54	33
Cedinsa TER, Vic-Ripoll	FCC	Shadow toll road	221	32

CONSTRUCTION

CONCESSION	COMPANY	TYPE	INVESTMENT (million €)	TERM (YEARS)
Cedinsa Eix Transversal	FCC	Shadow toll road	712	33
Cuenca Dual Carriageway	FCC	Shadow toll road	120	19
Parla Tram	GVI	Rail infrastructure	104	40
Baix Llobregat Tram	GVI	Rail infrastructure	249	25
El Besòs Tram	GVI	Rail infrastructure	225	27
Murcia Tram	FCC	Rail infrastructure	183	40
Zaragoza Tram	FCC	Rail infrastructure	345	35
Madrid Metro Line 9	GVI	Rail infrastructure	124	32
Barajas Metro	GVI	Rail infrastructure	47	20
Málaga Metro	GVI	Rail infrastructure	504	35
Sanchinarro Light Metro, Madrid	GVI	Rail infrastructure	293	30
Laredo Marina, Cantabria	GVI	Marina	70	40
Port Torredembarra	GVI	Marina	15	30
Portsur Castellón	GVI	Port logistics facility	30	35
Castellón Multipurpose Terminal	GVI	Port logistics facility	35	30
Gijón Harbour Bulk Goods Terminal	GVI	Port logistics facility	17	30
Santiago Air Terminal, Chile	GVI	Airport	249	21.5
Castellón Airport	GVI	Airport	127	50
Hospital del Sureste, Madrid	GVI	Hospital	71	30
Hospital de Son Dureta, Mallorca	GVI	Hospital	243	31.5
Hospital de Torrejón	FCC	Hospital	137	30
Enniskillen Hospital, Northern Ireland	FCC	Hospital	372	33
Mallorcan healthcare centres	FCC	Health building	22	11
City of Justice in Barcelona and hospitals (URBICSA)	FCC	Service building	263	35
Tema Concesionaria, Mallorca	FCC	Service building	33	40

Zaragoza University Assembly Hall

RCD Español

CONSTRUCTION

COMMITMENT TO
SUSTAINABILITY AND
QUALITY

TECHNOLOGICAL DEVELOPMENT

FCC Construcción backs an active policy of technological development, applying innovation constantly in its projects. The company is firmly committed to sustainability in technological development and views its own contribution to quality of life as a competitive factor.

RDI

FCC participates in the technological facets of the most unique projects, preparing its own RDI designs and ways of improving construction procedures. These advantages, in combination with strong support for the company's machinery and ancillary resources, enable FCC to offer its clients a range of in-house technical solutions. That is what makes FCC stand out from the rest of the sector.

For example, FCC Construcción is an active participant in a great many European RDI projects, such as the European Construction Technology Platform, the E2B (Energy Efficient Buildings) Association, the Core Group launching the ReFINE (Research for Future Infrastructure Networks in Europe) initiative, ENCORD (the European Network of Construction Companies for Research and Development), AENOR's CACEC (Advisory Group for Builder Certification) and the Spanish Construction Technology Platform. These organizations all aim to combine the efforts being made by research centres, industries and universities in everything having to do with research, development and technological innovation in the area of construction.

A number of targeted RDI projects were also conducted during the course of 2010. Work continued on projects started in preceding fiscal years, such as the Arfrisol Project, BALI, Submerged Tunnels, OLIN, Urban Tunnels, Continuous Wall and CLEAM. New projects were also launched, such as SR (Sustainable Building Refurbishment), Tanks (on designing a system for storing bitumen modified with powdered disused tires for plants that make hot bituminous mixtures), Vitraso (on diagnosing and predicting the way noise is transmitted in building), Ecorasa (full use of building and demolition waste as fill for sewer ditches) and Cemesferas (research into manufacturing spherical vitreous microparticles with cementing properties).

MATERIAL LABORATORY

In cooperation with Cementos Portland Valderrivas, our Material Laboratory has conducted tests to characterize, batch and find applications for certain new kinds of cement now being developed, such as Ultraval and Microval, and to batch cement for the test section of rigid concrete pavement on the dual carriageway between Vic and Ripoll.

BBR PTE

During 2010 BBR PTE, the FCC company specializing in pretensioning and special building techniques, made the following developments in the field of applying post-tensioning and building techniques:

- Development of special equipment for lifting and turning precast components for the new bridge over the Danube River (from Vidin to Calafat, Bulgaria). The equipment includes three heavy-lifting jacks with their respective control stations. The jacks are mounted on a framework that can slide with its load along a structure that sits underneath, enabling the precast components of the bridge pile cap protectors to be lifted, turned over, moved and lowered into their permanent position.
- Development of a unit for lifting and lowering wind generator turbines. The unit consists of a self-lifting platform that uses heavy-lifting jacks to propel itself.

The platform can be used to install wind generator turbines on their supporting tower and remove them again without the need to bring in heavy cranes. The unit has safety features that block the system when the wind is too high or there is an emergency.

- BBR HiAm CONA system. Development has been consolidated on the system to be used in stay cables on cable-stayed bridges. Stay cables have been installed with this system on the two cable-stayed bridges FCC has built in Romania, Basarab Bridge and Centura Bridge, both in Bucharest.

Special Designs and Construction

The following were some of the most specialized, innovative and technically tricky examples of design and technical assistance work done.

Hydraulic Works

- Enciso Dam, Logroño. All through 2010 tests were run on a small model of the dam to study a stepped structure for the main spillway. The structure simplified the overflow issue and optimized the stilling pool. The test was conducted at Catalonia Polytechnic University with the cooperation of the Civil Engineering School's Department of Hydraulics.
- Heightening of Yesa Dam, Navarra. The work was commissioned by the Ebro River Hydrographic Confederation. A small model of the dam's standard spillway was tested. This singular spillway operates in a shaft with gates. It is connected to a drainage tunnel that forms part of the existing dam's current relief system. The test was conducted at the Hydrographic Studies Centre run by CEDEX, the Public Works Studies and Experimentation Centre. On the basis of the test's findings, different types of gates for the dam will be studied.
- Machinery and systems for hydraulic projects. A concrete-cooling system using cold water was implemented at the Castrovido Dam site in Burgos. On the hottest days, concrete temperatures had been found to rise as high as 35 ºC, which could have been a problem for large batches. A system was therefore assembled that keeps the water between 4 and 7 ºC. The system acts to cool the water used to make concrete as well as to chill the aggregates.

At Alcollarín Dam, Cáceres, for the delivery of the 170,000 m3 of concrete the dam needed, the site was equipped with a mobile concrete plant featuring telescoping conveyor belts that could extend to 30 metres. This was the first dam FCC built entirely with this system. In addition, at the same site, due to typically high local temperatures, FCC set up a latest-generation, modular flake ice factory that came pre-assembled in containers. The assembly time was therefore only a quarter of what a conventional flake ice machine requires. The machine made it possible to bring the fresh concrete's temperature down by as much as 10 ºC.

East Dock, Castellón Harbour

FULLY COMMITTED TO
SUSTAINABILITY

CONSTRUCTION

Ebro River Bridge, Deltebre

Piers for San Marco Viaduct, Mexico

Marine Construction

- Extension of the east dock of Castellón Harbour. This was the first project built with the low-reflection caissons designed, studied and patented by FCC Construcción as the result of an RDI project implemented under an agreement with CEDEX. The special thing about these caissons is that they have a set of external openings and internal chambers causing a great deal of the incident wave energy to be dissipated by turbulence. The uniqueness of these caissons (verified in two- and three-dimensional physical models for the project) also led to a special design for the dock's crest, which is fitted with "blowholes" to allow part of the water flowing into the caisson to be vented back into the sea and relieve the pressure caused by waves inside the chambers. The system's patent has been expanded to cover the blowholes as well.

- Increase in the depth at the Aragon quay at Tarragona Harbour. To increase the depth of the existing quay (built on caissons) by two metres, it was decided to administer a soil-improvement treatment utilizing SuperJet grout columns. The necessary treatment was outlined according to the conditions of the caissons' foundations all along the quay, adjusting the treatment columns' width and length to ensure that the resulting structure would behave correctly. Very-high-pressure injection processes had to be developed.

- Marine construction machinery. BOCAMI split barge: In 2010 the BOCAMI began working as a dredge boat, after the installation of a Liebherr-964 excavator on a platform that can move up and down inside the hopper. The machine is equipped with a four-m3 hydraulic orange-peel grab for dredging, a three-fingered claw for stacking riprap and a two-m3 orange-peel grab for levelling. With the installation of this equipment, the BOCAMI split barge has increased its marine construction applications considerably and is now completing work units that used to be outsourced.

Viaducts and Special Structures

- Bridge over the Ebro River in Deltebre, Tarragona. This bridge, close to the mouth of the Ebro, has a central span 112 metres long and two side spans 69 metres long. It has a total width of 19 metres, half of which is reserved for vehicles, and the other half, for recreational use. Because of its singular design, structurally speaking the bridge is a cross between a suspension bridge and an extradosed cable-stayed bridge: Its deck is held up by two pairs of cables placed along the bridge's central axis and resting on a cable saddle set at the top of the middle piers. Both the deck and the piers have a compound cross-section combining steel and concrete.

For environmental reasons, in order to minimize impact on the river, the 60-metre-long central section was built on the bank of the river and then launched and floated to the middle of the river and hoisted into position. BBR PTE handled the manoeuvres.

- Guadalquivir River lock gates. The four metal gates on the lock are huge (52 metres long, 17 to 20 metres tall and six metres thick). Their structure is made of metal. They can be manipulated to raise or lower the water in the lock so it is higher or lower than the level of the water in the Guadalquivir. Two gates only are actually operational; the other two are reserved for use in the event one of the primary gates breaks or requires maintenance.

The gates were built in a shipyard and floated into place. Once settled in their housing, the gates moves on carriages that roll along rails, and they are winched up and down on cables.

- Bascule bridges at Seville Harbour. As part of the same project as the lock gates, three bascule bridges were built at the harbour in Seville. They are single-span bridges with their counterweights on the outside. They are the first bridges of this type to be built in Spain, although the type is widely used in Holland

CONSTRUCTION

and similar countries for small bridges. One of the bridges carries the railroad tracks, while the other two are for automobiles. They all have the same 44-metre span. The road bridges are 12 metres wide, while the railway bridge is six metres wide, since it carries only one set of tracks. The half-moon cross-section –a highly unusual shape for bridge– was chosen for reasons of appearance. The bridge's rotation is driven by two hydraulic cylinders situated at the base of the tower, next to the ball-and-socket joint.

- Viaducts on road A-4 (the new Despeñaperros roadway). Construction is complete on four double viaducts, with a total deck length of 3,300 metres and a maximum pier height of 80 metres. The viaducts were built using precast segments assembled span by span, a system used exclusively by FCC. The system made it easier to build the viaducts and possible to assemble up to two segments per week, far outperforming other systems. This project is the most important ever built by means of this system.
- San Marcos Viaduct on the dual carriageway between Nuevo Necaxa and Ávila Camacho, in Mexico. Construction proceeds on the viaduct, which will have one of the tallest bridge piers in the world, 210 metres tall. The viaduct deck will be made of concrete, built as a progressive cantilever with a maximum span of 180 metres. Pier 3, which is under construction and currently 150 metres tall, has already surpassed the tallest piers ever built in Spain.
- Museum of Royal Collections, Madrid. The building abuts La Almudena Cathedral along a 40-metre-tall wall of earth, so construction had to be planned carefully to avoid inflicting even the slightest structural damage to the cathedral. Pre-built retaining walls were secured to the site at seven actively monitored anchoring levels. A check using pendulums was run once the detensioning process had been reversed. The building's ten-story-tall structure has now been completed, so the provisional earth anchors have been released. The thrust of the soil is now borne by the building itself.
- Test section for a two-layer concrete road surface. A test section of concrete road surface was laid in cooperation with Cementos Portland Valderrivas in the left-hand lane of road C-17 between Masies de Voltregà and Enllaç, Barcelona, heading toward Ripoll. The surface is based on the Austrian Road Surface Standards, and it consists in a vibrated-concrete surface with joints, laid using the two-layer system, with a surface finish of visible aggregates subjected to chemical denudation. The test section was a total of 912 metres long. The advantages of this surface are: ease of construction, long useful life, low maintenance cost, stability, anti-slip surface texture, resistance to aggressive agents, reflective qualities and energy savings in construction, maintenance and user vehicles.
- Viaduct machinery. NRS LG 70/75 launching gantry: The supplementary components were purchased to adapt this unit for flying shuttering for spans of up to 60 metres, with a weight-bearing capacity of 32 tons/metre and single-phase in-situ concrete casting. After its adaptation, the formwork is now ready for interchangeable use as a precast segment launching gantry or flying shuttering for in-situ concrete casting. It is scheduled to be used in the viaduct over the Corgo River in Vilarreal, Portugal, where 16 60-metre spans must be built with a box width of 12 metres. The expected performance rate is one span every two weeks.


Museum of Royal Collections, Madrid


Autovía del Cantábrico, between Las Dueñas and Muros de Nalón, Asturias

CONSTRUCTION

Underground Construction

FCC Construcción is one of the world's underground construction specialists. It has a great many projects in Spain and abroad, using the earth pressure balance (EPB) system and rock TBMs. Various improvements were made to machines and facilities in 2010.

- Underground construction machinery. On the Sagrera-Mandri section of Line 9, a belt accumulator system was installed right inside the tunnel while construction was still in progress. The system can hold 550 metres of conveyor belt. There all the ancillary equipment plus the belt spool-loading equipment are "hung" by chemical anchors, to free up as much of the tunnel's floor area as possible. For concrete casting beneath the rails after completion of the work to excavate the Chamartín-Atocha Tunnel, a novel system was designed that takes advantage of the rubble removal belt used during tunnel construction to carry the concrete into the tunnel and deliver it where needed. The procedure will reduce the project's construction completion time.

TBM boring the high-speed railroad tunnel between Atocha Station and Chamartín Station

Underground tunnels in Gerona

The projects completed or under construction in 2010 are the following.

- EPB TBMs:

Tunnels Completed/ In Progress	Length (km)	Length Tunnelled in 2010 (km)	Diameter (m)
S-1 (Terrasa/Can Roca-Rambla d'Egara)	3.1	0.5	6.9
S-2 (Terrasa/Can Roca-Rambla d'Egara)	3.1	1.1	6.9
L-9 (Mas Blau-Parc Logistic)	7.0	2.0	10.4
L-9 (Sagrera-Mandri)	5.5	1.3	12.0
Gerona I tunnel under the city	1.3	1.3	12.1
Madrid AV Chamartín-Atocha	6.8	6.0	12.0

- Hard-rock TBMs:

Tunnels Completed/ In Progress	Length (km)	Length Tunnelled in 2010 (km)	Diameter (m)
A Madroa-1 (north) (Vigo-As Maceiras)	8.1	5.7	9.5
A Madroa-2 (south) (Vigo-As Maceiras)	8.1	5.3	9.6
UTE Túneles de Sorbas, Tunnel 1	5.9	4.2	10.1

CONSTRUCTION

MANAGEMENT SYSTEMS

With its international expansion in full blow, FCC Construcción has adapted its Management and Sustainability System for safe, secure application throughout the company's entire business sphere. Processes, procedures, computer applications, formats and records are gradually being updated to respond to the new needs that arise from embarking on projects of international scope. Our priority is still to satisfy our clients beyond their expectations with a commitment to comply with established requirements and the kind of quality guarantee that is typical of FCC Construcción.

Part of our commitment to our clients has to do with information security. FCC Construcción is the only Spanish building firm in Spain to have earned ISO 27001 certification for its Information Security Management System from AENOR, and the company continues introducing new indicators to check the performance of its countermeasures from the security standpoint. The goal is to keep any potential threats to our information assets under control and to protect our clients' assets.

Risk Management

With senior management's strong support, Risk and Opportunity Management was systematically consolidated this year at FCC Construcción. Because procedures based on risk management have been adopted, opportunities that are not at first visible can be identified, threats can be turned into opportunities and potential losses can be partially or entirely avoided. This reinforces our business strategy and makes us stand out from the competition.

Based on a reliable, internationally recognized method, risk detection, risk evaluation and subsequent risk control together make up a process of continuous review applicable to all phases of each project. It helps win new contracts, too; the process makes it easier for FCC to gain a foothold in new markets with highly demanding clients, and thus it reinforces the company's objective in its international development, which is decidedly committed to a global future.

Environment

FCC Construcción feels that, within a culture of responsibility, all achievements made and processes developed ought to set a standard for behaviour and be incorporated into the "cultural heritage" of the worldwide building sector. Accordingly, the company participates in and leads a large number of Spanish technical committees (AEN/CTN 198/SC2 "Infrastructure Sustainability", which FCC Construcción chairs) and international technical committees, such as CEN-TC 165 "Wastewater Engineering", CEN/TC 350 "Sustainability of Construction Works", ISO/TC 59/SC 17 "Building Construction/Sustainability in Building Construction" (where the company chairs WG5, the Committee on Sustainability in Civil Engineering Works) and ISO/TC 207 "Environmental Management". It is also active in the leading technical associations in its business area: the Scientific and Technical Association for Structural Concrete, the Technical Association for Ports and Coasts-PIANC and committees on large dams (It chairs the "Engineering Activities in Planning" Technical Committee at SPANCOLD and is the Spanish representative at the International Commission of Large Dams, ICOLD).

FCC Construcción is aware that knowing and assessing our organization's current carbon footprint status is the first step for taking wise, environmentally friendly decisions. Getting a head start on future challenges, in 2010 FCC Construcción developed a greenhouse gas-measuring protocol in accordance with the internationally consolidated guidelines in ISO 14064, the GHG Protocol and the protocol for measuring CO2 in building. The company's computer planning and management applications have been adapted to record and quantify data on the activity of each identified source of emissions, integrate the data and generate emission inventory reports that are subject to verification by an accredited GHG verification agency.

Enagás plant, Barcelona

INFORMATION SECURITY IS PART OF OUR COMMITMENT TO OUR CLIENTS

CEMENT

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CEMENTOS PORTLAND VALDERRIVAS

THE CEMENT SECTOR

Spain

Fiscal year 2010 saw a widespread decline in government calls for tenders. According to figures released by Seopan, the Spanish association of employers in the construction sector, official calls for tenders fell by more than one third (33.1%) from what they were worth in 2009 to 26,519 million euro, as opposed to the 39,617.9 million of the year before. By project type, calls for tenders in building dropped 21.2% to 11,006.7 million euro, while in civil engineering works the loss of ground was even greater, 39.5%, down to 15,512.4 million from the 25,652.7 million of 2009.

When classified by the levels of government involved, the decline in calls issued by the national government was even sharper (55.4%), plummeting from 12,398.8 million in 2009 to 5,531.5 million. Regional governments behaved better, since their calls for tenders were down 22.9% from 12,210.9 million euro in 2009 to 9,413.4 million euro. Local governments tendered 11,574.2 million euro's of contracts, with a 22.9% reduction from 2009, when they tendered 15,008.1 million euro. These figures paint a clear picture of the startlingly negative development of the construction sector.

In the cement sector, information from the National Association of Cement Manufacturers (OFICEMEN) is equally unequivocal. Cement consumption in Spain fell

CEMENT

by 4.4 million tons to 24.5 million, a 15.1% decline. To orient comparisons, the domestic cement demand hit record highs just three years ago, in 2007, with 56 million tons; from there to the figures for 2010 there is a drop of 56.2%. This reduction in consumption naturally affected cement and clinker imports, down 31.3% to 2 million tons, eight hundred thousand kilos less than just one year ago.

On the other side of the page, the domestic cement sector has continued boosting cement and clinker exports, which hit 3.8 million tons in 2010, as opposed to 2.8 million tons shipped abroad in 2009. That makes the year-on-year increase a good 32.8%, somewhat higher than the rate of decline in imports.

United States, Tunisia and the United Kingdom

In 2010 the US slowed the rate of decline in its cement consumption, which has been going down steadily since 2005. In the last fiscal year, according to figures from the US Department of the Interior's Geological Survey, consumption went down 2.8% from 71.5 million tons in 2009 to 69.5 million tons last year. Nevertheless, this consumption figure is far from the 128.3 million tons consumed in 2005; the US demand for cement has therefore contracted by 46% in the last five years.

Cement and clinker imports have held steady at levels similar to those of 2009; imports were 6.9 million tons in 2010, compared to 6.8 million tons a year before. In the meantime, exports rose from 900,000,000 kilos to a million tons, therefore showing a rate of increase of just 13.6%.

The Tunisian demand for cement is the only area in the Cementos Portland Valderrivas Group's sphere of commercial influence that grew in 2010; according to information from the Chambre National de Producteurs de Ciment, the nation's cement consumption rose by 9.7% per year, from 6.6 million tons to 7.2 million tons. These 640,000 tons of growth in absolute figures set a ten-year record.

Cement and clinker imports went down, but not by much, from 112,000 tons in 2009 to 79,000 tons; exports fell farther, with a 31.9% reduction, amounting to 623,000 tons in 2010, compared to 916,000 one year before.

The development of the British market was equally sunny, despite the adverse weather conditions at the start of the year and the even-worse weather in the month of December. Consumption of cement and derivative products experienced growth at a year-on-year rate of around 4%. The increase in the demand was even sharper in the central area and gradually spread to the southern regions of the island.

CEMENT

GROUP DEVELOPMENT

Cement

In June 2010 the regional government of Madrid granted the Cementos Portland Valderrivas Group the Community of Madrid's European Excellence Award in the environment category. The Community of Madrid gives these awards out each year to acknowledge organizations that worked especially hard in favour of the European Union and its values. The award was given for the environmental management work done at the El Alto factory in Morata de Tajuña, which is regarded as Spain's biggest cement-making facility.

In terms of figures, as a consequence of the global economic crisis, which has been hitting the sector hard since 2007, aggregate sales by the Cementos Portland Valderrivas Group in 2010 came to 10,352,339 tons of cement and clinker, down 15.8% from the sales of the year before. Argentina and Uruguay were not included in the 2010 turnover figures because they were sold off in October 2009. At that time Cementos Uniland transferred its cement and clinker, concrete and dry mortar business units.

By physical units, the company in the Cementos Portland Valderrivas Group that made the biggest sales was Corporación Uniland, with 4,097,894 tons (39.6% of the total), followed by Cementos Portland Valderrivas with 3,592,421 tons (34.7%). Giant Cement Holding accounted for 1,209,303 tons of sales (11.7%), followed by Cementos Alfa, which sold 594,859 tons, outperforming Cementos Lemona, which placed 557,439 tons on the market (between the two of them, they made 11.1% of the Group's sales). Dragon Alfa and other companies sold 300,423 tons.

The Group has implemented UNE-EN-ISO 14001 and the European EMAS Regulation at all its factories, with certification by outside agencies, in a determined commitment to use alternative fuels for an eventual reduction of CO2 emissions. The El Alto plant is the only one that has an energy management system compliant with UNE-EN 6001.

Fiscal year 2010 meant another step in the Group's effort to improve its export figures in order to offset ever-lower numbers in the Spanish and US markets. Of the total sales figure (10.35 million tons), 11.2% headed for international markets, which was 1.6% more than in 2009. In Spain the export percentage was 14.7%, as opposed to 13.3% the previous fiscal year. The difference was greater in the US, because, with internal sales very similar to those of the year before, sales abroad rocketed from 19,513 tons in 2009 to 57,086 tons in 2010, which means the ratio of foreign to domestic sales rose from 1.6% to 4.7%.

Ready-mixed Concrete

In 2010 the Cementos Portland Valderrivas Group sold an aggregate total of 4,070,964 cubic metres of ready-mixed concrete, 17.2% less than the year before.

By groups, Cementos Portland Valderrivas placed 2,466,879 cubic metres on its market, 14.1% less than in 2009; it therefore accounted for 60.6% of the Group's total sales. Corporación Uniland, with 1,281,748 cubic metres (down 21.9%) made up 31.5% of the total sold. The Cementos Lemona Group came in third, with 198,074 cubic metres, equivalent to 4.9% of the overall total, and a negative year-on-year rate of 23.7%. The Cementos Alfa and Giant Cement Holding groups sold 71,895 cubic metres and 52,368 cubic metres, respectively, in their commercial areas, with negative variations of 16.5% and 6.9%, respectively, since the year before.

Of the 4,070,964 cubic metres sold in 2010, 3,855,729 were marketed in Spain, 162,867 in Tunisia and 52,368 in the USA.

During 2010 the Group supplied the concrete for a great many projects in Spain, the most important being the following:

CEMENT

- Barcelona: High-speed railroad section in Sagrera, Sant Andreu sector, section III Diagonal corridor, junction of AP7 Gelida Sant Sadurní and Vallirana relief road.
- Bilbao:Petronor coke plant in Muskiz, section of the Metro tracks between Etxebarri and Basauri and between Portugalete and Santurzi, sections of the South Metropolitan relief road and section of the high-speed railroad in Amorebieta, new municipal pelota court and work on the Alto las Chozas Amurrio road.
- Córdoba: Hipercor.
- Gerona: Twinning of road C31 between Plantja D'aro and Palamós.
- Huelva: Juan Gonzalo Wharf enlargement.
- Jaén: Pumping and turbine station at La Breña Dam.
- Jerez: Hospital Comarcal de La Línea.
- Lérida: Segarra-Garrigues Canal, section IV.
- Madrid: Hospital de Torrejón, the Museum of Royal Collections and the Serrano high-speed railroad tunnel.
- Málaga: Southern approach to the airport and Málaga Metro Line 1.
- Palencia: High-speed railroad intersection at Venta de Baños.
- Tarragona: DP World, Tarragona harbour.
- Valladolid: New bridge over the Pisuerga River.
- Zamora: High-speed railroad line between La Hiniesta and Perilla.

In 2010 action aimed at consolidating environmental policy continued, with the goal of increasing the number of ready-mixed concrete plants that can boast zero liquid waste and avoid discharging any waste, solid or liquid. All the Group's companies in the concrete division are

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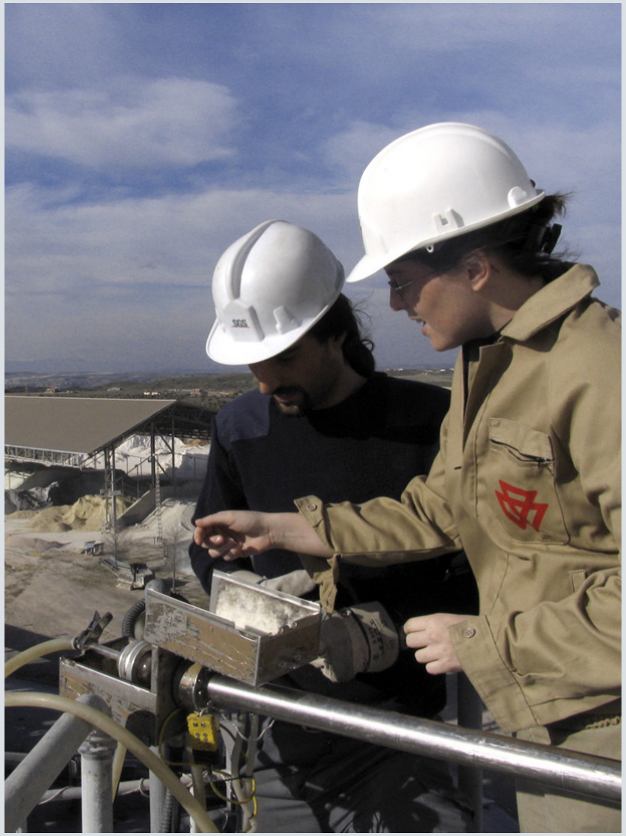


certified pursuant to UNE EN ISO 9001, and several production plants have already earned their N product certification from AENOR.

Aggregates

In 2010 the aggregate business unit marketed 14,418,922 tons of product, which means an annual reduction of 6.8% or more than a million tons less in absolute terms.

By corporate groups, Cementos Portland Valderrivas sold 7,679,559 tons (10.1% less than in 2009) and accounted for 53.3% of the total. Corporación Uniland sold 3,873,989 tons, equivalent to a 13.6% increase over 2009, and accounted for 26.9% of total sales. Cementos Lemona and Cementos Alfa delivered 2,204,621 tons and 433,436 tons, respectively, in their area of commercial influence, with year-on-year decreases of 13.1% and 31.2%. The Giant Cement Holding Group sold 227,317 tons, making for a negative annual rate of 33.7%. Altogether 14,191,605 tons of aggregates were marketed in Spain and 227,317 tons were marketed in the USA.

During 2010 aggregates of various qualities were supplied for different projects, the foremost of which were the following:

- Barcelona: UTE EBRE-Flix, Ecoparc and the Sagrera high-speed line.
- Bilbao: Alto Las Chozas road, Amurrio, high-speed railroad sections from Amorebieta to Lemoa, high-speed railroad sections from Lemoa to Galdakao, fill for wharf AZ2 and replacement of blocks for the harbour and supplies for the Metropolitan South Relief Road.
- Burgos: Asphalt mixing plant for surfacing and reinforcing road N-I.
- Córdoba: Hipercor.
- Jaén: Despeñaperros construction work.
- Jerez: UTE La Barca-Jerez, UTE AVE-Aeropuerto and wharf IV at Rota Naval Base.
- Madrid: UTE Aparcamiento de Serrano, Hospital de Torrejón, Slaughterhouse. Supply of asphalt mixing plant for twinning of road M-100 and for road N-II. Indoor manège for the Civil Guard in Valdemoro. Development of Sector 10 in Mejorada del Campo and Institute of Molecular Medicine at the Complutensian University in Alcalá de Henares.
- Málaga: Joint venture to build new airport field and metro. Tennis court in Los Pacos housing development. Gibraltar project. Municipal works for the city of Alhaurín de la Torre and MA-Cabermeja.
- Sevilla: Joint venture for S-40 bridges, Copero, Palmera, Humilladero factory and former hospital.
- Tarragona: Diagonal Villafranca.

CEMENT

Dry Mortar

The division that put in the best showing out of the entire Group was dry mortar, because it sold 1,089,874 tons of product in 2010, practically the same amount as in 2009. The bulk of this volume (1,087,532 tons) was for the domestic market, and the rest was supplied to the United Kingdom.

The Corporación Uniland Group sold 58.9% of the total, with 641,714 tons, down 8.5% from the previous year. The Cementos Portland Valderrivas Group contributed 320,698 tons, a hefty 29.4% increase, and accounted for 29.4% of total sales. Together Cementos Lemona and Cementos Alfa marketed the remaining 11.7% of the total, their figures being 82,764 tons and 44,698 tons, down since 2009 by 4.6% and 19.2%, respectively.

In 2010 dry mortar was supplied to several construction sites, led by the following:

- Barcelona: Hotel W Vela at the harbour and Trinidad Tunnel.
- Bilbao: South relief road.
- Cádiz: Refurbishment of the former Royal Jail building.
- Madrid: City of Justice Legal Medicine Building and tunnel between Navalcarnero and Móstoles.
- Málaga: New airport terminal.
- Navarra: Film library and the Pamplona Fire Department.
- Sevilla: Enlargement of the Palacio de Congresos conference centre.
- Zaragoza: Circe bioclimatic building and the school of design.

CEMENT

INDUSTRIAL INVESTMENTS

In view of the construction and cement sector's economic plight, the Cementos Portland Valderrivas Group's investments in 2010 were reduced to those investments promised the previous fiscal year and those investments vital to keep the Group's industrial facilities running smoothly.

The sole facilities receiving investments were the facilities related with alternative fuels, for compliance with the ambitious Strategic Plan on Energy from Waste. This plan's objective is to raise the EfW percentages at the Group's cement factories from 7.7% in 2009 to better than 30% in the year 2014.

In order to meet these goals, changes have been planned in manufacturing processes, which have required heavy investments in equipment for alternative fuel storage, handling, transport and dosing. These alternative fuels replace traditional fuels and also reduce CO_2 emissions.

One such investment was made at the Mataporquera plant, which in 2010 started up a latest-generation, fully automated facility for alternative fuels fed in through the clinker kiln's precalciner. In late 2010 construction was also begun on new equipment that will enhance the main burner's EfW performance. The new equipment will be operational in the second half of 2011.

Similarly, facilities to enable the kiln's main burner to use alternative fuels are also being assembled at the Monjos factory. They are scheduled to start up early in 2011. Another big environmental improvement at Monjos involved switching from an electrostatic filter at kiln V to a baghouse, in order to meet the requirements set in the factory's environmental authorization. The baghouse will enable particle emissions to be slashed to far below the legal limit.

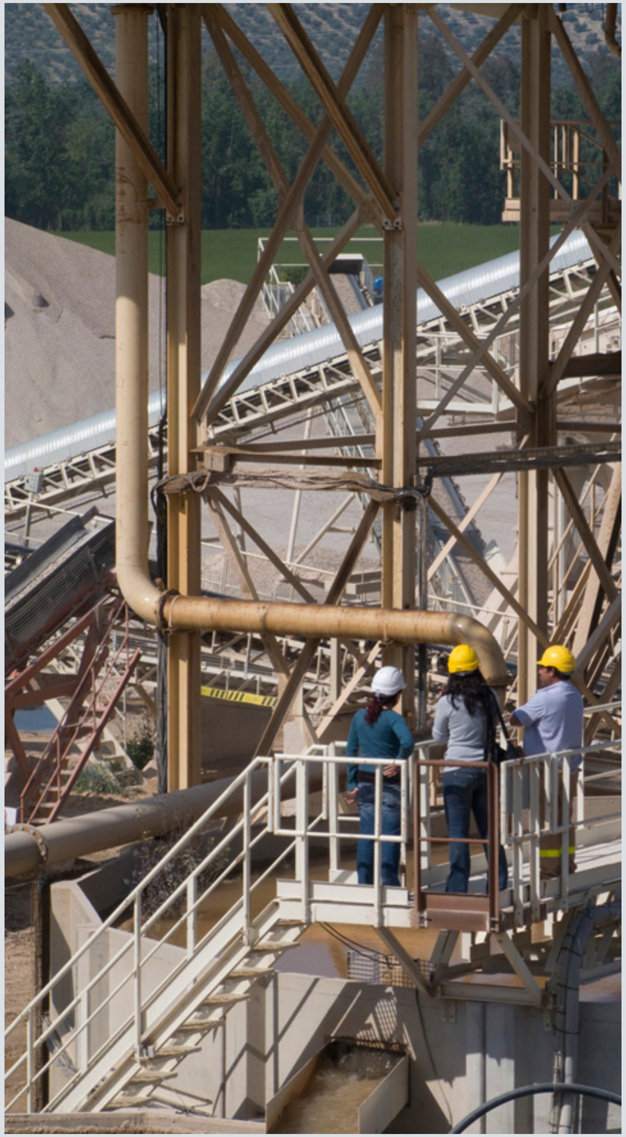
Construction began in late 2010 at the El Alto factory on systems that in 2011 will make it possible for the two clinker kilns' main burners to burn biomass.

The new investment undertaken in late 2010 at the Hontoria factory is anticipated to conclude in the first half of 2011. This investment will enable the factory to broaden the range of alternative fuel types it can use and will also increase the factory's replacement percentage with the addition of two dosing facilities at the kiln's main burner and precalciner.

At Lemona the precalciner dosing facility was enlarged to enable wider consumption of biomass and tyres. Work also began to assemble the new equipment for dosing the main burner's new alternative fuels; this equipment is scheduled to go into operation in the second half of 2011, boosting Lemona's fuel replacement percentage to over 50%.

THE COMMUNITY OF MADRID'S EUROPEAN EXCELLENCE AWARD

CEMENT



ENVIRONMENT AND SUSTAINABILITY

Cementos Portland Valderrivas' commitment to the environment is passed on to all its cement-, concrete-, aggregate- and mortar-manufacturing and material-shipping activities. Accordingly, the Group has redefined its environmental management system to cover all its fields of activity. It made progress in introducing the system in 2010, by strengthening current certifications, earning new certifications (in cement, aggregates and mortar in Spain) and extending the perimeter of the system's application (in cement in Tunisia, where the first steps for certification were taken in 2011).

In the Cementos Portland Valderrivas Group's 2010 Sustainability Report, drawn up pursuant to the Global Reporting Initiative's G3 Guidelines, itemized information is given on the impact of the Group's activities on the environment. The report includes triple bottom line reporting on results from the standpoint of economic, environmental and social performance, plus a comparison with preceding years.

Fiscal year 2010 made it five years since Cementos Portland Valderrivas made a commitment to transparency with its stakeholders. This year the Group issued its fifth Sustainability Report, which includes the contributions and opinions given by employees and representatives of society who participated in the Group's stakeholder dialogue meetings.

The main strides made this year focussed on consolidating the stakeholder consultation method, which provides us with valuable qualitative and quantitative information and includes a trust barometer for tracking stakeholder satisfaction. In addition, this year the personal consultation process was completed at all the cement factories in Spain, expanding the perimeter to include the Mataporquera factory in Cantabria, and the step was taken to set up face-to-face dialogue with the factory in Enfidha, Tunisia.

With the fourth round of dialogue in 2010, we have spoken to 600 representatives of our stakeholders and gathered important information that has been used to update the firm's CSR strategy.

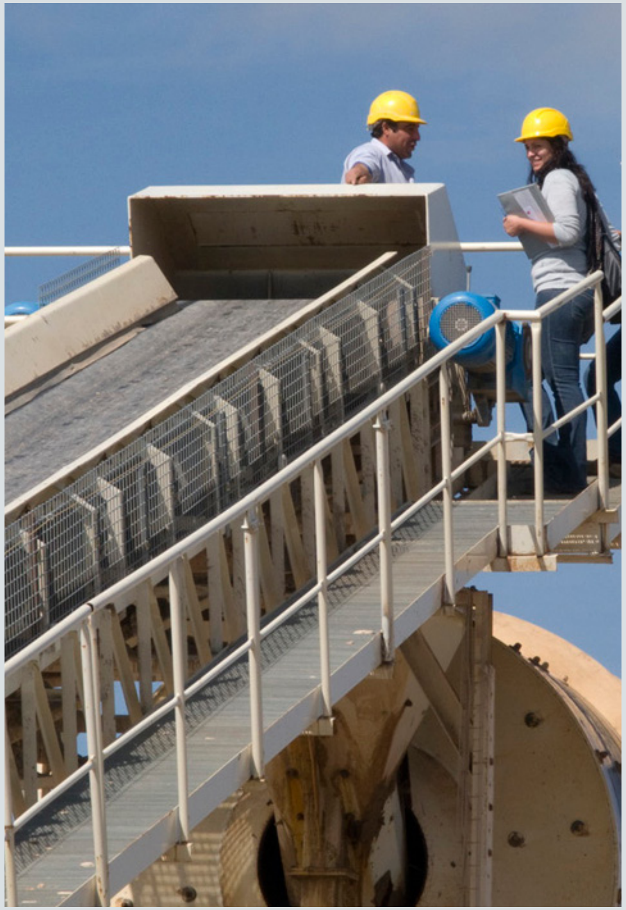
As a result of the work done in 2010, Cementos Portland Valderrivas for the first time has been included in the prestigious Merco reputation index. Merco is the Corporate Reputation Business Monitor, and its Merco index includes the 100 companies ranked highest in terms of reputation. Cementos Portland Valderrivas was listed 85th and came in as the leader of the cement sector, ahead of major multinational cement-making groups.

This result bolsters our decision to improve management by being efficient and tackling the future with determination and transparency. We will adhere to the lines we have already established, working responsibly for the protection of the environment and applying ethics in our business and in our commitments to our stakeholders.

Energy from Waste

During 2010 the Group took a very firm step forward in its policy on EfW at cement factories. The tangible result has been a considerable increase both energy-wise and

CEMENT



material-wise. Different types of waste with potential for use making rawmix have been tested.

The results gleaned in 2010 were satisfactory. The necessary authorizations were secured for using different types of waste to produce energy at all factories with the single exception of the Olazagutía factory, which has applied for authorization and expects to receive it in 2011.

The Cementos Portland Valderrivas Group achieved a 7% average thermal substitution rate in Spain. Individually, the results of the factories that use EfW were: Lemona (up to 32% thermal substitution in December); Vallcarca (highs of 18%); Hontoria (up significantly in the second half of the year, when it too hit 18%); and Mataporquera (highs of 16%). Tunisia has begun preparations for burning tyres and the rest fraction left over from treated waste, and the United States continues with its already-long tradition of using industrial waste to generate energy.

These actions have made it possible to replace more than 35,000 tons of coke over the year, with a 60,000-ton reduction of CO2 emissions thus avoided. In short, the practice of EfW has meant a savings for the company of over 3.2 million euro from what it would have cost to burn petcoke alone.

The strong support for EfW will be reflected in 2011, when all the EfW facilities whose assembly got under way in 2010 are finished. Things will begin with EfW at Monjos and El Alto. It will be possible to use a wider range of waste and larger quantities too. The focus will be mainly on biomass and particularly on fuels derived from the rest fraction, supplied in part by FCC.

Material Recycling

Work has also continued on the use of alternative raw materials for making rawmix instead of natural limestone or marl. The material replacement rate, given in tons of alternative raw materials per ton of clinker, has hit 6.25%; for the company, that means a savings of more than 2.2 million euro.

A small percentage of these materials are decarbonated, which enables an additional reduction in greenhouse gas emissions. Reducing GHG emissions is one of the lines of action for 2011.

In future the material recycling strategy will rest fundamentally on three families of waste, in addition to biomass: fuels derived from the rest fraction (which will be provided primarily by FCC, with whom cooperation agreements have been signed); wastewater purification plant sludge; and lastly plastics, including plastics from food and drink containers. How to convert them into a suitable fuel is currently a topic of study.

RDI

One of the strategies management is taking in the Cementos Portland Valderrivas Group to mitigate the effects of the crisis in the cement sector is to pull no punches in research, development and innovation. New product research and development is encouraged, both inside the Group and in cooperation with other firms and technology centres of acknowledged prestige, through joint projects.

Last year the RDI Department achieved consolidation. It developed or optimized eight new special products that offer high added value and very different possibilities of use. In addition it conducted eight research projects involving more than 70 people from the organization, leading to two new patents. Joint work with FCC's research teams and Innovation Management Office, especially in subjects related with construction, contributed largely to these results.

Public financing, a total of 5.86 million euro (1.57 million euro in grants and 4.29 million euro in interest-free loans), was secured from various sources to pursue this research.

Once new products are developed, a double challenge has yet to be faced: industrial production and marketing. The products created and action taken on this front were the following:

- Microcements: The Cementos Portland Valderrivas Group has made itself one of the go-to companies for microcements, which are used primarily to waterproof concrete, especially for dams.
- Heavy-duty cements (ULTRAVAL and ULTRAVAL SR): These are EN 197-compliant Portland cements that are ultra-tough, especially when new, so they can be used to get projects off the ground quickly. They can increase project productivity generally, too, especially in the precast concrete industry.
- Fast-setting concrete: These products take less than eight hours to reach the kind of hardness that other concretes take days to achieve, regardless of the weather. Especially fine for civil defence work, military work or simply at sites where time constraints are a key factor.
- Cements for cooling towers and water pipes: Cements suitable for use in highly aggressive environments, especially power plant cooling towers and wastewater pipes. In another variation, they can be used to build off-shore wind power generator platforms, which are currently being looked into by the FLOTTEK research project, a consortium partnering the Group with another eight big businesses and research institutions.
- Oil well cement: Class G HSR cement pursuant to ANSI/API 10A/ISO10426-1-2001, requested by companies that work with oil wells. They mix in the necessary additives to withstand oil wells' high pressures and temperatures satisfactorily. This cement, developed in 2009, was optimized in 2010.
- Agglomerating agents for stabilizing contaminated soils: Research continues with a view to tailoring these products to each particular case where they are required.

The Group, in its commitment to fight climate change, is putting a huge effort into developing products that have a smaller carbon footprint, release fewer CO_2 emissions and consume less energy. Research along these lines is being led by Cementos Portland Valderrivas in cooperation with FCC, Madrid Polytechnic University and Spain's High Council of Scientific Research, with funding from the Spanish Ministry of Science and Innovation.

The company is also concerned over how materials behave in buildings, as shown by the work done in the CICLOPE project, where building material life cycle analysis is used to study variations in CO_2 emissions and energy consumption with a view to their optimization.

Some of the RDI projects already under way or approved in 2010 are particularly environment-oriented, as is the case of TEDEC, at the Mataporquera factory, where research is being done into new desulphurization processes for reducing SO_2 emissions, and SIGERAPI, at the Lemona factory, whose objective is to furnish a management tool that integrates the production process with noise prediction models without requiring a highly specialized knowledge of acoustics. The R+D Department helps manage these projects by supporting and supervising the research work done.

Project SAGER (research into large-scale electricity storage and subsequent use) and Project MUGIELEC (infrastructure and energy management associated with electrical vehicles) were also approved in 2010.

RDI PROJECTS WITH A STRONG ENVIRONMENTAL COMPONENT

CEMENT

These are two big projects (Seven partners participate in SAGER and 15 in MUGIELEC) strongly linked to energy management, where Cementos Portland Valderrivas, together with FCC Construcción and FCC Energía, will be conducting research into the materials required for each use.

El proyecto SAGER (investigación sobre el almacenamiento de Energy eléctrica a gran escala y posterior aprovechamiento) y el proyecto MUGIELEC (infraestructuras y gestión de la Energy asociadas a vehículo eléctrico) también han sido aprobados en el año 2010. Se trata de grandes proyectos en los que participan 7 y 15 socios, respectivamente, muy vinculados a la gestión energética, y donde Cements Portland Valderrivas, junto con FCC Construction y FCC Energy, investigará sobre los materiales que se requieran para cada uso.

HUMAN RESOURCES, OCCUPATIONAL HEALTH AND SAFETY AND INFORMATION SYSTEMS

Human Resources

In 2010 the Group continued adjusting its organizational and HR structure to the situation of the markets where it does business, as it did in the two previous years. As a consequence the Group's payroll was reduced by 309 employees (252 in Spain, 33 in the USA, 20 in Tunisia and four in the United Kingdom), bringing the Group's total workforce at 31 December 2010 to 3,387 employees (2,323 in Spain, 649 in the USA, 387 in Tunisia and 28 in the United Kingdom). The adjustment process was carried out through a human resources plan worked out especially for the cement, concrete, aggregate and mortar businesses in collaboration with the appropriate workers' committees and labour union sections.

Also during 2010 agreements were reached with the workers' committees and labour union sections for the collective bargaining agreements covering the Alcalá de Guadaira and El Alto factories (valid for four years) and for the central office staff (valid for three years) and the collective bargaining agreement for Hympsa, central zone (for 2010, 2011 and 2012). Sector-specific agreements with the nationwide federations of labour unions FECOMA-CCOO and MCA-UGT were reached as well, for the signing of the Agreement on Specific Matters and Coverage of Gaps and for the nationwide recovery of the Spanish cement sector (sustainable resource use, environmental protection, personal health and enhanced competitiveness).

On the training front, during fiscal year 2010 41,461 hours of training were done. Of this total, 28,614 hours were done in Spain, 10,180 in the USA, 2,474 in Tunisia and 193 in the United Kingdom. The areas dealt with in training were occupational safety and risk prevention, information systems and corporate social responsibility. An on-line training programme was also run; more than 254 employees learned about the Code of Ethics, the Equality Plan and harassment prevention.

Also during fiscal 2010 work continued with the Group's development plan, which was tagged a "high potential plan" in 2009; three colloquiums with senior management were held, a course on finance for non-experts was given, and work will continue in 2011 with a programme to develop management and leadership skills.

CEMENT

As in previous fiscal years, there was an annual meeting of Group executives. This year's meeting was held on 24 November 2010 at the El Alto factory. The results of 2010 and the strategy and objectives for 2011 were reviewed. In addition to the chairman and the Steering Committee, another 53 executives participated.

As part of its work in corporate social responsibility, the Cementos Portland Valderrivas Group held its first corporate volunteer drive in May 2010 at the El Alto factory quarry. This drive is part of the project the Group is engaged in with the Adecco Foundation, to encourage social and occupational integration for people with disabilities. Moreover, under the "Family Plan" initiative (which the Group has been running in Spain together with the Adecco Foundation since 2009), personalized attention has been provided for 13 Group employee relatives with disabilities, children and adults up to age 65, to help them achieve social and occupational integration.

Occupational Health and Safety

In occupational health and safety, fiscal year 2010 closed without any serious accidents. As a consequence of the action plan mapped out for 2010, the accident frequency index at the Group's companies in Spain was slashed by 43% from its 2009 level. Also, a 34% improvement in the same index was achieved in the USA, and in Tunisia the index was brought down by 5.2%. Moreover, in this period AENOR's follow-up audits connected with OHSAS 18001 certification for all the cement factories in Spain plus Aripresa and Horprenor were completed successfully.

Uniland Cementera, S.A., had its Occupational Health and Safety System subjected to the audit required by law, with satisfactory results, and in Tunisia an occupational health and safety system pursuant to OHSAS 18001 was designed and introduced.

Information Systems and Technologies

The most outstanding events of 2010 were the completion, on time and in budget, of the SAP Lemona project to integrate the companies belonging to the Lemona sub-group within the SAP platform; the completion of the Da Vinci Project, which meant outsourcing the activities and human and physical resources linked to IT management throughout the Group; and the creation of the Strategic Plan on Information Systems for the 2010-2012 period, which was approved by the Steering Committee in March 2010.

SHARE BEHAVIOUR ON THE CONTINUOUS MARKET

During 2010 shares in Cementos Portland Valderrivas, S.A., did not miss a single day of trading on the continuous market. The overall share capital moved in trading was 17.28% (more than 6.55 million shares). At the close of the year, the outstanding share capital came to nearly 38 million shares (37,930,733, to be exact) after the capital increase the company performed in the last two months of 2009. FCC's control portfolio held 69.72% of the outstanding shares in Cementos Portland Valderrivas, S.A., at the end of fiscal year 2010.

ACCIDENT FREQUENCY
INDEX REDUCED BY
43%

CEMENT

Trading hit its high on 8 January at 23.84 euro, while the low of 11.26 euro occurred in the session of 26 July. At the close of 2010, Portland shares stood at 12.15 euro, making the market capitalization nearly 460.5 million euro. The Madrid Stock Market General Index (IGBM) also took quite a hit in 2010, since the 1,262.36 points with which it began the first session of the year had fallen to 1,003.73 by the last session.

Results

The drop in cement consumption by the Spanish and US markets meant a reduction in the Cementos Portland Valderrivas Group's turnover, which was down 14.4% from 2009 to 886.7 million euro. This figure included business done in Argentina and Uruguay up to 31 October 2009.

In this environment of crippling crisis for the sector as a whole, the pro-saving policy launched by the Cementos Portland Valderrivas Group in 2009 with its Plan 100 was continued last year under Plan 100+.

The gross operating result, which was 219.7 million euro, experienced a 24% decline from 2009, while the operating margin was 24.8% of the turnover, as opposed to 27.9% a year before. This slimmer margin was due to the increase in production costs, the revaluation of the euro and the way prices developed. Nevertheless, operating costs were reduced considerably, due to the launching of the new savings plan mapped out for 2010. The plan is a continuation of the strategy designed for 2009 and has worked to offset in part the reduction of demand in the areas where the Group does business. The earnings of continuing operations before taxes were 2.8 million euro, and the year's net result attributable to the controlling company amounted to 1.2 million euro, 95% less than in 2009.

The Group's total assets, worth 3,745.2 million euro, showed a minor (3.2%) downturn from 2009 due to amortisation and depreciation. Tangible fixed assets were down slightly, and permanent financial investments held steady at practically the same level as before. Cash, which rose last year because of the share increase in November and December 2009 and the sale of assets mentioned above, crept down by just 5.9%. Also, a real effort was made at trimming stocks and receivables, which experienced a joint year-on-year reduction of 12%. Equity rose from 1,455.6 million euro to 1,472.1 million euro. Payables to financial institutions were reduced in 2010 by 150.2 million euro, as opposed to a reduction of 167.9 million euro in 2009.

Under the agreed-on policy concerning the reorganization of the Cementos Portland Valderrivas Group's international assets, the Board of Directors held a meeting in late December 2010, when it approved the sale of the Giant Cement Holding Inc. Group to a company organized in the USA, Uniland Acquisition Corporation, a wholly owned investee of Uniland International B.V. (which belongs in turn entirely to the Corporación Uniland Group), for 700 million dollars, company value.

The point of this sale was to consolidate the Uniland Group as the instrument for the internationalization of the activities of the Cemento Portland Valderrivas Group, through its Dutch subsidiary Uniland International B.V.

This transaction took place within the corporate group and therefore involved no increase or decrease of equity. The objective was to bring all the assets doing business abroad together into a single international company.

ENERGY

ENERGY

ENERGY

ENERGY

Wind farm at Conjuro, Granada

ANALYSIS OF THE SECTOR

In 2010 the domestic demand for electricity grew by 3% to 275 TWh. In so doing it returned to the path of growth after 2009's thitherto unprecedented decline in consumption.

Taken by technologies, growth was best in the hydraulic technologies, +59%, followed by solar at +21%, wind at +18% and nuclear at +17%. These performances contrast with the decline in conventional power plants powered by coal, -30%, and conventional combined-cycle plants, -17%.

Technology	Twh	% 10/09	Structure
Hydraulic	38.0	59.3%	14%
Nuclear	61.9	17.4%	23%
Coal	25.9	-30.7%	9%
Fuel gas	9.6	-4.3%	3%
Combined cycle	68.8	-16.3%	25%
Ordinary Procedure	**204.2**	**-1.0%**	**74%**
Energy consumed in energy generation	-7.6	-5.6%	-3%
Special Procedure	**91.5**	**12.8%**	**33%**
Wind	43.0	18.3%	16%
Solar	7.3	21.0%	3%
Other Special Procedure sources	41.2	6.4%	15%
Net Generation	**288.2**	**3.2%**	**105%**
- Energy consumed in pumping	-4.4	18.8%	-2%
+ International exchanges	-8.5	4.8%	-3%
Demand metered at power station busbars	**275.3**	**3.0%**	**100%**

It is important to point out that the Special Procedure* accounted for 33% of the demand. Special Procedure sources experienced serious growth, propelled especially by wind power. In addition, the growth in hydraulic and nuclear power generation caused CO_2 emissions to come down by 20% to 56 million tons, a figure similar to that of emissions 20 years ago.

The average pool** price was €37/MWh, very similar to the price in 2009 and much lower than the price in 2008.

Year	€/MWh
2008	64.43
2009	36.96
2010	37.01

The Special Procedure received 7,016 million euro in premiums, which was 15% more than in 2009. Eighty-four percent of the premiums went to the photovoltaic (37%), wind (28%) and CHP (19%) technologies.

From the regulatory viewpoint, the Special Procedure underwent some major changes. Certain technical measures were introduced, aimed at facilitating renewable energy sources' integration into the power system, and economic measures were taken, aimed at controlling the volume of premiums. One of the foremost of the technical measures required photovoltaic facilities to be adjusted to handle voltage dips and made it mandatory to sign up with a control centre. The scheme of incentives for controlling reactive energy (for all technologies) was also modified. The economic measures consisted in reducing premiums for a transitional period (lasting two to three years, depending on the technology) and setting a maximum number of equivalent hours per year that can earn premiums. These economic measures are complemented by the launching of the Preassignment Registry in 2009, a mechanism for controlling and planning the authorization of new facilities.

* The Special Procedure for electrical energy production is one that, in addition to the ordinary regime, is applied in Spain to the disposal of electric energy distribution networks and transport from the waste, biomass, hydro, wind, solar and cogeneration.

** The price of wholesale energy market, which changes every hour, with the result of matching offers to sell electricity producers and market demand.

ENERGY

The Spanish wind sector grew by 8% to an installed production capacity of 20,500 MW, which meant 1,516 new MW had been hooked up to the grid. In absolute terms, this growth is slower than the average of 2,000 new MW per year reached in the period from 2004 to 2009.

Although the wind sector has also experienced a certain loss of momentum in the rest of the world, its rate of growth continued to be quite considerable; it grew by 22% in 2010, bringing the total to 194 GW. According to data released by the Global Wind Energy Council, this involved 47,300 million in investments. For the first time ever, more than half the new production capacity was installed in emerging markets, especially China, whose installation of 16 new GW placed it ahead of all other countries in the world; China now has 42 GW in operation. China has also become the biggest manufacturer of wind power equipment. Other countries, such as India, Brazil and Mexico, also showed above-average growth. Nine GW were installed in Europe, bringing the European pool to 84 GW. The greatest growth in Europe was, interestingly, in marine wind energy, led by the United Kingdom, Denmark and Belgium.

The Spanish photovoltaic sector has been bogged down for the last two years, after the end of the “photovoltaic boom” of 2007 and 2008, when, according to the Spanish National Energy Commission, close to 41,500 facilities (3,267 MW in generating capacity) were connected. Most of those facilities were commissioned before September 2008, because payment went down considerably as of that date.

In 2010 2,019 photovoltaic facilities were connected to the grid, generating 135 MW. Both figures were far below those registered in previous periods.

Growth in the worldwide photovoltaic sector, however, gathered speed. Thirteen new GW were commissioned, making a total installed generating capacity of 35 GW scattered among some two million facilities, according to European Photovoltaic Industry Association figures. The great versatility of this type of facility in terms of location (mounting on buildings or on the ground), their size and the availability of sunlight explain why the photovoltaic sector, unlike the wind and solar thermal sectors, is so widely scattered instead of being more concentrated.

The Spanish solar thermal sector grew sharply to an installed capacity of 732 MW. In 2010 nine 50-MW plants were hooked up to the grid, with a total capacity of 450 MW. According to the facilities registered in the Preassignment Registry, over the next three years some 38 additional plants are anticipated to be hooked up to the grid, with 1,760 MW, which will bump the total to about 2,500 MW in operation by the end of 2013.

In the rest of the world too the solar thermal sector is developing nicely, although more sedately. In the USA the installed capacity is on the order of 380 MW distributed into 17 plants, and a large number of projects are just waiting for the implementation of an energy policy that will enable them to be rolled out. The US electric energy sector law was repealed by the current administration, and the issue of renewable energy continues to be legislated at the state level. There is no common policy for the entire country, except for some tax-related advantages. Other countries, such as Algeria, Australia, China, Egypt, Mexico, Morocco and the Arab Emirates, are building or have recently hooked up solar thermal plants.

IN 2010 THE DOMESTIC DEMAND FOR ELECTRICITY GREW BY 3% TO 275 TWh

Wind farm at Monte Seixo and the Cando Mountains

ENERGY

From the planning standpoint, 2010 meant the end of the cycle defined in Spanish Royal Decree 661/2007 and in the 2005-2010 Renewable Energy Plan. The established objectives were reached by wind technology (100%), photovoltaic technology (285%) and solar thermal technology (150%). The rest of the technologies failed to reach their expected objectives; their compliance ranged between 50% and 75% of their targets.

The year 2011 is the first in a new planning cycle for both Spain and Europe. A new royal decree on renewable energy is expected to be published, to replace Royal Decree 661/2007, reflect the changes that have happened over the last few years and set fresh objectives. Moreover, the EU member states fulfilled their obligation under Directive 2009/28/EC to draw up a renewable energy plan in order to reach European objectives for 2020 (20% renewable energy, 20% energy saving, 20% emissions reduction). According to the recently submitted plans, all countries are going to be meeting the stated objectives.

FCC ENERGÍA

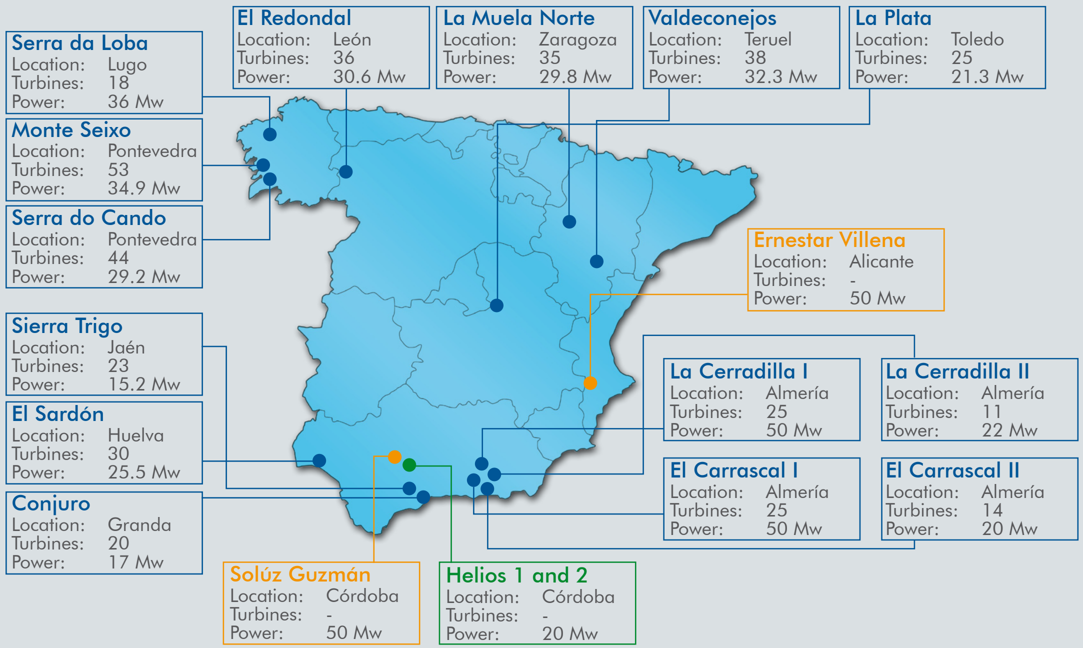
Our world sees using renewable sources to produce electricity as something we need to do, as well as one of the most environmentally friendly courses we can choose. Renewable technologies do not leave any residue behind, and their use considerably reduces the amount of gas emissions given off into our atmosphere by burning fossil fuels.

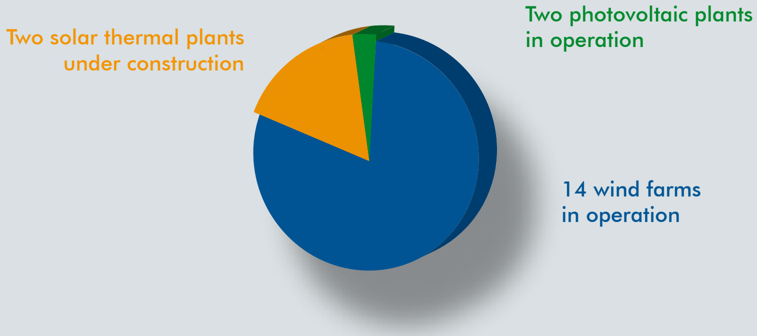
By generating electricity from renewable power sources, FCC Energía avoided the emission of 489,602.8 tons of CO2 in 2010 and supplied 211,554 Spanish homes with power.

FCC Energía's turnover was 86.3 million euro, and its EBITDA was 65.5 million euro.

In 2010 FCC Energía produced 918,884 MWh of wind and photovoltaic energy.

Breakdown of assets by geographical area





ACTIVITIES IN PHOTOVOLTAIC POWER

FCC's Energy Division is the owner of two photovoltaic facilities located in the province of Córdoba. Each has the capacity to produce 10 MW. These facilities have been operating and outputting energy since September 2008.

Production for 2010 came to 31,819 MWh, and turnover was 13,853,400 euro.

ACTIVITIES IN WIND POWER

FCC Energía has 14 wind farms with a total capacity of 422 MW. These farms are scattered over 10 Spanish provinces.

Wind production in 2010 came to 887,065 MWh, and turnover was 72,452,000 euro.

WIND POWER TENDERS

During 2010 FCC Energía participated in calls for wind power tenders put out by the autonomous communities of Galicia, Catalonia and Aragon.

1. GALICIA

In July 2010 FCC Energía tendered a bid for the assignment of 2,325 MW of capacity in the form of new wind farms in Galicia. The Energy Division of the Citizen Service Group participated in the tender through SIGENERA, S.L., a company in which FCC holds a 50% interest. FCC's partner in SIGENERA, S.L., is INVERAVANTE.

The bid requested the assignment of a total of 306 MW. Two separate requests were submitted, each for 153 MW, at the 2010 government call for tenders for the selection of new wind farms in Galicia.

In December 2010 notice was received from the regional government of Galicia stating that the Pico Cedeira plan had been included among the selected draft wind farm plans. This project, situated in the towns of Pico Cedeira and Laracha, calls for 16 three-MW wind generators, making the wind farm's total generating capacity 48 MW. During 2011 applications for the pertinent regional permits and authorizations will be prepared and submitted.

2. CATALONIA

In June 2010 a government call went out for tenders for authorizations to install wind farms in the Autonomous Community of Catalonia's priority development zones. The winners were to be awarded a maximum of 769 MW, divided into seven priority development zones for which wind farm designs could be submitted. FCC Energía, through its subsidiary FCC Energía Catalunya, S.L., submitted applications for four of the seven zones.

In December 2010 the final award decision came through, giving FCC Energía Catalunya, S.L., the three projects for priority development zone VIII (Anoia and Segarra).

3. ARAGON

FCC Energía submitted wind farm applications in three of the calls for tenders that went out in 2010 in the Autonomous Community of Aragon, for zones C, D and E.

ACTIVITIES IN SOLAR THERMAL POWER

In 2010 construction got under way on the 50-MW Guzmán solar thermal plant in Palma del Río, Córdoba. For this solar thermal project, FCC allied itself with Mitsui, a Japanese corporation, which acquired 30% of the project. Guzmán will have to be up, running and outputting energy into the grid by December 2012.

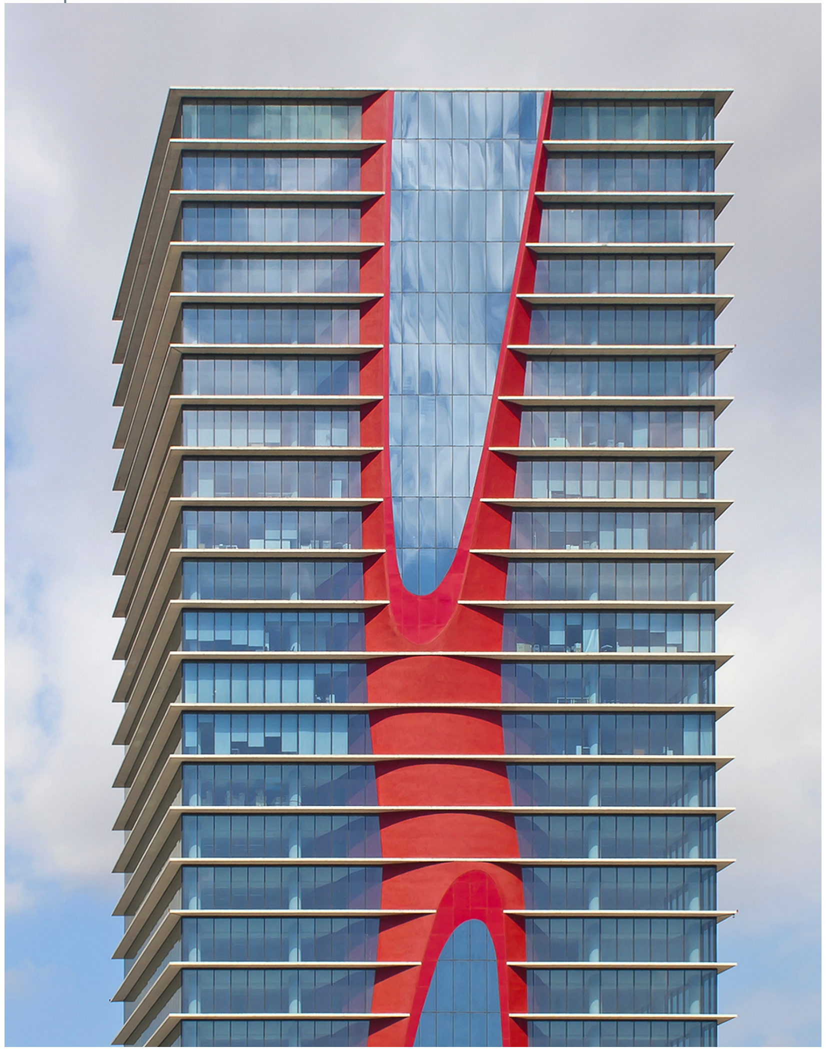
In June 2009 FCC Energía acquired 67% of ENERSTAR VILLENA, a company in the business of building and operating a 49.9-MW solar thermal plant in Villena, Alicante. FCC's taking an interest in the company made it possible to sign the contracts to buy and rent the land where the plant will be raised. The land negotiations were closed in March 2010.

Photovoltaic farm in Córdoba

Plant construction is scheduled to begin in April 2011. In December 2013 the plant must be outputting energy into the grid.

ACTIVITY IN ENERGY EFFICIENCY

FCC has created Efiteck Energía for business activities concerning energy saving and energy efficiency. The new company lays particular emphasis on fostering electric mobility, generating renewable energy and producing RDI designs for power generation, power storage and sustainable building.



REAL ESTATE

REAL ESTATE

REAL ESTATE

REAL ESTATE

REALIA

FCC and Caja Madrid created the REALIA Group in 2000 by merging their property and real estate development assets into a single firm. Since its creation, this real estate investee has been devoted to developing, managing and operating all kinds of immovable property, including office buildings, shopping centres, residential buildings and land.

Property

REALIA's strategic approach is based on lending additional weight to its property assets and reducing its exposure to residential activity. Realia has office buildings in Spain and France, mostly at strategic points of the main Spanish and Parisian business districts. It also has shopping centres in Spain, situated in areas of urban growth.

Property makes up 67% of REALIA's assets by value. These assets have a total area of 654,484 m², of which 571,362 m² are operational and 83,122 m² are under development. Additionally, REALIA holds 123,809 m² of buildable area in land reserves.

Offices in Spain

REALIA has a total leasable area of 232,698 m² of office buildings in operation in Spain, mostly in the prime zones of business districts. Its office buildings in Spain include Torre Realia (home of the group's corporate offices) and the Los Cubos building, both of which are fine exponents of Madrid architecture, and Torre Realia BCN in Barcelona.

Porta Fira Hotel, Barcelona

Barcelona is home to Torre Realia BCN, the work of Japanese architect Toyo Ito. The building was inaugurated in July 2009 and has a total leasable area of 31,959 m². It stands 117 metres tall and has 24 storeys, 22 of which are for lease, while the other two house the building's plant. The interior design is very special, because there are floors offering 1,350 m² of space free of pre-built inner partitions, thus making it easier for tenants to distribute areas as they see fit.

SIIC de Paris

REALIA's French subsidiary has added two new buildings to its office portfolio, Coface and Les Miroirs, which together have 50,793 m² of leasable area. The two new assets were contributed by Société Foncière Lyonnaise (SFL) in an increase of SIIC de Paris's capital, in which SFL took 29.99% of the capital. This transaction enables REALIA's property subsidiary to comply with French tax legislation on listed property investment companies and strengthen its commitment to property.

REALIA took control of SIIC de Paris, a property management company that is listed on the Paris stock market, in May 2006. On 27 December 2010 SIIC de Paris approved a capital increase that enabled Realia to reduce its holding to 59.73%, while SFL (a subsidiary of the Colonial real estate company) came into the mix as second-biggest shareholder.

These assets were incorporated without adding any debt to the company, which in fact enables the LTV (loan to value) indebtedness ratio to be reduced by 9.2 points from 43.5% to 34.3%.

REAL ESTATE

Furthermore, SIIC de Paris rented out the Trait d'Union building immediately after its construction was complete. Trait d'Union has an area of 14,850 m², and the entire building has been rented to the Mondadori publishing group for nine years.

After SFL's contribution of its two buildings, SIIC de Paris has in its list of assets 36 buildings in operation and two buildings in the process of being refurbished. Most of them are located in Paris's prime zones. Their total area comes to 193,188 m².

Coface Building, Paris

Some of the more significant buildings belonging to the SIIC de Paris Group are situated at 85-89 Quai André Citroën, 61-63 rue de Belles Feuilles and 142 Boulevard Haussmann.

Shopping Centres

REALIA operates a leasable gross area of 133,184 m² in shopping centres at excellent locations, with a good mix of operators including the leading fashion, home, food and leisure firms.

REALIA's portfolio includes such significant shopping centres as Plaza Nueva de Leganés, opened in 2009; Ferial Plaza Guadalajara; La Noria Murcia Outlet Shopping, specializing in top-brand outlet products since 2008; and La Vaguada and Jardín de Serrano in Madrid.

Residential

REALIA kicked off five new property developments, in Madrid, Valencia, Valladolid and Sevilla.

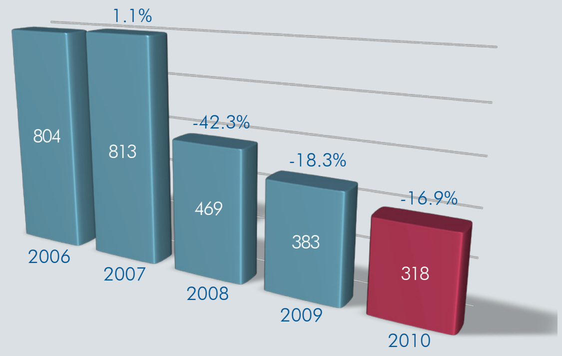
The point to this strategy is to pave the way for a successful return to business once the crisis is over and the sector wakes back up, prepare a product suited to the market's new needs and make the land portfolio perform in the form of new property developments.

REALIA delivered a total of 447 homes and closed the fiscal year with a stock of 730 finished units.

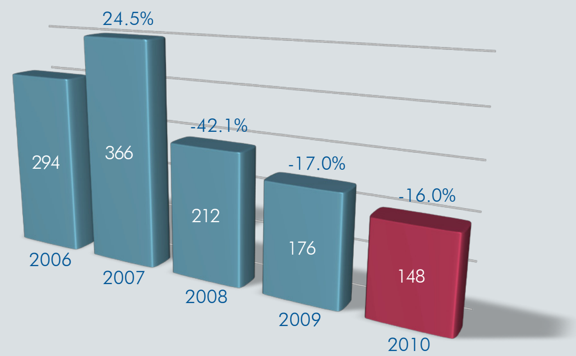
La Noria Murcia Outlet Shopping

REAL ESTATE

Total revenue
Million euro



Ebitda



Strategy

Since 2006 REALIA has been following a strategy based on strengthening its assets and increasing their weight in terms of GAV (market value) in preference to property development. Always, however, REALIA has seen its own company development as secondary to its tenants' development and its own indebtedness control.

Under its traditional asset rotation policy, REALIA sold the Diagonal 640 office building in Barcelona to the German investment fund Deka Immobilien Cristalia, S.L.U., for 145 million euro, with 26.5 million in capital gains.

This transaction fell within the strategy on investment and rotation of suitably mature assets envisioned in the REALIA Group's Business Plan.

Diagonal 640 is a nine-storey building with a leasable are of 28,500 m^2.

In property development, REALIA continues adjusting its supply to the market circumstances, with the objective of responding to the new needs of the demand and finding an outlet for stock at attractive prices, yet without undermining the company's solidity. In line with this strategy, the average discount REALIA applied to residential sales during 2010 was 22.8%.

At the same time, in order to boost the value of its assets and put new units up for sale for the next few fiscal years, REALIA continues managing land with the right location and potential demand to constitute the raw materials for the next step in the development business.

Hato Verde, Guillena (Sevilla)

Results

The economic crisis is affecting all sectors of the economy, particularly real estate. Even so, REALIA closed fiscal year 2010 with a healthy balance sheet, controlled indebtedness and operating profits.

In 2010 the Group's revenues came to 317.5 million euro, 17% less than the fiscal year before. Property development earned 103 million euro, while assets brought in 199 million. Business in land again yielded income for the Group, to the tune of nine million euro, and the remainder of the revenues came from other sources.

At the close of the fiscal year, the controlling company had racked up a net result of 1.1 million euro.

REAL ESTATE

Los Altos de Campo Real (Madrid)

Furthermore, despite the lower valuation of its assets, REALIA still holds on its balance sheet 1,100 million euro in latent gross capital gains. This is due to Realia's traditional rule of prudent accounting, which mandates listing assets on the books at their historical cost.

Also because of its prudent outlook, REALIA holds its net financial debt under control; at the close of 2010, net financial debt was 2,126.7 million euro, which makes for an indebtedness ratio, in terms of loan to value (LTV), of 48%. Of this debt, more than 94% matures between 2012 and 2017.

TORRE PICASSO

Torre Picasso

Torre Picasso is wholly owned by FCC. With its area of 121,000 m², it is one of Madrid's landmark buildings. It was conceived on the basis of the most advanced technologies, making it one of the most comfortable, effective, safe, intelligent buildings in Europe.

Torre Picasso is committed to sustainable development, and it upholds its environmental commitment through strict compliance with legislation in all its realms of operation. As a result, it has earned Environmental Management System Certification under UNE-EN ISO 14001.

Occupation in 2010 was practically 100%.

Torre Picasso remains immersed in the process of renovating and improving its existing facilities and introducing new services for its clients' comfort.

Its objective is to take on environmental responsibility commitments voluntarily and to encourage initiatives that foster a clear reduction in negative environmental impact and an increase in wellbeing for the population at large.

In 2010 Torre Picasso became the first high-rise office building in Madrid to outfit parking spaces with battery-recharging stations for electrical vehicles. Providing facilities for electric cars is one of the environmental commitments Torre Picasso has gladly taken on, and it will install charging stations throughout the rest of its car park as the demand rises.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED GROUP

FINANCE

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

Fomento de Construcciones y Contratas, S.A. and subsidiaries at 31 December 2010 (in thousands of euros)

ASSETS	31-12-2010		31-12-2009	
NON-CURRENT ASSETS		**13,393,742**		**13,384,655**
Intangible assets (Note 6)		5,063,681		5,009,277
Concessions (Notes 6 and 10)	1,040,868		961,755	
Goodwill	2,613,750		2,615,300	
Other intangible assets	1,409,063		1,432,222	
Property, Plant and Equipment (Note 7)		5,833,737		5,957,478
Land and buildings	1,629,153		1,640,370	
Plant and other Property, Plant and Equipment		4,204,584		4,317,108
Investment property (Note 8)		259,033		264,093
Investments accounted for using the equity method (Note 11)		1,222,895		1,145,754
Financial assets (Note 13)		415,799		404,024
Deferred tax assets (Note 23)		598,597		604,029
CURRENT ASSETS		**8,585,395**		**8,427,874**
Inventories (Note 14)		1,138,375		1,103,282
Trade and other receivables	5,491,691		5,372,976	
Trade receivables for sales and services (Note 15)	4,938,574		4,894,660	
Other receivables (Note 15)	514,783		420,483	
Current tax assets (Note 23)	38,334		57,833	
Other financial assets (Note 13)		225,763		230,980
Other current assets		50,915		66,174
Cash and cash equivalents (Note 16)		1,678,651		1,654,462
TOTAL ASSETS		**21,979,137**		**21,812,529**

The accompanying Notes 1 to 31 and Appendices 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 2010.

CONSOLIDATED FINANCIAL STATEMENTS

Fomento de Construcciones y Contratas, S.A. and subsidiaries at 31 December 2010 (in thousands of euros)

EQUITY & LIABILITIES	31-12-2010		31-12-2009	
EQUITY (Note 17)	**3,206,301**		**3,097,574**	
Equity attributable to Parent	2,562,930		2,444,892	
Equity	2,840,066		2,770,427	
Share capital	127,303		127,303	
Retained earnings and other reserves	2,811,257		2,670,802	
Treasury shares	(346,915)		(270,882)	
Profit for the year attributable to the Parent	301,253		296,036	
Interim dividend	(88,746)		(88,746)	
Other equity instruments	35,914		35,914	
Valuation adjustments	(277,136)		(325,535)	
Non-controlling interests		643,371		652,682
NON-CURRENT LIABILITIES		**10,962,527**		**11,178,933**
Grants		104,693		85,692
Long-term Provisions (Note 19)		1,047,836		906,535
Non-current financial liabilieties (Note 20)		8,628,968		8,952,544
Dept instruments and other marketable securities	672,517		562,711	
Bank borrowings	6,889,345		7,299,178	
Other financial liabilities	1,067,106		1,090,655	
Deferred tax liabilities (Note 23)		1,156,043		1,216,910
Other non-current liabilities		24,987		17,252
CURRENT LIABILITIES		**7,810,309**		**7,536,022**
Current Provisions (Note 19)		143,233		110,773
Current financial liabilities (Note 20)		1,988,231		1,519,368
Debt instruments and other marketable securities	8,133		586	
Bank borrowings	1,635,476		1,218,218	
Other financial liabilities	344,622		300,564	
Trade and other payables (Note 21)		5,662,968		5,896,831
Payable to suppliers	3,318,288		3,562,381	
Other payables	2,237,173		2,315,134	
Current tax liabilities (Note 23)	107,507		19,316	
Other current liabilities		15,877		9,050
TOTAL EQUITY AND LIABILITIES		**21,979,137**		**21,812,529**

The accompanying Notes 1 to 31 and Appendices 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 2010.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

Fomento de Construcciones y Contratas, S.A. and subsidiaries at 31 December 2010 (in thousands of euros)

	31-12-2010	31-12-2009
Revenue (Note 27)	12,114,168	12,699,629
In house work on assets	82,597	50,460
Other operating income (Note 26)	337,955	357,527
Changes in inventories of finished goods and work in progress	15,035	(25,397)
Supplies (Note 26)	(5,623,811)	(6,126,122)
Staff costs (Note 26)	(3,300,764)	(3,296,522)
Other operating expenses	(2,190,628)	(2,174,662)
Amortisation charge (Notes 6, 7 and 8)	(732,140)	(752,381)
Allocation to profit or loss of grants related to non-financial non-current assets and other grants	2,700	2,673
Impairment and gains/losses on deposels of non-current assets (Note 26)	145, 351	60,844
Other results	(76,738)	(6,537)
OPERATING PROFIT/(LOSS)	**773,725**	**789,512**
Financial income (Note 26)	59,791	66,196
Financial expenses (Note 26)	(442,085)	(377,675)
Change in fair value of financial instruments (Note 26)	(30,486)	5,189
Exchange differences	20,819	(32,541)
Impairment and gains/(losses) on disposal of financial instruments (Note 26)	(4,972)	(29,997)
FINANCIAL LOSS	**(396,933)**	**(368,828)**
Results of companies acounted for using the equity method (Note 26)	16,839	18,361
BEFORE TAX FROM CONTINUING OPERATIONS	**393,631**	**439,045**
Income tax (Note 23)	(80,048)	(115,229)
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	**313,583**	**323,816**
CONSOLIDATED PROFIT/(LOSS) FOR THE YEAR	**313,583**	**323,816**
Result attributed to the Parent	301,253	296,036
Result attributed to non-controlling interests (Note 17)	12,330	27,780
EARNINGS PER SHARE (Note 17)		
Basic	2,60	2,43
Diluted	2,56	2,42

The accompanying Notes 1 to 31 and Appendices 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 2010.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Fomento de Construcciones y Contratas, S.A. and subsidiaries at 31 December 2010 (in thousands of euros)

	31-12-2010		31-12-2009	
CONSOLIDATED PROFIT/(LOSS) FOR THE PERIOD		**313,583**		**323,816**
Income and expense recognised directly in equity		(12,745)		(649)
Arising from measurement of financial instruments	1,752		(1,172)	
Arising from cash-flow hedges	(86,384)		(57,355)	
Translation differences	56,070		32,991	
Arising from investments accounted for using the equity method	(284)		21,004	
Tax effect	16,101		3,883	
Transfer to the income statement		70.104		75.207
Arising from cash-flow hedges	101,086		68,726	
Arising from investments accounted for using the equity method	3		27,376	
Tax effect	(30,985)		(20,895)	
TOTAL RECOGNISED INCOME/(EXPENSE)		**370,942**		**398,374**
Attributable to the parent company		342,720		373,849
Attributable to non-controlling interests		28,222		24,525

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Fomento de Construcciones y Contratas, S.A. and subsidiaries at 31 December 2010 (in thousands of euros)

	Share capital (Note 17.a)	Share premium and reserves (Note 17.b)	Interim dividend (Note 17.d)	Treasury shares (Note 17.c)	Result for the year attributable to the Parent	Other equity instruments (Note 17.e)	Valuation adjustments (Note 17.f)	Equity attributed to Parent Company shareholders	Non-controlling interests (Note 17.II)	Equity
Equity at 31 December 2008	**127,303**	**2,684,399**	**(99,933)**	**(118,926)**	**334,039**		(405,697)	2,521,185	649,247	3,170,432
Total income/expense for the year					296,036		77,813	373,849	24,525	398,374
Transactions with shareholders or owners										
Capital increase (decrease)								62,255	62,255	
Dividends paid		142,257	11,187		(334,039)			(180,595)	(34,375)	(214,970)
Treasury share transactions (net)				(151,956)				(151,956)		(151,956)
Increase/(decrease) due to business combinations									1,303	1,303
Other operations with shareholders or owners		(143,959)						(143,959)	(58,993)	(202,952)
Other changes in equity		(11,895)				35,914	2,349	26,368	8,720	35,088
Equity at 31 December 2009	**127,303**	**2,670,802**	**(88,746)**	**(270,882)**	**296,036**	**35,914**	**(325,535)**	**2,444,892**	**652,682**	**3,097,574**
Total income/expense for the year					301,253		41,467	342,720	28,222	370,942
Operations with shareholders or owners										
Capital increase (decrease)								6,776	6,776	
Dividends paid		131,520			(296,036)			(164,516)	(22,488)	(187,004)
Treasury share transactions (net)				(76,033)				(76,033)		(76,033)
Other operations with shareholders or owners		4,042						4,042	365	4,407
Other changes in equity		4,893					6,932	11,825	(22,186)	(10,361)
Equity at 31 December 2010	**127,303**	**2,811,257**	**(88,746)**	**(346,915)**	**301,253**	**35,914**	**(277,136)**	**2,562,930**	**643,371**	**3,206,301**

The accompanying Notes 1 to 31 and Appendices 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 2010.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS STATEMENT (INDIRECT METHOD)

Fomento de Construcciones y Contratas, S.A. and subsidiaries at 31 December 2010 (in thousands of euros)

	31-12-2010		31-12-2009	
Before-tax profit from continuing operations		393,631		439,045
Adjustments to profit		1,107,903		1,123,602
Amortisation charge (Notes 6, 7 and 8)	732,140		752,381	
Other adjustments to profit/loss (net)	375,763		371,221	
Changes in working capital		(447,908)		138,934
Other changes in working capital		(42,561)		(99,511)
Dividends received	21,842		26,352	
Income tax payment/(refunds) (Note 23)	(27,464)		(94,163)	
Other amounts received from (paid for) operating activities	(36,939)		(31,700)	
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		**1,011,065**		**1,602,070**
Payment due to investment		(917,943)		(1,187,795)
Group companies, associates and business units	(89,128)		(356,723)	
Property, Plant and Equipment intangible assets and investment property (Notes 6, 7 and 8).	(719,422)		(760,747)	
Other financial assets	(109,393)		(70,325)	
Proceeds from disposal	357,126		308,837	
Group companies, associates and business units	187,646		199,419	
Property, Plant and Equipment intangible fixed assets and investment property (Notes 6, 7 and 8).	143,198		89,950	
Other financial assets	26,282		19,468	
Cash flows from investing activities		(15,826)		35,908
Collection of interest	9,068		23,070	
Other cash flows from investments	(24,894)		12,838	
TOTAL CASH FLOWS FROM INVESTING ACTIVITIES		**(576,643)**		**(843,050)**

CONSOLIDATED FINANCIAL STATEMENTS

	31-12-2010		31-12-2009		
Proceeds and (payments) relating to equity instruments (Note 17)		(64,849)		(275,526)	
Issues/(repayments) (Acquisition)/disposal of treasury shares	11,187 (76,036)		(97,761) (177,765)		
Proceeds and (payments) related to financial liabilities instruments (Note 20)		163,779		358,401	
Issues Repayments and redemptions	964,622 (800,843)		2,630,932 (2,272,531)		
Dividends and returns on equity instruments (Note 5)		(201,236)		(228,198)	
Other cash flows from financing activities			(321,213)		(358,461)
Interest paid Other collections/(payments) in financing activities	(336,130) 14,917		(312,308) (46,153)		
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES		**(423,519)**		**(503,784)**	
EFFECT OF FOREIGN EXCHANGE RATE FLUCTUATIONS		**13,286**		**(9,435)**	
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**24,189**		**245,801**	
Cash or cash equivalents at beginning of the year		1,654,462		1,408,661	
Cash or cash equivalents at end of the year		1,678,651		1,654,462	

The accompanying Notes 1 to 31 and Appendices 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 2010.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Fomento de Construcciones y Contratas, S.A. and subsidiaries at 31 December 2010 (in thousands of euros)

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01. ABOUT THE GROUP

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

- **Services**: this area comprises the units specialized in **environmental services**, i.e. services related to urban cleaning, industrial waste treatment and integrated watercycle services, and includes **Versia**: which provides various services such as logistics, urban furniture, aircraft and passenger ground handling, conservation and traffic systems, etc.
- **Construction**, specialized in infrastructure work, construction and related sectors: motorways, freeways and other roads, tunnels, bridges, hydraulic construction works, ports, airports, residential property developments, housing units, non-residential building constructions, lighting, industrial air conditioning and heating systems, environmental restoration, etc.
- **Cement**: this area engages in the explotation of quarries and mineral deposits, the manufacture of cement, lime, plaster, related pre-manufactured products and the production of concrete.
- **Energy**: this area focuses on cogeneration, energy efficiency, renewable energies and the application of new technologies to take advantage of the energy produced by waste.

The FCC Group is also active in the real estate business through the explotation of the Torre Picasso building, a wholly-owned subsidiary of the Parent Company, and its 30.12% shareholding in Realia Business, S.A. which focus mainly on housing development and office rental both in Spain and abroad.

The Group also operates infrastructure concessions, i.e., motorways, tunnels, marinas, railways, tramways and buildings for a several uses, mainly through its 50% ownership in the Global Via Infraestructuras, S.A.

Foreign operations, which represent approximately 46% of the FCC Group's revenue (44% in 2009), are realized on mainly in the European, US and Latin American markets.

02. BASIS OF PRESENTATION AND CONSOLIDATION PRINCIPLES OF THE CONSOLIDATED ANNUAL ACCOUNTS

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 from the Council of 19 July 2002, and with all the related provisions and interpretations.

The 2010 consolidated annual accounts of the FCC Group were prepared by the Board of Directors of Fomento de Construcciones y Contratas, S.A. and will be presented at the General Meeting of Shareholders for approval. It is not expected that any changes will be made to the annual accounts by the shareholders. The 2009 consolidated annual accounts were approved at the General Meeting of Shareholders of Fomento de Construcciones y Contratas, S.A. held on 27 May 2010.

These consolidated annual accounts reflect a true image of the equity and the financial situation of the FCC Group at 31 December 2010 and 2009 as well as the results of the Group's operation and the changes in net equity and consolidated cash produced for those years.

The consolidated annual accounts of the FCC Group have been prepared from the accounting records of Fomento de Construcciones y Contratas, S.A. and its subsidiaries. According to the Group's established operating systems and procedures, these records justify and support the consolidated financial statements as required by international accounting standards.

In order to standardise the presentation of the different items making up the consolidated annual accounts, standardisation criteria have been applied to the individual annual accounts of the companies included in the scope of consolidation. In 2010 and 2009, the closing date of the annual accounts of the companies included in the scope of consolidation was generally the same as of the parent company, 31 December.

The consolidated financial statements are expressed in thousands of euros.

CONSOLIDATED FINANCIAL STATEMENTS

Changes in accounting policies

During the year, the Grou changed the accounting policy applicable to the explotation licenses for contracts requiring minimum payments to the awarding entity, which are primarily concentrated in the urban furniture business handled by Versia. According to the new criterion, the current value of the minimum garanteed payments is recorded as an intangible asset representing the operating rights, with a compansation in liabilities representing the payment obligation assumed. The application of this criterion supposes an expense must be recorded for the amortisation of the intangible asset and an a financial expense for the liability updating. This change does not affect those cases in which the amount of future payments varies according to different parameters, since they do not constitute a payment obligation itself. The impact of this modification on the equity and results of the FCC Group is shown on the following table:

Pursuant to the terms of IAS 8 "Accounting policies: changes in accounting estimates and errors", the Group has restated the figures for 2009 for comparative purposes. The results of that restatement are shown below:

	2009 Restated	2009	Difference 2009	2008 Restated
Intangible assets	5,009,277	4,462,312	546,965	4,438,845
Deferred tax assets	604,029	599,178	4,851	558,006
Other assets	16,199,223	16,199,223	—	16,158,090
Total assets	**21,812,529**	**21,260,713**	**551,816**	**21,154,941**
Net equity allocated to the parent Company	2,148,856	2,176,636	(27,780)	2,521,185
Profit (loss) attributed to the parent company	296,036	307,199	(11,163)	—
Other non-current financial liabilities	1,090,655	531,701	558,954	1,252,567
Other current financial liabilities	300,564	268,759	31,805	347,015
Other liabilities	17,976,418	17,976,418	—	17,034,174
Total liabilities	**21,812,529**	**21,260,713**	**551,816**	**21,154,941**

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Standards and interpretations issued but not yet in force

As of the closing date of this Report, the most significant standards and interpretations that have been published by the International Accounting Standards Board (IASB) during the year but had not yet come into force since they had not yet been adopted by the European Union since its application is in subsequent years, are as follows:

		Mandatory Application for the FCC Group
Not adopted by the European Union		
Modification of IAS 12	Deferred taxes: Recovery of underlying assets	01 January 2012
Modification of IFRS 1	Severe hyperinflation and elimination of fixed dates for first time adopters	01 January 2012
IFRS improvements	Modification of different paragraphs of IFRS 1, 3 and 7; IAS 1, 21, 28, 31, 32, 34 and 39 and IFRIC 13	Different dates
Modification of IFRS 7	Disclosure – financial asset transfers	01 January 2012
IFRS 9	Financial instruments	01 January 2013
Adopted by the European Union but not yet in force		
Amendment of IAS 24	Related party disclosures	01 January 2011
Modification of IFRS 1	Limited exception for comparative information to be disclosed in IFRS7 for first time adopters	01 January 2011
Modification of IFRIC 14	Early payments of minimum funding requirements	01 January 2011
IFRIC 19	Extinguishing financial liabilities with equity instruments	01 January 2011

The potential impact of applying these accounting standards in the future has been assesed and considered that their entry into force will not have a material impact on the consolidated financial statements.

Significant standards and interpretations applied in 2010 and 2009

The FCC Group adopted all of the modifications and revisions of the paragraphs and interpretations of the “International Financial Reporting Standards” including IFRIC 12 “Service concession arrangements” and “IAS 3, “Business combinations”. The most are significant aspects of these amendments indicated in Note 3.a) and b) of this document.

As a consequence of the adoption of IFRIC 12 “Service concession arrangements” by the European Union, the FCC Group decided to implement this standard in 2009. Prior to that, i.e., on the consolidated annual accounts from prior years, the most relevant aspects of this standard were already applied, such as charging the financial costs incurred once the concession was operational to the income statement, recognising the profit (loss) associated with the construction of the concession-related assets and amortising those assets based on patterns of use. Consequently, the impact of the new interpretation on the enclosed financial statements consisted basically in reclassifying to the intangible or financial assets associated with the tangible assets to the concessions, which had a negligible effect on the fiscal year results and equity.

b) Principles of consolidation

Subsidiaries

The subsidiaries listed in Appendix I, who’s financial and operating policies are controlled by Fomento de Construcciones y Contratas, S.A., either directly or through other companies controlled by it, were carried by the full consolidation method.

The value of the minority interest shareholders in the equity is presented under “Minority Interests” on the liability side of the accompanying consolidated balance sheet and their interest in profit or loss is shown under “Minority Interests” in the accompanying consolidated income statement.

Goodwill is determined as indicated in Note 3.b) of this document.

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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 11) and other similar enteties (see Note 12).

Through the application of the option provided in IAS 31, "Interests in Joint Ventures", the Group chooses to account for the investments in jointly controlled entities using the equity method, therefor the enclosed consolidated balance sheet includes a heading entitled "Investments accounted for using the equity method". The interest in the profit (loss) of these companies, net of taxes, is shown under "Profit (loss) of companies consolidated by equity" on the enclosed consolidated income statement.

Jointly operated contracts, mainly in the construction and services areas, and joint property entities are included in the consolidated financial statements in proportion to the Group's ownership 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 with third parties are eliminated.

Appendix II lists the companies which were accounted for using the equity method and Appendix V lists the businesses operated jointly through contractual arrangements with non-Group third parties, such as unincorporated joint ventures, joint property entities and other entities of similar legal characteristics.

Associated enterprises

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 included 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 "Results of Companies Accounted for Using the Equity Method" in the accompanying consolidated income statement.

Transactions between group companies

Profits or losses on transactions between consolidated companies are eliminated on consolidation and deferred until they are realised with third parties outside the Group.

Intra-Group results on Group work on non-current assets, which is recognised at production cost, are eliminated on consolidation.

Receivables and payables relating to jointly operated contracts and to subsidiaries and intra Group income and expenses were eliminated from the consolidated financial statements.

Changes in the consolidated Group

Appendix IV shows the changes in 2010 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, 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 4 to these consolidated financial statements ("Changes in the Scope of Consolidation") sets forth the most significant inclusions therein.

03. ACCOUNTING POLICIES

The accounting policies applied to the FCC Group's consolidated annual accounts are outlined below:

a) Service Concession Contracts

The concession contracts consist of agreements between the concession grantor (generally a public agency) and FCC Group companies to provide public services such as water distribution, wastewater filtering and treatment, the management of landfills, motorways and tunnels, etc., through the operation of the property, plant and equipment items required to provide the service. Revenue from performing the service may be received directly from the users or, sometimes, through the concession grantor itself.

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 assets assigned to the concession required to provide the service are returned to the concession grantor, usually without any consideration being paid. One of the basic features of concession contracts is that they include the management or operation of the infrastructure. Concession contracts provide for the obligation to purchase or construct these non-current assets or part of them and to maintain them over the life of the concession.

The concession agreements are stated according to the terms of IFRIC 12 "Service Concession Arrangements". Generally speaking, there are two clearly differentiated

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phases. In the first phase, the concession holder builds or enhances the concession assets which are recognised according to the degree of advancements according to IAS 11 "Construction Contracts", with a balancing entry in intangible or financial assets. In the second phase, the concession holder renders a series of services related to the operation or maintenance of the infrastructure which are recognised according to IAS 18 "Revenue".

An intangible asset is recognised when the risk is assumed by the concession holder, while a financial asset is recognised when the risk is assumed by the grantor of the concession, since the concession holder has an unconditional contractual right to be paid for the construction or enhancement services. The amounts paid in connection with the concession awards are also recognised as assets.

There may be situations in which the risk is shared by the concession holder and the concession grantor but such situations do not represent a significant part of the FCC Group's concessions.

For concessions classified as intangible assets, the provisions for dismantling, withdrawing or rehabilitating the assets are recognised at the beginning of the concession as an increase in the value of the asset as are the actions to improve or expand upon the asset's production capacity. The amortisation of those assets and the financial updating of the provisions are carried to the income statement. Provisions for the repair and replacement of infrastructures are set up systematically in profit and loss as the obligations are assumed.

The interest on infrastructure financing is recognised in the income statement. For intangible assets, only the interest accrued during the construction and until the infrastructure becomes operational is capitalised.

The amortisation of the assets assigned to concessions are calculated on the basis of the pattern of consumption, taken to be the changes in and best estimates of the production units of each activity. The most important concession business in quantitative terms is the water supply and treatment activity, whose assets are amortised on the basis of the cubic metres of water consumed. These assets are usually fully amortised over the term of the concession which can run anywhere from 25 to 50 years.

Concessions classified as financial assets are recognised at the fair value of the construction or enhancement services rendered. According to the amortised cost method, the income is carried to the income statement at the effective interest rate applicable to the flows of concession payments and receipts. As mentioned above, the income and expenses associated with operations and maintenance services are carried to the income statement as provided for in 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 and the related allocations are made in this connection, including the deferred taxes arising therefrom. However, in accordance with IFRSs, the allocations may be reviewed within the 12 months following the acquisition date, should it be necessary to consider new data.

The date of inclusion of the acquiree in the consolidated balance sheet is the date on which effective control of this company is obtained, which normally coincides with the acquisition date.

Goodwill is recognised as the positive difference between (a) the sum of the cost of the investment and the fair value on the the date on which the control of the interest is assumed and (b) the ownership acquired as a percentage of the fair value of the identifiable assets and liabilities.

The value of minority interests is the proportional part of the assets and liabilities acquired.

If a business combination is taken over in stages, the difference between the fair value on the takeover date of the previous interest and the carrying value of the interest is recognised as an operating results.

Once the investee is under the company's control and to the extent that control is not relinquished, the difference between the amount of the purchase or sale of additional interests and their book value is carried to equity.

Goodwill is not amortised; however, it is tested for impairment at least at each balance sheet date in order to recognise it at the lower of fair value, estimated on the basis of expected cash flows, and acquisition cost, less any accumulated impairment losses. The accounting standards used to determine impairment are explained in part e) of this note.

c) Intangible assets

Except as indicated in the two previous sections of this note relative to service concession agreements and goodwill, the rest of the intangible assets included in the enclosed financial statements are measured at acquisition cost or current initial value, less any accumulated amortisation and any accumulated impairment losses. Intangible fixed assets include the investments relating to operating contracts and licences as well as land rights, mainly in the Environmental Services, Versia, Cement and Energy areas.

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None of the intangible assets recognised were generated internally and, all have a finite useful life. The assets are amortised using a straight line method over their useful life, generally between 20 and 35 years, i.e., the period of time during which it is estimated that they will generate income, except when amortisation is more accurately reflected by the application of the usage pattern.

d) Property, plant and equipment and Investment property

Property, plant and equipment and investment property are recorded at cost (updated, where applicable, according to the legal provisions prior to the transition to IFRS), less accumulated amortisation and any loss in recognised value. Also included as part of the cost of these assets is an estimate of the current cost of dismantling or removing the elements in question. As explained in part b) of this note, in those cases where they have been provided by the acquired companies they are initially recorded at fair value on the acquisition date.

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 as expenses in the year in which they are 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 properties	75
Natural resources and buildings	25-50
Plant, machinery and vehicles	5-30
Furniture and tools	7-12
Data-processing equipment	4
Other PPE	5-10

However, there may be cases where the term of a particular contract is shorter than the useful life of the fixed assets associated therewith, in which case the assets are amortised over the contract period.

The residual value, useful life and amortisation method applied to the Group's assets are reviewed periodically to ensure that the amortisation method used reflects the pattern in which the economic benefits arising from operating the assets are received.

At least at every balance sheet date, the companies determine whether there is any evidence that an item or group of items of property, plant and equipment is impaired so that, as indicated in part e) of this note, 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 property, plant and equipment and intangible assets

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

Goodwill and intangible assets with indefinite useful life 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 are allocated 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 was 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 flows from financing activities and income tax payments, and the cash flows 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 was applied that reflects current market assessments of the time value of money and the risks specific to each cash-generating unit.

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The estimated cash flows were obtained from projections prepared by management of each CGU which generally cover a span of five years, except when the characteristics of the business advised longer periods and involve growth rates based on the various approved business plans (which are reviewed periodically), where growth for the years after those covered by the business plans was considered to be zero. In addition, sensitivity tests are conducted in relation to income, operating margins and discount rates in order to forecast the impact which future changes of these variables will have.

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

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 financial lease transactions, the Group is always the lessor. On the enclosed consolidated balance sheet, the cost of the leased object is recognised as an asset along with a liability in the same amount. This amount will be 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 there are no reasonable doubts 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.

At the end of the financial lease, the Group companies exercise the purchase option. The contracts contain no restrictions on the exercise of the purchase options and there are no clauses to extend the term of the contracts or price adjustments.

The assets recognised for transactions of this nature are amortised on the basis of their nature and useful life using the criteria indicated in a), c) and d) of this Note.

f.2) Operating leases

If the Company acts as the lessee, costs arising under operating leases are allocated to the income statement for the year in which they are incurred.

If the Company acts as the lessor, income and costs arising under operating leases are allocated to the income statement for the year in which they are incurred

Any collection or payment that might be made when arranging an operating lease will be treated as a prepaid lease collection or payment which will be allocated to profit or loss over the lease term in accordance with the time pattern in which the benefits of the leased asset are provided or received

g) Investments accounted for using the equity method

The investment is initially recognised at acquisition cost and is 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 investment 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 translation differences and the adjustments to reserves arising from changes in the fair value of the cash flow hedges arranged by the associates.

When there are signs of impairment, the necessary value corrections are made.

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 transactions costs are charged to profit or loss for the year.

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

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

- **Negotiable financial assets** are assets acquired with the intention of generating a profit from short-term 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.
- **These negotiable financial assets** which mature in three months or less and whose immediate realisation would not give rise to significant costs are included on the enclosed consolidated balance sheet under “Cash and cash equivalents”. These assets are considered easily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. They are basically 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** maturing within no more than 12 months are classified as current loans and those maturing within more than 12 months as non-current loans. This category includes the collection rights originated by the application of IFRIC 12, “Service Concession Arrangments” explained in section a) of this Note.
- **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 balance sheet 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 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 profit or loss for the year. In the case of available-for-sale financial assets, the gains or losses arising from changes in fair value 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.

Negotiable financial 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.

The collection rights arising from service concession agreements are measured according to the criteria indicated in part a) of this note.

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.

The trade receivables associated with the Group’s regular business operations are recorded at face value and then corrected by amounts that the Group estimates will not be recovered.

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 normal market rates. The Group companies continue to manage collection of these receivables.

Also, future collection rights arising from construction project contracts awarded under the lump-sum payment method are 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, the balances receivable relating to the receivables assigned or sold under the aforementioned conditions were derecognised.

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i) 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, which are primarily located in the FCC Construcción subgroup for work completed or pending completion, are measured at the lowest of the following three values: the amount at which the loan relating to the asset was recognised, production cost or net realisable value.

j) Foreign currency

j.1) Translation differences

The financial statements of foreign operations expressed in currencies other than the euro were generally translated to euros at the year-end exchange rates, except for:

- 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.

j.2) Exchange 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 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.

k) Equity instruments

Equity or capital instruments are stated at the amount received, net of direct issue costs.

Treasury shares acquired by the Company and by the wholly-controlled subsidiary Asesoría Financiera y de Gestión, S.A. 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 profit or loss.

The Group has a remuneration system linked to the value of the Company's shares for executives and Board members that discharge executive functions which is explained in Note 18 "Transactions with payments based on equity instruments".

l) Grants

The grants received are accounted for by type.

l.1) Capital grants

Capital grants are those involving the acquisition or construction of assets. They are stated at the amount received or the fair value of the asset and recorded as deferred income on the liability side of the enclosed consolidated balance sheet. As the related asset or assets are amortised, these amounts are carried to the income statement.

l.2) Operating grants

Operating grants are grants other than the ones described about which are not directly related to an asset or group of assets. The amount received is considered operating income unless the grant is used to finance specific costs, in which case the expenses are carried to the income statement as they are incurred.

m) 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 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 a finance cost on the income statement.

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The provisions for dismantling, removing or restoring assets and those of an environmental natures are recognised as an increase in the current value of the expenses incurred when the asset is removed from service. The income statement is affected when the asset in question is amortised as previously described in this note.

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.

n) Financial liabilities

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.

The financial costs are recorded based on an accrual criteria on the income statement using the effective interest rate method and added to the carrying value of the instrument to the extent that they are not settled in the accrual period.

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.

o) Financial derivatives and accounting hedges

A financial derivative is a financial instrument or other contract whose value fluctuates in response to changes in certain variables, such as the interest rate, the price of financial instruments, foreign exchange rate, credit rating or credit index, or any other financial or non-financial variable.

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

- Fair value hedge: in this case, the change in value of the instrument is recognised on the income statement, compensating the change in the fair value of the hedged item.
- Cash flow hedge: in this type of hedge, the change in the value of the hedging instrument is temporarily recognised in equity and then carried to the income statement when the hedged item materialises.
- Hedge of a net investment in a foreign operation: this type of hedge is intended to cover exchange rate risks and is treated as cash flow hedge.

According to IAS 39 “Financial Instruments: Recognition and Measurement”, in order to be considered a hedge, 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.

The changes in the fair value of cash flow hedges are taken, net of the tax effect, to reserves and are recognised in profit or loss for the year to the extent that the hedged item affects profit or loss.

The financial derivatives were measured by experts on the subject using generally accepted methods and techniques. These experts were independent from the Group and the entities financing it. Value calculated using the defined methods and techniques based on observable market inputs, such as:

- Interest rate swaps are measured by discounting all the flows projected in the contract in accordance with its characteristics, such as the notional amount and the schedule of collections and payments. The measurement uses a zero-coupon yield curve obtained from quoted deposits and swaps at any given time using a bootstrapping process; that yield curve is used to obtain the discount rates used in the measurements, on the assumption of “absence of arbitrage opportunities” (AOA). 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.
- The method for cash flow hedges linked to inflation is very similar to that for interest rate swaps. Projected inflation is estimated from inflation levels implicit in quoted inflation-indexed Europe swaps ex-tobacco, adapted to Spanish inflation using a convergence adjustment.

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For being classified as a hedging instrument, the derivatives must first undergo an effectiveness test. Effectiveness tests are adapted to the type of hedge and the nature of the instruments used:

1. In cash flow hedges, it is firstly verified that the critical terms of the hedging instrument and the hedged item – amounts, maturities, repayments, reference indexes, review dates, etc. – are all the same.

   1.1 In the case of interest rate swaps (IRS) 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 variance of these annualised costs both in the original hedged borrowings and in the portfolio that combines these borrowings with the hedging instrument. A hedge is considered fully effective as long as the original variance in cash flows is reduced by 80%. That is, the variation in cash flows is reduced by 80% or more with the hedging instrument used. If this is not the case, the derivative is classified as speculative and its valuation changes are recognised in profit or loss.

   1.2 For cash flow hedges in which the derivative hedging instrument is not an IRS but an option (such as an interest rate cap), the reduction in the variance of costs is estimated only if the hedge is "activated", i.e. if the reference rates fall outside the unhedged variability range. The methodology applied once the hedge has been activated is the same as that used to test the effectiveness of IRSs.

2. 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 recognised as no-coverage, 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.

This occurs when the instrument does not pass the effectiveness test, which requires that the changes in the fair value of cash flows of the hedged item directly attributable to the hedged risk are offset by an 80%-120% change in the fair value or cash flows of the hedging instrument. If this is not the case, the value changes are carried to the income statement.

In addition, derivatives and net financial debt undergo sensitivity testing to analyse the possible effects which a change in interest rates could have on the Group's accounts, assuming a rate increase of 100, 125 and 150 basis points at the end of the year and a decrease of 100, 75 and 50 basis points (Note 29).

The details of the Group's financial derivatives are discussed in Note 22 of this document, along with other related aspects.

p) Income tax

The expense for income tax included in the accompanying consolidated income statement 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. The corresponding tax rate based on the legislation applicable to each company is applied to this adjusted accounting profit. The tax relief and tax credits earned in the year are deducted and the positive or negative differences between the estimated tax charge calculated for the prior year's accounting close and the subsequent tax settlement at the payment date are added to or deducted from the resulting tax charge.

The Group has capitalised 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.

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 foreseeable be reversed.

q) Pension commitments

Certain Group companies have undertaken commitments relative to pension plans and similar obligations which are further developed in Note 24.

r) Operating income and expense

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.

Also recognised as operating income are the interests inferred from of the accounts receivable for collection rights under service concession agreements.

Also recongised as operating income are the results generated from the disposal of interests in subsidiaries when this involves the Company relinquishing control over the subsidiary. As indicated in part b) of this note regarding business combinations taken over in stages, the difference between the fair value on the takeover date of the previous investment and the carrying value is also recognised as operating income (expense).

s) Related party transactions

The Company performs all its transactions with related parties basis at market value price.

Note 30 details the most notable transactions with significant shareholders of the parent company, with administrators and directors and between Group companies or entities.

t) Estimates made

In the Group's consolidated financial statements for 2010 and 2009, estimates were occasionally made in order to quantify certain assets, liabilities, income, expenses and obligations reported herein. These estimates basically refer to:

- Identifying and determining the fair value of the assets and liabilities acquired in business combinations (Note 4)
- The impairment losses on certain assets (see Notes 6, 7 and 8)
- The useful life of the intangible assets and property, plant and equipment (see Notes 6, 7 and 8)
- The measurement of goodwill (see Note 6)
- The amount of certain provisions (see Note 19)
- The assumptions used in the actuarial calculation of the post-employment benefit liabilities and obligations (see Notes 19 and 24).
- The fair value of the derivatives (see Note 22).
- The recoverability of complete work pending certification (Notes 3.r and 15)

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 modify 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.

In 2010, the Cementos Portland Valderrivas Group changed the estimated useful life of certain assets of the cement business based on technical calculations and reports reviewed and verified by the leading manufacturers and installers of the assets which resulted in the useful life of the assets being extended to a maximum of 30 years and reduced the amortisation amount on the enclosed consolidated income statement by EUR 27,926 thousand.

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04. CHANGES IN THE SCOPE OF CONSOLIDATION

The changes in the scope of consolidation in 2010 and 2009 were as follows:

a) Aquisitions

In 2010 there were no acquisitions worthy of note while in 2009 the energy business acquired the Olivento Group, the owner of numerous wind farms located in Spain. Following is a detail of the main characteristics of this acquisition such as the date on which control was obtained, percentage of ownership, cost of the investment, financial statements included with respect to the business combination, allocation at fair value and goodwill.

Year 2009

Financial statements including business combinations	Olivento Group
Acquisition date	January
% ownership (nominal)	100%
ASSETS	
Non-current assets	904,907
Intangible assets	537,512
Property, plant and equipment	363,910
Other assets	3,485
Current assets	29,999
Trade and other accounts receivable	19,841
Other current assets	449
Cash and other cash equivalents	9,709
Total assets	**934,906**
LIABILITIES	
Equity	223,212
Equity attributable to the parent company	221,519
Minority interests	1,693
Non-current liabilities	117,342
Provisions	2,947
Deferred tax liabilities	114,395
Current liabilities	594,352
Current financial liabilities	580,840
Trade and other payables	13,512
Total liabilities	**934,906**

Allocations at fair value	Olivento Group
ASSETS	
Intangible assets	447,520
Total allocations to assets	**447,520**
LIABILITIES	
Deferred tax liabilities	114,395
Total allocations to liabilities	**114,395**
Total net allocations	**333,125**

Goodwill	Olivento Group
Cost of acquisition	221,519
Equity attributable to the parent company	(36,129)
Goodwill of the company acquired	146,042
Difference on acquisition	331,432
Total net allocations	(333,125)
Allocations to minority interests	1,693
Allocation to goodwill on consolidation	—

b) Other changes in the scope of consolidation

Year 2010

On 28 December, Fomento de Construcciones y Contratas, S.A. and the Swiss company SGS, S.A. signed a contract for the sale of the vehicle inspection business (ITV) owned by the FCC Group in Spain and Argentina for EUR 180 million. The ITV business operated 43 locations in Spain and 32 in Argentina, contributing EUR 64 million in revenues in 2010. (Note 26.d)

Year 2009

On 10 September 2009, the company RB Business Holding, S.L. was absorbed by Realia Business S.A., which resulted in the termination of all clauses of the shareholders agreement of 8 May 2007 and the novation of that agreement signed on 31 December 2008, whereby it was agreed to return to joint management of Realia Business to the FCC Group and Caja Madrid. At the same time, Asesoría Financiera y de Gestión S.A. (Afigesa, a wholly-owned subsidiary of Fomento de Construcciones y Contratas S.A.) acquired 2.3% of the share capital of Realia Business S.A. for EUR 12,681 thousand following, bringing the direct stake of the FCC Group in Realia Business, S.A. to 30.23% at the end of 2009.

During the year, the company "FCC Global Insurance General Services, S.A." was removed from the scope of consolidation of the FCC Group which generated before-tax profits of EUR 44,299 thousand (Note 26.d).

Within the framework of the agreements with Caja Madrid whereunder the interest in the concessions controlled by both companies were pooled in the jointly-controlled company Global Vía Infraestructuras, S.A., the FCC Group contributed thirteen concession operators with a consolidated value of EUR 74,531 thousand, resulting in before-tax profits of EUR 17,283 thousand. (Note 26.h)

05. ALLOCATION OF PROFIT (LOSS)

The FCC Group paid a total of EUR 201,236 thousand in dividends in 2010 (EUR 228,198 thousand in 2009) as broken down on the enclosed cash flow statement:

	2010	2009
Shareholders of Fomento de Construcciones y Contratas, S.A.	169,147	191,784
Minority shareholders of Cementos Portland Valderrivas Group	28,909	33,973
Other minority shareholders of the rest of the companies	3,180	2,441
	201,236	**228,198**

At the Annual General Meeting of Fomento de Construcciones y Contratas, S.A. held on 27 May 2010, the shareholders approved the distribution of the profit for 2009 through a total dividend of EUR 1.43 gross per share. The shareholders of Fomento de Construcciones y Contratas, S.A. received this amount through the payment of an interim dividend in January 2010 amounting to 71.5% gross of the par value of the shares, i.e. EUR 0.715 per share (0.785 euros per share in 2009), and the payment of a final dividend in July 2010 equal to 71.5% gross of the par value of the shares, i.e. EUR 0.715 per share (0.785 euros per share in 2009).

On 16 December 2010, it was resolved to distribute to the shareholders of Fomento de Construcciones y Contratas, S.A. an interim dividend out of the profit for the year equal to 71.50 % gross of the par value of the shares, i.e. EUR 0.715 per share. The total amount of this dividend, EUR 88,746 thousand, was paid from 04 January 2011 onwards on outstanding shares carrying dividend rights (Note 20.d).

In addition, to complete the dividend out of the 2010 profit of EUR 301,253 thousand attributable to the Parent of the FCC Group, Fomento de Construcciones y Contratas S.A., this Company will propose for the approval of the shareholders at the Annual General Meeting the distribution of a final dividend of EUR 0.715 per share which, together with the interim dividend, gives a total dividend of EUR 1.430 per share.

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06. INTANGIBLE ASSETS

The details of the net intangible assets at 31 December 2010 and 2009 are as follows:

	Cost	Accumulated amortisation	Impairment	Net value
2010				
Concession (Note 10)	1,465,354	(421,124)	(3,362)	1,040,868
Goodwill	2,663,382	—	(49,632)	2,613,750
Other intangible assets	1,958,450	(547,551)	(1,836)	1,409,063
	6,087,186	**(968,675)**	**(54,830)**	**5,063,681**
2009				
Concession (Note 10)	1,349,733	(386,841)	(1,137)	961,755
Goodwill	2,653,073	—	(37,773)	2,615,300
Other intangible assets	1,897,946	(465,487)	(237)	1,432,222
	5,900,752	**(852,328)**	**(39,147)**	**5,009,277**

a) Concessions

This heading includes the intangible fixed assets pertaining to the service concession agreements (Note 10).

The details of this heading on the consolidated 2010 and 2009 balance sheets are as follows:

	Concessions	Accumulated amortisation	Accumulated impairment
Balance at 31.12.08	**1,249,674**	**(343,462)**	**(1,137)**
Additions or allocations	126,940	(44,865)	
Removals, write-offs, reductions	(24,773)	1,383	
Changes in consolidation scope, translation differences and other changes	(326)	1,887	
Transfers	(1,782)	(1,784)	
Balance at 31.12.09	**1,349,733**	**(386,841)**	**(1,137)**
Additions or allocations	162,350	(43,410)	(2,127)
Removals, write-offs, reductions	(68,811)	13,767	
Changes in consolidation scope, translation differences and other changes	(7,668)	50	(200)
Transfers	29,750	(4,690)	102
Balance at 31.12.10	**1,465,354**	**(421,124)**	**(3,362)**

The most significant additions in 2010 refer to the following concessions awarded to group companies: Aqualia Gestión Integral del Agua, S.A.: EUR 65,994 thousand; Cartagua, Aguas do Cartaxo, S.A.: EUR 23,000 thousand and Autovía Conquense, S.A.: EUR 22,410 thousand. In 2009 they were as follows: Sociedad Concesionaria Tranvía de Murcia, S.A.: EUR 25,138 thousand; Sociedad Concesionaria del Túnel de Coatzacoalcos, S.A.: EUR 25,075 thousand and Autovía Conquense, S.A.: EUR 21,709 thousand.

The most notable removals in 2010 were the sale of certain underground parking garages managed by Estacionamientos y Servicios, S.A. for EUR 65,752 thousand, thus transaction was part of the agreement signed during the year with an insurance company whereunder a total of 31 parking garages totalling 10,500 parking spaces and valued at 120 million euros would be transferred (Note 26.d).

Notable in the caption titled "Changes in consolidation scope, translation differences and other changes" was a reduction of EUR 25,138 thousand due to a change in the consolidation method of Tranvía de Murcia which is now consolidated by equity (Note 11) and the effect of the appreciation of the Mexican peso against the euro which resulted in a translation gain of EUR 9,410 thousand for Túnel de Coatzacoalcos.

The interest capitalised in 2010 totalled EUR 7,809 thousand (EUR 4,580 thousand in 2009) and the accumulated interest capitalised totalled EUR 21,143 thousand (EUR 13,341 thousand in 2009).

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b) Goodwill

The changes in goodwill in the accompanying consolidated balance sheet in 2010 and 2009 were as follows:

Balance at 31.12.08		**2,556,385**
Additions:		
Alpine Bau Group (*) Other	7,468 1,351	8,819
Changes in the scope of consolidation, translation differences and other changes:		
Waste Recycling Group Other	48,978 1,989	50,967
Impairment losses:		
Other	(871)	(871)
Balance at 31.12.09		**2,615,300**
Changes in the scope of consolidation, translation differences and other changes:		
Waste Recycling Other	22,061 (6,611)	15,450
Impairment losses:		
Flightcare Italia, SpA	(17,000)	(17,000)
Balance at 31.12.10		**2,613,750**

(*) Acquisitions of companies included in the consolidation scope of Alpine Group.

The heading "Change in the scope of consolidation, translation differences and other changes" includes the effect of the appreciation of sterling pound compared to the euro which gave rise to an increase of EUR 22,061 thousand (EUR 48,978 thousand in 2009) in the goodwill associated with the UK WRG group, the original balance of which was EUR 875,173 thousand.

The details of goodwill at 31 December 2010 and 2009 on the consolidated balance sheet are as follows:

	2010	2009
Corporación Uniland Group	825,857	825,857
Waste Recycling Group	715,945	693,884
Alpine Bau Group	269,665	269,571
Cementos Portland Valderrivas, S.A.	226,269	226,269
A.S.A. Group	138,145	138,089
Aqualia Gestión Integral del Agua, S.A.	80,410	80,410
Cementos Lemona Group	70,729	70,729
FCC Logística Group	58,956	58,956
FCC Environmental LLC.	49,815	46,208
Ekonor Group	43,027	43,140
Giant Cement Holding, Inc.	26,682	24,792
Marepa Group	20,247	20,247
FCC Servicios Industriales y Energéticos, S.A.	20,228	20,228
Tratamientos y Recuperaciones Industriales, S.A.	9,860	9,860
FCC Construcción de Centroamérica Group	8,460	8,460
Flightcare Belgium Naamloze Vennootschap	5,503	5,503
International Petroleum Corp. of Delaware	5,430	5,037
Canteras de Aláiz, S.A.	4,332	4,332
Flightcare Italia, SpA	4,220	21,220
Gonzalo Mateo Group	3,859	3,859
Cementos Alfa, S.A.	3,712	3,712
Áridos y Premezclados, S.A. Unipersonal	3,704	3,704
Flightcare, S.L.	3,116	3,116
Other	15,579	28,117
	2,613,750	**2,615,300**

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The most significant estimates made and the analysis of the sensitivity of goodwill to impairment for the Corporación Uniland, Waste Recycling and Alpine Groups are discussed below:

- Corporación Uniland Group: The hypotheses for future income growth contemplate a future volume of cement consumption based on external, third party reports (OFICEMEN, etc.) along with the best estimates of the Group's Commercial Management, while future prices have been estimated based on the knowledge of each market in each geographical area and also considering the future evolution of the prices published by the European Central Bank. Based on the characteristics of the business, we have considered a ten-year timeframe, discounting the estimated cash flows at a discount rate of 7.17%. The growth rate used to calculate perpetual income was zero. The current cash flow forecasts would support an increase in the discount rate up to 8% and a decrease in quantity of about 12% without impairment.
- Waste Recycling Group. The future growth hypotheses take into account the maturation of business decisions taken by the company which are being implemented to adapt the company's revenue mix to market changes, such as recycling, wind power, biomass and contaminated soil. Given the structural characteristics of this type of business and the long useful life of the business assets, a ten-year timeframe was used and the estimated cash flows were discounted using a discount rate of 6.47%. The growth considered for calculating perpetual income was zero. The current cash flow forecasts can support increases in the discount rate of about 40 basis points and a decrease in quantity of about 10% without impairment.
- Alpine Group. It should be noted that the main hypotheses used forecast moderate income growth not exceeding 4.5% per annum for the five-year period covered by the cash flow forecasts. The discount rate used in this case was 7.37%. The growth rate used to calculate the value of perpetual income was zero. The cash flow forecasts support increases in the discount rate of about 200 basis points and decreases in excess of 20% in the quantity.

c) Other intangible assets

The details of this heading on the consolidated 2010 and 2009 balance sheets are as follows:

	Other intangible assets	Accumulated amortisation	Impairment
Balance at 31.12.08	**1,321,255**	**(343,633)**	**(237)**
Additions or allocations	40,180	(105,165)	—
Removals, write-offs, reductions	(2,484)	873	—
Changes in consolidation scope, translation differences and other changes	545,289	(19,974)	—
Transfers	(6,294)	2,412	—
Balance at 31.12.09	**1,897,946**	**(465,487)**	**(237)**
Additions or allocations	34,862	(105,186)	(1,799)
Removals, write-offs, reductions	(12,336)	10,041	
Changes in consolidation scope, translation differences and other changes	36,493	13,809	200
Transfers	1,485	(728)	
Balance at 31.12.10	**1,958,450**	**(547,551)**	**(1,836)**

This caption includes the operating rights associated with urban furniture contracts, the most noteworthy of which is the New York contract valued at EUR 452,082 thousand (EUR 441,525 thousand in 2009) (Note 2). The heading "Change in the scope of consolidation, translation differences and other changes" for 2009 includes the intangible assets of the Olivento Group in the amount of EUR 537,512 thousand (Note 4), primarily the rights to land on which the wind turbines are located.

07. PROPERTY, PLANT AND EQUIPMENT

The composition of property plant and equipment at 31 December 2010 and 2009 are as follows:

	Cost	Accumulated amortisation	Impairment	Net value
2010				
Land and buildings	2,322,684	(654,579)	(38,952)	1,629,153
Land	909,499	(91,706)	(37,681)	780,112
Buildings for own use	1,413,185	(562,873)	(1,271)	849,041
Plant and other fixed assets	9,030,024	(4,818,240)	(7,200)	4,204,584
Plant	5,225,124	(2,530,955)	(4,966)	2,689,203
Machinery and vehicles	2,727,517	(1,664,633)	(609)	1,062,275
Property, Plant and Equipment under construction	175,031	—	—	175,031
Other Property, Plant and Equipment	902,352	(622,652)	(1,625)	278,075
	11,352,708	**(5,472,819)**	**(46,152)**	**5,833,737**
2009				
Land and buildings	2,273,986	(603,073)	(30,543)	1,640,370
Land	875,388	(82,057)	(29,490)	763,841
Buildings for own use	1,398,598	(521,016)	(1,053)	876,529
Plant and other fixed assets	8,759,636	(4,431,420)	(11,108)	4,317,108
Plant	4,860,102	(2,295,308)	(9,960)	2,554,834
Machinery and vehicles	2,661,993	(1,543,214)	(658)	1,118,121
Property, Plant and Equipment under construction	344,567	—	—	344,567
Other Property, Plant and Equipment	892,974	(592,898)	(490)	299,586
	11,033,622	**(5,034,493)**	**(41,651)**	**5,957,478**

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In 2010 and 2009, the changes in the different Property, Plant and Equipment items were as follows:

	Land	Buildings For own use	Land and buildings	Plant and equipment	Machinery and vehicles	Property, Plant and Equipment under construction	Other equipment	Plant and other PPE	Accumulated Amortisation	Impairment
Balance at 31.12.08	**868,229**	**1,297,397**	**2,165,626**	**4,151,840**	**2,488,357**	**355,898**	**848,199**	**7,844,294**	**(4,454,558)**	**(63,669)**
Additions or allocations	9,812	25,138	34,950	56,412	214,856	217,004	72,027	560,299	(596,515)	19,997
Removals, write-offs, reductions	(1,143)	(13,674)	(14,817)	(24,419)	(112,032)	(27,345)	(32,881)	(196,677)	138,345	1,456
Changes in the scope of consolidation, translation differences and other changes	(3,320)	10,236	6,916	608,285	8,496	728	2,315	619,824	(130,011)	1,383
Transfers	1,810	79,501	81,311	67,984	62,316	(201,718)	3,314	(68,104)	8,246	(818)
Balance at 31.12.09	**875,388**	**1,398,598**	**2,273,986**	**4,860,102**	**2,661,993**	**344,567**	**892,974**	**8,759,636**	**(5,034,493)**	**(41,651)**
Additions or allocations	18,050	24,203	42,253	31,239	146,540	153,902	45,131	376,812	(578,439)	(4,864)
Removals, write-offs, reductions	(6,428)	(35,726)	(42,154)	(24,759)	(142,953)	(4,535)	(51,057)	(223,304)	177,793	7,485
Changes in the scope of consolidation, translation differences and other changes	7,125	13,887	21,012	113,006	11,545	30,120	9,922	164,593	(45,038)	(7,122)
Transfers	15,364	12,223	27,587	245,536	50,392	(349,023)	5,382	(47,713)	7,358	—
Balance at 31.12.10	**909,499**	**1,413,185**	**2,322,684**	**5,225,124**	**2,727,517**	**175,031**	**902,352**	**9,030,024**	**(5,472,819)**	**(46,152)**

The most significant additions in 2010 are related to the investments made in connection with service contracts, primarily by Fomento de Construcciones y Contratas, S.A. in the amount of EUR 78,849 thousand (EUR 155,659 thousand in 2009) and investments in the construction business, primarily in the Alpine Bau Group, in the amount of EUR 62,682 thousand (EUR 97,369 thousand in 2009).

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

The heading “Change in the scope of consolidation, translation differences and other changes” includes the effect of the appreciation of sterling pound compared to the euro which gave rise to an increase of EUR 82,918 thousand in the property, plant and equipment contributed by the WRG and Giant Cement groups, while in 2009 the Group acquired the assets of the Olivento Group valued at EUR 363,910 thousand (Note 4). Also notable are the effects of the appreciation of the pound sterling compared to the euro, which increased the value of the property, plant and equipment contributed by the English group, WRG, by EUR 100,318 thousand.

The interest capitalised in 2010 totalled EUR 1,842 thousand (EUR 9,012 thousand in 2009) and the accumulated interest capitalised totalled EUR 60,060 thousand (EUR 56,622 thousand in 2009).

The Group companies contracted the insurances they consider necessary to cover the risks to which the property, plant and equipment may be exposed. At the end of the year, the parent company deemed that these risks were adequately covered.

Fully amortised property, plant and equipment which, being in good working order, are used in production amounted to EUR 2,375,943 thousand at 31 December 2010 (31 December 2009: EUR 2,144,412 thousand).

As explained in Note 27, of the total property, plant and equipment in the accompanying consolidated balance sheet for 2010, EUR 3,309,959 thousand (2009: EUR 3,309,291 thousand) were located abroad.

Restrictions on ownership of assets

Of the total property, plant and equipment in the consolidated balance sheet at 31 December 2010, there are restrictions on title to assets amounting to EUR 1,197,543 thousand (31 December 2009: EUR 1,310,347 thousand), the details being as follows:

	Cost	Accumulated amortisation	Net value
2010			
Buildings, plant and equipment	2,313,516	(1,333,041)	980,475
Other Property, Plant en Equipment	357,737	(140,669)	217,068
	2,671,253	**(1,473,710)**	**1,197,543**
2009			
Buildings, plant and equipment	2,395,838	(1,246,454)	1,149,384
Other Property, Plant en Equipment	289,413	(128,450)	160,963
	2,685,251	**(1,374,904)**	**1,310,347**

The Group's assets subject to restrictions on title relate to non-current assets held under finance leases or other financing arrangements, as indicated in Note 9 and to revertible assets assigned to the operation of concessions and other contracts.

Acquisition commitments

In the course of their business activities, the Group companies had formalised property, plant and equipment purchase commitments amounting to EUR 4,520 thousand at 31 December 2010 (31 December 2009: EUR 42,777 thousand), the details being as follows:

	2010	2009
Buildings for own use	1,182	28,526
Plant	722	12,683
Machinery and vehicles	2,416	1,183
Other Property, Plant and Equipment	200	385
	4,520	**42,777**

08. INVESTMENT PROPERTIES

The heading of investment property on the consolidated balance sheet includes the net value of the land, buildings and other structures held either to earn rentals or, as the case may be, for capital appreciation when sold in the future at a higher market price. The main real estate investment corresponds to renting of office, shops and parkings at the "Torre Picasso Building" which is 100% owned by FCC Group.

The composition of the investment property heading at 31 December 2010 and 2009 is as follows:

	Cost	Accumulated amortisation	Net value
2010			
Investment properties			
Torre Picasso	296,079	(60,636)	235,443
Other	26,510	(2,920)	23,590
	322,589	**(63,556)**	**259,033**
2009			
Investment properties			
Torre Picasso	294,838	(56,641)	238,197
Other	28,618	(2,722)	25,896
	323,456	**(59,363)**	**264,093**

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The details of the changes in in 2010 and 2009 are as follows:

	Torre Picasso	Other	Total
Balance at 31.12.08	**240,666**	**23,253**	**263,919**
Additions	1,403	2,941	4,344
Outflows	(39)	(413)	(452)
Amortisation allowance and impairment	(3,833)	(210)	(4,043)
Changes in the scope of consolidation, translation differences and other changes	—	(4,319)	(4,319)
Transfers	—	4,644	4,644
Balance at 31.12.09	**238,197**	**25,896**	**264,093**
Additions	1,243	2,862	4,105
Outflows	(2)	(228)	(230)
Amortisation allowance and impairment	(3,995)	(223)	(4,218)
Changes in the scope of consolidation, translation differences and other changes	—	(91)	(91)
Transfers	—	(4,626)	(4,626)
Balance at 31.12.10	**235,443**	**23,590**	**259,033**

Torre Picasso's revenues in 2010 and 2009 were as follows:

	2010	2009
Lease income	25,371	26,127
Transfer of costs to tenants	7,184	7,185
Operating profit net of taxes	12,572	13,202

The minimum future lease payments receivable by Torre Picasso at 31 December 2010 and 2009 under current leases, without taking future rents adjustments into account, were as follows:

	2010	2009
Up to one year	24,208	25,812
Between one and five years	57,821	69,832
More than five years	1,377	18,112
	83,406	**113,756**

The fair value of the Torre Picasso buildings is higher than the book value.

According to the obligations assumed under the EUR 250,000 thousand financing agreement signed on 18 December 2009 by the FCC Group as the owner of the Torre Picasso building (Note 20), the building is mortgaged and the rights to the rental payments under current and future leases are pledged for the next 15 years. The FCC Group has also assumed the commitment to make the investments which are needed to keep the building in a proper state of maintenance and conservation.

At the end of 2010 the Group did not have any firm commitments to purchase or invest in property and, except as indicated in the preceding paragraph, there were no contractual obligations relating to repairs, maintenance or improvements except as mentioned above.

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09. LEASES

a) Financial lease

The characteristics of the finance leases at the end of 2010 and 2009 and their cash flows are shown below:

	Goods and chattels	Real estate	Total
2010			
Net carrying value	195,802	19,321	215,123
Accumulated amortisation	95,281	3,929	99,210
Cost of assets	291,083	23,250	314,333
Financial expense	29,283	8,765	38,048
Cost of capitalised assets	320,366	32,015	352,381
Lease payments in prior years	(105,655)	(10,479)	(116,134)
Instalments paid in the year	(70,474)	(522)	(70,996)
Lease payments outstanding, including purchase option	144,237	21,014	165,251
Unaccrued finance expenses	(6,879)	(4,278)	(11,157)
Current value of lease payments outstanding, including purchase option	137,358	16,736	154,094
Contract term (years)	2 - 5	10	
Value of purchase option	9,466	10,721	20,187

	Goods and chattels	Real estate	Total
2009			
Net carrying value	243.902	19.985	263.887
Accumulated amortisation	91.669	3.265	94.934
Cost of assets	335.571	23.250	358.821
Financial expense	27.846	8.935	36.781
Cost of capitalised assets	363.417	32.185	395.602
Lease payments in prior years	(119.991)	(8.990)	(128.981)
Instalments paid in the year	(82.240)	(637)	(82.877)
Lease payments outstanding, including purchase option	161.186	22.558	183.744
Unaccrued finance expenses	(7.335)	(4.822)	(12.157)
Current value of lease payments outstanding, including purchase option	153.851	17.736	171.587
Contract term (years)	2 - 5	10	
Value of purchase option	10.888	10.721	21.609

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The details, by maturity, of the reconciliation of the total amount of the lease payments to their present value at the balance-sheet dates of 31 December 2010 and 2009 are as follows:

	Up to one year	1 - 5 Years	More than five Years	Total
2010				
Lease payments outstanding, including purchase option	77,376	78,415	9,460	165,251
Unaccrued finance expenses	(5,224)	(5,294)	(639)	(11,157)
Current value of lease payments outstanding, including purchase	72,152	73,121	8,821	154,094
2009				
Lease payments outstanding, including purchase option	76,163	88,559	19,022	183,744
Unaccrued finance expenses	(5,039)	(5,859)	(1,259)	(12,157)
Current value of lease payments outstanding, including purchase	71,124	82,700	17,763	171,587

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 2010 no expense was incurred in connection with contingent rent.

b) Operating lease

As the lessee, the operating lease payments recognised as an expense at 31 December 2010 totalled EUR 375,669 thousand (EUR 375,466 thousand at 31 December 2009). These payments refer primarily to leased construction machinery and leased constructions for the Group's business activities.

One of the most notable leases was the one signed by Fomento de Construcciones y Contratas, S.A. and Hewlett Packard Servicios España, S.L. on 19 November de 2010 to outsource the Group's information technology services in order to make them more efficient, more flexible and more competitive at the international level. The seven-year contract that will take effect in fiscal year 2011 with a total cost of EUR 230,915 thousand basically explains the significant increase in the committed payments shown on the following table:

At year end there are non-cancellable future payment obligations amounting to EUR 801,805 thousand (2009: EUR 484,089 thousand) mainly in relation to operating leases on buildings and structures and the operation of information infrastructures. The details of the future minimum payments at 31 December 2010 and 2009 are as follows:

	2010	2009
Up to one year	148,815	102,073
Between one and five years	472,600	295,415
More than five years	180,390	86,601
	801,805	**484,089**

In its position as lessor, practically all of the income from operating leases recognised on the income statement come from the operation of the Torre Picasso building (Note 8).

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10. SERVICE CONCESSION AGREEMENTS

This note presents an overview of all the Group's investments in the concessions recognised under different headings on the asset side of the consolidated balance sheet.

The following table sets forth the total investments made by the Group companies in concessions, which are included under "Property, Plant and Equipment", "Intangible Assets" and "Investments in Associates" in the accompanying consolidated balance sheets at 31 December 2010 and 2009.

	Intangible assets	Financial assets	Joint ventures	Associated enterprises	Total investment
2010					
Water services	1,169,343	20,110	49,878	1,902	1,241,233
Motorways and tunnels	46,052	—	536,961	40,040	623,053
Other	249,959	73,538	211	53,393	377,101
TOTAL	**1,465,354**	**93,648**	**587,050**	**95,335**	**2,241,387**
Amortisation	(421,124)	—	—	—	(421,124)
Impairment	(3,362)	—	—	—	(3,362)
	1,040,868	**93,648**	**587,050**	**95,335**	**1,816,901**
2009					
Water services	1,027,304	16,608	68,918	12,562	1,125,392
Motorways and tunnels	25,375	—	481,583	38,052	545,010
Other	297,054	89,365	322	14,826	401,567
TOTAL	**1,349,733**	**105,973**	**550,823**	**65,440**	**2,071,969**
Amortisation	(386,841)	—	—	—	(386,841)
Impairment	(1,137)	—	—	—	(1,137)
	961,755	**105,973**	**550,823**	**65,440**	**1,683,991**

Under the concession contracts and during the term thereof, the concession operators in which the Group holds ownership interests are obliged to purchase or construct property, plant and equipment items assigned to the concessions amounting to EUR 111,135 thousand at 31 December 2010 (EUR 120,424 thousand at 31 December 2009)

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11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

This heading includes the value of the investments in companies accounted for using the equity method, which comprises both the equity interest and the non-current loans granted to these companies, and the jointly controlled entities that, as indicated in Note 2.b), were accounted for using the equity method.

	2010	2009
Joint ventures	878,712	855,618
Associated enterprises	344,183	290,136
	1,222,895	**1,145,754**

In the years ended at 31 December 2010 and 2009 there were no impairment losses, since the fair market value was equal to or higher than the values obtained by applying the method described in the preceding paragraph.

The detail, by company, of "Investments Accounted for Using the Equity Method" is disclosed in Appendixes II and III to these consolidated financial statements.

a) Joint ventures

The changes in 2010 and 2009 are as follows:

	Acquisitions and disbursements	Results for year	Dividends paid	Changes in fair value of financial instruments recognised in reserves	Sales	Changes in consolidation method and y transfers	Exchange differences and other movements	Value of the investment	Credit facilities granted	Total
Balance at 31.12.08	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**747,132**	**29,131**	**776,263**
Realia Business Group	12,681	(16,444)	—	(4,019)	—	—	(7,326)	(15,108)	50,654	35,546
Global Vía Group	31,864	(11,259)	—	(3,743)	—	117,217	30,076	164,155	—	164,155
Associates Uniland Group	—	5,578	—	—	(134,585)	—	—	(129,007)	—	(129,007)
Proactiva Group	—	4,351	—	—	—	—	(4,573)	(222)	—	(222)
Mercia Waste Management Ltd,	—	2,597	—	—	—	—	479	3,076	—	3,076
Valenciana de Servicios ITV, S.A.	—	1,385	(1,150)	—	—	—	—	235	—	235
Other	2,835	5,598	(4,395)	541	—	—	(1,600)	2,979	2,593	5,572
Total 2009	47,380	(8,194)	(5,545)	(7,221)	(134,585)	117,217	17,056	26,108	53,247	79,355
Balance at 31.12.09								**773,240**	**82,378**	**855,618**
Realia Business Group	112	337	—	(9,242)	—	—	279	(8,514)	1,877	(6,637)
Global Vía Group	—	(20,552)	—	(9,183)	—	—	32,324	2,589	—	2,589
Sdad, Concesionaria Tranvía de Murcia, S.A.	—	—	—	—	—	15,948	—	15,948	6,500	22,448
Proactiva Group	—	5,563	—	1,530	—	—	(3,734)	3,359	—	3,359
Guzmán Energía, S.A.	—	3,751	—	—	—	(3,751)	—	—	—	—
Mercia Waste Management Ltd,	—	1,569	—	—	—	—	305	1,874	—	1,874
Valenciana de Servicios ITV, S.A.	—	1,511	(1,385)	—	(3,289)	—	—	(3,163)	—	(3,163)
Ecoparc del Besòs, S.A.	—	1,089	—	—	—	—	—	1,089	—	1,089
Atlas Gestión Medioambiental, S.A.	—	782	(1,000)	—	—	—	—	(218)	—	(218)
Other	—	8,173	(5,428)	512	—	—	(33)	3,224	(1,471)	1,753
Total 2010	112	2,223	(7,813)	(16,383)	(3,289)	12,197	29,141	16,188	6,906	23,094
Balance at 31.12.10								**789,428**	**89,284**	**878,712**

The most significant changes in the table shown above occurred in 2009 due to the transfer of the concession companies of the FCC Group to the Global Vía Infraestructuras Group (Note 4) and the disposal of the companies Cementos Avellaneda, S.A. and Cementos Artigas, S.A. by the Uniland Group.

The detail of the main magnitude for 2010 and 2009 of the associates and joint ventures, in proportion to the ownership interests held therein, based on the information included in the respective financial statements, is as follows:

	2010	2009
Non-current assets	2,596,336	2,449,364
Current assets	904,191	825,460
Non-current liabilities	1,824,410	1,683,050
Current liabilities	632,494	631,100
Results		
Turnover	774,960	656,359
Operating results	117,776	78,437
Profit before taxes	14,016	(12,888)
Result attributed to the parent company	2,223	(13,462)

The joint ventures engage mainly in the operation of concessions such as motorways, tunnels, passenger transport and real estate, which is broken down into real estate investment and sales of finished residential real estate, activities which are handled by Global Vía Infraestructura, S.A. and Realia Business, S.A., respectively.

With regard to the joint ventures with companies outside the FCC Group, guarantees have been provided in the amount of EUR 323,136 thousand (EUR 234,387 thousand in 2009), most to public entities and private clients to guarantee the successful fulfilment of the Group's contractual obligations.

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b) Associates

The changes in 2010 and 2009 are as follows:

	Acquisitions and disbursements	Results for year	Dividends paid	Changes in fair value of financial instruments recognised in reserves	Sales	Changes in consolidation method and y transfers	Exchange difference and other movements	Value of the investment	Credit facilities granted	Total
Balance at 31.12.08	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**275,873**	**64,469**	**340,342**
Shariket Miyeh Ras Djinet, SpA	2,233	—	—	—	—	—	556	2,789	—	2,789
Nova Bocana Barcelona, S.A.	4,058	(221)	—	(633)	—	—	—	3,204	—	3,204
Urbs Iudex et Causidicus, S.A.	—	1,042	—	(320)	—	—	—	722	—	722
Torres Porta Fira, S.A.	—	9,350	(9,710)	—	—	—	(12)	(372)	—	(372)
Gestión Integral de Residuos Sólidos, S.A.	—	26	(917)	—	—	—	—	(891)	(396)	(1,287)
Metro de Málaga, S.A.	—	—	—	—	—	(23,171)	—	(23,171)	—	(23,171)
Autovía Necaxa-Tihuatlan, S.A. de C,V,	—	—	—	—	—	(11,403)	—	(11,403)	—	(11,403)
Transportes Ferroviarios de Madrid, S.A.	—	—	—	—	—	(15,923)	—	(15,923)	—	(15,923)
Other	1,865	(8,096)	(5,806)	(1,870)	—	(14,632)	5,711	(22,828)	18,063	(4,765)
Total 2009	8,156	2,101	(16,433)	(2,823)		(65,129)	6,255	(67,873)	17,667	(50,206)
Balance at 31.12.09								**208,000**	**82,136**	**290,136**
Shariket Miyeh Ras Djinet, SpA	971	858	—	—	—	—	219	2,048	—	2,048
Shariket Tahlya Miyah Mostaganem, SpA	1,489	2,777	—	—	—	—	459	4,725	—	4,725
Urbs Iustitia Comodo Opera, S.A.	2,417	—	—	—	—	—	—	2,417	—	2,417
Concesió Estacions Aeroport L9, S.A.	—	12,666	—	6,782	—	—	—	19,448	11,410	30,858
Nigh South WestvHealth Partn,Ltd,	—	(1,705)	—	(14,954)	—	—	6	(16,653)	3,964	(12,689)
N6 (Construction) Limited	—	(12,731)	—	—	—	—	—	(12,731)	—	(12,731)
M50 (D&C) Limited	—	(4,498)	—	—	—	—	—	(4,498)	—	(4,498)
FCC Elliot Construction Limited	—	3,639	(2,307)	—	—	—	14	1,346	—	1,346
Urbs Iudex et Causidicus, S.A.	—	1,056	—	(2,378)	—	—	—	(1,322)	—	(1,322)
Cedinsa	5,576	(1,060)	—	(2,126)	—	—	—	2,390	—	2,390
Alpine Group	—	1,148	—	—	—	—	(1,222)	(74)	17,905	17,831
Suministros Aguas de Querato, S.A.	—	2,034	—	—	—	—	1,014	3,048	1,867	4,915
Orasqualia Construction S.A.E,	4	2,571	—	—	—	—	(53)	2,522	4,027	6,549
Other	2,040	1,356	(5,486)	296	(184)	—	2,304	326	11,882	12,208
Total 2010	12,497	8,111	(7,793)	(12,380)	(184)	—	2,741	2,992	51,055	54,047
Balance at 31.12.10								**210,992**	**133,191**	**344,183**

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In either of the two years these were no significant changes in the value of the associated. However, in 2009 the concession companies valued at EUR 74,531 thousand were transferred to Global Vía Infraestructuras, S.A.

The detail of the assets, liabilities, turnover and profit or loss for 2010 and 2009 of the associates and joint ventures, in proportion to the ownership interests held therein, is as follows:

	2010	2009
Non-current assets	1,424,794	1,102,497
Current assets	418,658	400,987
Non-current liabilities	1,228,387	650,330
Current liabilities	411,072	657,444
Turnover	339,376	423,094
Operating results	53,714	23,502
Profit before taxes	15,856	3,574
Result attributed to the parent company	8,111	2,101

12. JOINT VENTURES

The Group companies undertake certain of their business activities through contracts that the FCC Group operates jointly with other non-Group companies, mainly by means of unincorporated joint ventures. These jointly managed contracts were proportionately consolidated, as indicated in Note 2.b) above, "Jointly managed business".

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 percentage of ownership held therein, at 31 December 2010 and 2009:

	2010	2009
Non-current assets	140,654	141,342
Current assets	1,486,208	1,427,091
Non-current liabilities	23,384	20,224
Current liabilities	1,132,017	1,099,080
Results		
Turnover	1,567,275	1,592,824
Gross operating profit	105,166	138,002
Net operating profit	72,137	116,591

At 2010 year-end, the property, plant and equipment purchase commitments made directly by the joint ventures amounted to EUR 37,935 thousand (2009: EUR 5,665 thousand), calculated on the basis of the percentage interest held by the Group companies.

The contracts managed through unincorporated joint ventures, joint property entities, silent participation agreements, economic interest groupings and other entities of a similar legal nature require the venturers to share joint and several liability for the business activity carried on.

Guarantees amounting to EUR 323,136 thousand (2009: EUR 234,387 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.

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

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

a) Non-current financial assets

The breakdown of the non-current financial assets at 31 December 2010 and 2009 is as follows:

	2010	2009
Available-for-sale financial assets	70,274	59,518
Non-current loans	198,918	172,454
Held-to-maturity investments	9,096	10,917
Non-current collection rights, concession contracts (Notes 3.a and 10)	88,674	94,089
Other financial assets	48,837	67,046
	415,799	**404,024**

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a.1) Available-for-sale financial assets

Breakdown of the balance at 31 December 2010 and 2009:

	% effective ownership	Fair value
2010		
Ownership interest 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	8,998
Consorcio Traza, S.A.	16.60	8,925
M. Capital, S.A.	11.18	1,026
Build2Edifica, S.A.	15.45	700
Sierra de Mías, S.A.	10.00	403
Uncona, S.A.	9.64	605
Shopnet Brokers, S.A.	14.88	—
Other	—	3,401
Ownership interest less than 5%:		
Xfera Móviles, S.A.	3.44	2,030
Alpine Bau investments	—	16,643
Other	—	3,887
		70,274
2009		
Ownership interest 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	7,050
Consorcio Traza, S.A.	16.60	1,365
M. Capital, S.A.	16.76	1,214
Build2Edifica, S.A.	15.45	901
Sierra de Mías, S.A.	10.00	403
Uncona, S.A.	9.64	605
Shopnet Brokers, S.A.	15.54	—
Other	—	2,461
Ownership interest less than 5%:		
Xfera Móviles, S.A.	3.44	—
Alpine Bau investments	—	17,193
Other	—	4,670
		59,518

At 31 December 2010, the Company had also provided guarantees for Xfera Moviles, S.A. totalling EUR 3.995 thousand. Fomento de Construcciones y Contratas, S.A. has a put option on the portfolio of Xfera Moviles, S.A. that is symmetrical to the call option held by Sonera Holding B.V. These rights can only be exercised on the maturity date in 2011, provided that certain terms and conditions are met, including most notably that Xfera Moviles, S.A. generates profit over two consecutive years prior to the aforementioned maturity date.

Additionally, the 50% ownership interest in the share capital of the Eumex Group is recognised as an available-for-sale financial asset since the circumstances that gave rise to the loss of significant influence over this Group have not changed.

The changes in the available-for-sale financial assets in 2010 and 2009 were as follows:

	Costs	Impairment	Disposals and reductions	Changes in scope of consolidation, translation differences and other changes	Net carrying amount	Changes in fair value	Fair value
Balance at 31.12.08					**82,657**	**(7,314)**	**75,343**
Equipamientos Urbanos de México, S.A. de C.V.	—	—	—	—	—	(1,263)	(1,263)
Xfera Móviles, S.A. (Note 26.f)	4,644	(18,443)	—	—	(13,799)	—	(13,799)
SCL Terminal Aéreo de Santiago, S.A.	—	—	(4,088)	—	(4,088)	—	(4,088)
Consorcio Traza, S.A.	1,365	—	—	—	1,365	—	1,365
Other	438	—	—	1,429	1,867	93	1,960
Total 2009	6,447	(18,443)	(4,088)	1,429	(14,655)	(1,170)	(15,825)
Balance at 31.12.09					**68,002**	**(8,484)**	**59,518**
Xfera Móviles, S.A. (Note 26.f)	2,030	—	—	—	2,030	—	2,030
Vertederos de Residuos, S.A.	—	—	—	—	—	1,947	1,947
Consorcio Traza, S.A.	7,560	—	—	—	7,560	—	7,560
Other	659	(271)	(723)	(251)	(586)	(195)	(781)
Total 2010	10,249	(271)	(723)	(251)	9,004	1,752	10,756
Balance at 31.12.10					**77,006**	**(6,732)**	**70,274**

a.2) Non-current loans

The non-current loans granted by Group companies to third parties mature as follows:

	2012	2013	2014	2015	2016 and thereafter	Total
Non-trade debtors	23,072	20,981	15,233	14,006	125,626	198,918

The non-trade loans include mainly the amounts granted to government agencies for the financing of infrastructures and refinancing of debt in the water service and urban cleaning businesses, at market interest rates.

There were no events during the year that raised doubts concerning the recovery of these loans.

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a.3) Other non-current financial assets

The contractual maturities of the non-current financial assets at 31 December 2010 were as follows:

	2012	2013	2014	2015	2016 and thereafter	Total
Derivatives (Note 22)	5,402	9,273	1,149	—	3,444	19,268
Deposits and guarantees	2,299	589	170	403	26,108	29,569
	7,701	**9,862**	**1,319**	**403**	**29,552**	**48,837**

This heading includes EUR 12,920 thousand in respect of the measurement of the call option and cash flow swap arranged by the Parent within the framework of the share option plan agreed with executives and executive directors (Note18).

It also includes a trigger call on the convertible bond issue that is explained in Note 17.e).

The deposits and guarantees relate mainly 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 guarantee deposits, etc.

b) Other current financial assets

The breakdown of the balance at 31 December 2010 and 2009 is as follows:

	2010	2009
Negotiable financial assets	1,989	1,939
Equity investment funds	1,989	1,939
Held-to-maturity investments	5,541	21,583
Promissory notes	—	5,700
Government debt securities	1,529	7,557
Fixed-income investment funds	4,012	8,326
Other loans	178,138	154,075
Loans to non-Group third parties	68,994	69,392
Loans to associated enterprises	84,419	74,502
Deposits at bank	24,725	10,181
Deposits and guarantees given	35,121	41,499
Current collection rights, service concession agreements	4,974	11,884
	225,763	**230,980**

This heading in the accompanying consolidated balance sheet includes current financial investments which, maturing at more than three months in order to cater for certain specific cash situations, are classified as held-for-trading financial assets, held-to-maturity investments assets or other loans based on the initial nature of the investments.

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 stated/determined market return according to the term of each investment.

14. INVENTORIES

The breakdown of the inventories at 31 December 2010 and 2009 is as follows:

		2010		2009
Property assets		522,397		468,089
Raw materials and other supplies		436,919		470,588
Construction	271,887		299,213	
Cement	107,629		107,743	
Versia	27,543		33,592	
Environmental services	28,262		29,130	
Other activities	1,598		910	
Finished products		44,091		48,658
Prepayments		134,968		115,947
		1,138,375		**1,103,282**

The main real estate products refer to land for sale, most of which was acquired in exchange for work completed or scheduled to be done by the subgroup FCC Construction, which at 31 December 2010 included: land in Tres Cantos (Madrid) for EUR 85,162 thousand, plots in Sant Joan Despi (Barcelona) totalling EUR 56,453 thousand, properties in Badalona (Barcelona) amounting to EUR 46,167 thousand and properties in Ensanche de Vallecas (Madrid) totalling EUR 25,206 thousand.

The sum of EUR 149,488 recorded under the heading of real estate products in progress (EUR 119,056 thousand in 2009) refers to property which will be sold to clients EUR 263,170 thousand (EUR 164,244 thousand in 2009). The advances paid by certain clients towards these "real estate products" are guaranteed by insurance contracts or bank guarantees, as required by Law 57/68 of 27 July, as amended by Law 38/99 of 5 November.

There were no commitments to purchase any significant property assets at year end.

The raw materials and other procurements include 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 2010, impairment losses on inventories totalled EUR 13,138 thousand (EUR 12,293 thousand in 2009).

At 31 December 2010, there were no material differences between the carrying amount of the assets recognised and their fair value.

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15. TRADE AND OTHER RECEIVABLES

a) Trade receivables for sales and services rendered

This heading in the accompanying consolidated balance sheet includes the present value of the uncollected revenue, valued as indicated in Note 3.r), contributed by the Group's various lines of business and forming the basis of the profit from operations.

The detail of the balance of accounts receivable from non-Group debtors at 31 December 2010 and 2009 is as follows:

	2010	2009
Progress billings receivable and trade receivables	3,670,395	3,743,453
Amounts to be billed for work performed	875,895	802,968
Retentions	103,261	108,550
Production billed to associates not yet collected	289,023	239,689
Trade receivables for sales and services rendered	4,938,574	4,894,660
Downpayments from customers	(936,794)	(1,073,423)
Total net balance of trade receivables and services rendered	**4,001,780**	**3,821,237**

The foregoing total is the net balance of trade receivables after considering the adjustments for the risk of doubtful debts amounting to EUR 193,233 thousand (31 December 2009: EUR 179,600 thousand) and after deducting the balance of "Trade Payables – Advances Received on Orders" on the liability side of the accompanying consolidated balance sheet. This item also includes the collected and uncollected prebillings and the advances received.

"Progress Billings Receivable and Trade Receivables for Sales" reflects the amount of the completed project and services progress billings receivable 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.r) and the amount billed up to the date of the consolidated financial statements is included under "Amounts to be Billed for Work Performed".

The Group companies assign trade receivables to banks, without the possibility of recourse against them in the event of non-payment. The balance of accounts receivable in this connection amounted to EUR 574,236 thousand at 31 December 2010 (31 December 2009: EUR 351,721 thousand). This amount was deducted from "Certified unpaid production and sales receivables". Future collection rights arising from construction project contracts awarded under the lump-sum payment method were sold for EUR 219,975 thousand (31 December 2009: EUR 204,464 thousand). This amount was deducted from the balance of "Amounts to be Billed for Work Performed".

b) Other receivables

The breakdown of "Other Receivables" at 31 December 2010 and 2009 is as follows:

	2010	2009
VAT refundable (Note 23)	175,878	159,300
Other tax receivables (Note 23)	61,049	59,559
Other receivables	271,942	197,789
Advances and loans to personnel	5,914	3,835
Total other receivables	**514,783**	**420,483**

16. CASH AND CASH EQUIVALENTS

The main aim of cash management at the FCC Group is to optimise the cash position by controlling liquidity and 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 lines in the most efficient manner for the Group's interests.

The cash of the subsidiaries directly or indirectly wholly-controlled by Fomento de Construcciones y Contratas, S.A. is managed on a centralised basis. The cash positions of these subsidiaries are managed by the parent company as a means of optimising the Group's financing options.

The details, by item, of "Cash and Cash Equivalents" are as follows:

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	2010	2009
Cash and bank accounts	1,173,479	1,132,128
Held-for-trading fixed income securities	77,212	106,577
Held-to-maturity fixed income securities	418,784	410,694
Other	9,176	5,063
	1,678,651	**1,654,462**

The breakdown, by currency, of the cash and cash equivalent position in 2010 and 2009, including current financial assets (see Note 13), is as follows:

	2010	2009
Cash and cash equivalents	1,678,651	1,654,462
Other current financial assets	225,763	230,980
Total	**1,904,414**	**1,885,442**

	2010	2009
Euro	1,467,689	1,547,029
Dollar	72,798	29,909
Pound sterling	113,290	126,248
Czech koruna	53,544	32,355
Europe (other currencies)	119,520	82,636
Latin America (diverse currencies)	31,916	31,846
Other	45,657	35,419
Total	**1,904,414**	**1,885,442**

17. EQUITY

The accompanying consolidated statements of changes in equity for the years ended 31 December 2010 and 2009 show the changes in equity attributable to the shareholders of the Parent and to the minority interests in those years.

I. Equity attributable to the Parent Company

a) 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 part of the exlcusive Ibex 35 index. They 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 53.829% in the share capital.

The company, B-1998, S.L., in which Esther Koplowitz Romero de Juseu, Simante, S.L., 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 obligations to its shareholders which are recorded and published by the Comisión Nacional del Mercado de Valores (CNMV) and in the FCC Group's Corporate Governance Report.

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

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b) Accumulated earnings and other reserves

The breakdown of this caption on the enclosed consolidated balance sheet at 31 December 2010 and 2009 is as follows:

	2010	2009
Parent company reserves	1,109,873	1,032,488
Consolidation reserves	1,701,384	1,638,314
	2,811,257	**2,670,802**

b.1) Parent Company Reserves

This heading 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 details at 31 December 2010 and 2009 are as follows:

	2010	2009
Share premium account	242,133	242,133
Legal reserve	26,113	26,113
Retired capital reserve	6,034	6,034
Voluntary reserves	835,593	758,208
	1,109,873	**1,032,488**

Share premium account

The Capital Companies Act expressly allows 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 Capital Companies Act, 10% of the year's net profit 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 may be used to increase capital in an amount equal to the portion of the balance that exceeds 10% of capital after the increase.

Otherwise, until it exceeds 20% of share capital and provided there are no sufficient available reserves, the legal reserve may only be used to offset losses.

At 31 December 2010, the Parent's legal reserve had reached the stipulated level.

Retired capital reserve

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 Capital Companies Act. The reserve for retired shares is restricted, unless the same requirements as those stipulated for capital reductions are met.

Voluntary reserves

Reserves that are not restricted or limited in any way, freely set up with the profits of the parent company after all dividends have been paid and all legal or other restricted reserves have been funded as mandated by law.

b.2) Consolidation reserves

This caption of the enclosed consolidated balance sheet includes the consolidated reserves generated in each business areas from the time they joined the Group. In accordance with the term of IAS 27 "Consolidated and separate financial statements", it also includes those derived from changes in the ownership of Group companies as long as the control over the companies is maintained. The balances for each line of business at 31 December 2010 and 2009 were as follows:

	2010	2009
Environment	230,477	219,523
Versia	29,698	53,075
Construction	414,836	346,888
Cement	587,675	562,529
Energy	364	(1,510)
Corporation	438,334	457,809
	1,701,384	**1,638,314**

According to the law, starting from 2009 for all additional purchases of shares previously controlled by the Group, as in the case of the purchase option on 8.18% of the capital of Corporación Uniland, S.A., the difference between the additional

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purchase price and the carrying value of the investment, known as goodwill, has been charged to equity in the amount EUR 71,595 thousand. Likewise included in equity is the balancing entry for the put option on 17% of the stake in Alpine Holding GmbH which is explained in Note 20 of this document and which amounts to EUR 68,838 thousand.

c) Treasury stock

This caption shows the shares in the parent company held by the parent or other Group companies, stated at cost.

The Board of Directors and the subsidiaries are authorised by the General Meeting of Shareholders of Fomento de Construcciones y Contratas, S.A. for the derivative acquisition of treasury stock within the limits and pursuant o the requirements set forth in article 144 et seq. of the Companies Act.

In 2010 and 2009, the changes that took placed under this heading were as follows:

Balance at 31 December 2008	**(118,926)**
Sales under the Stock Option Plan (Note 18)	50,141
Sales	40,378
Acquisitions	(242,475)
Balance at 31 December 2009	**(270,882)**
Sales	47
Acquisitions	(76,080)
Balance at 31 December 2010	**(346,915)**

The details of the treasury stock held by the Group at 31 December 2010 and 2009 are as follows:

	2010		2009	
	Number of Shares	Amount	Number of Shares	Amount
Fomento de Construcciones y Contratas, S.A.	3,182,582	(89,130)	3,182,582	(89,130)
Asesoría Financiera y de Gestión, S.A.	9,432,369	(257,785)	6,131,961	(181,752)
TOTAL	**12,614,951**	**(346,915)**	**9,314,543**	**(270,882)**

At 31 December 2010, the treasury stock of the parent company held by the parent or by its subsidiaries accounted for 9.91% of the total share capital (7.32% at 31 December 2009).

d) Interim dividend

On 16 December 2010, it was agreed to distribute to the shareholders of Fomento de Construcciones y Contratas, S.A. an interim dividend out of profit for 2010 equal to 71.50% gross of the par value of the shares, i.e. EUR 0.715 per share. The total amount of this dividend, EUR 88,746 thousand, was paid on or after 04 January 2011.

e) Other equity instruments

Taking into account the introduction of IAS 32 "Financial Instruments: Presentation", this section reflects the value of the equity components arising from the accounting for the convertible bonds issued by the parent company, in addition to the amounts shown under "Debentures and other negotiable securities" on the enclosed consolidated balance sheet, which together account for the total amount of the bond issue (Note 20).

In October 2009, Fomento de Construcciones y Contratas, S.A. issued debentures convertible into Company shares whose most salient features are as follows:

- The amount of the issue was EUR 450,000 thousand with a maturity date of 30 October 2014.
- The bonds were issued at par with a par value of EUR 50,000.
- The bonds accrue a fixed annual interest of 6.5% payable every six months.
- The price of converting the bonds into company shares is EUR 39.287 per share, which means that each bond will be convertibles into 1,272.68 ordinary shares.
- The bonds may be converted or redeemed for cash at the request of the bondholder or Fomento de Construcciones y Contratas, S.A. The conditions for exercising the option are set out in the "Bond Issue Agreement" and may included newly issued as well as already existing shares in the parent company's possession.
- The 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.

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The Extraordinary General Meeting of Shareholders of Fomento de Construcciones y Contratas, S.A. held on 30 November 2009 to approve the convertibility of the bonds in company stock passed the following resolutions:

I) In accordance with the provisions of article 414 of the Consolidated Public Corporations Act, approve an increase in the Company's capital stock by the amount required to attend the demand of the holders of the Bonds to convert them under the Terms and Conditions up to an initially envisaged maximum amount of twelve million euro, but subject to any possible amendments as determined in the "Bond Issue Agreement".

II) To approve a buyback programme of shares of Fomento de Construcciones y Contratas, S.A. with the unique purpose of enabling the Company to fulfil the obligations derived from the issuance of exchangeable bonds and to reduce the Company's capital.

III) To approve a capital reduction by amortising the treasury stock acquired under the buyback programme mentioned, including the shares of treasury stock loaned to the insurers of the operation. The capital reduction is limited to a nominal amount equivalent to the number of new shares issued by the Company to accommodate the conversion requests of bondholders.

At 31 December 2010, the number of loaned shares was 1,313,322 (4,150,880 shares at 31 December 2009).

This operation includes a trigger call option which allows the Company to recover the bonds under certain circumstances (Note 13).

f) Value adjustments

The breakdown of this item at 31 December 2010 and 2009 is as follows:

	2010	2009
Changes in the fair value of financial instruments	(178,385)	(158,255)
Translation differences	(98,751)	(167,280)
	(277,136)	**(325,535)**

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

This heading includes the changes, net of taxes, in the fair value of available-for-sale financial assets (see Note 13) and of cash flow hedging derivatives (see Note 22).

The details of the adjustments due to changes in the fair value of financial instruments at 31 December 2010 and 2009 are as follows:

	2010		2009	
Available-for-sale financial assets		(2,467)		(4,499)
World Trade Center Barcelona, S.A.	3,363		3,363	
Vertederos de Residuos, S.A.	7,890		5,943	
SCL Terminal Aéreo de Santiago, S.A.	1,165		1,165	
Xfera Móviles, S.A.	(14,900)		(14,900)	
Other	15		(70)	
Financial derivatives		(175,918)		(153,756)
Fomento de Construcciones y Contratas, S.A.	(33,248)		(27,715)	
Azincourt Investment, S.L.	(25,218)		(24,019)	
Urbs Iudex et Causidicus, S.A.	(18,029)		(15,650)	
Realia Business Group	(17,396)		(19,288)	
Nigh South West Heralth Partn	(14,954)			
Global Vía Group	(12,438)		(10,454)	
WRG Group	(10,616)		(5,475)	
Portland, S.L.	(8,548)		(22,653)	
Cementos Portland Valderrivas Group	(5,865)		(17,236)	
Other	(29,606)		(11,266)	
		(178,385)		**(158,255)**

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f.2) Translation differences

The details of the amounts included under this heading for each of the most significant companies at 31 December 2010 and 2009 are as follows:

	2010		2009	
European Union:		(134,384)		(146,843)
Waste Recycling Group	(126,298)		(139,394)	
Dragon Alfa Cement Limited	(2,382)		(2,587)	
Other	(5,704)		(4,862)	
USA:		(11,918)		(26,400)
Giant Cement Holding, Inc.	(7,401)		(19,681)	
Cemusa Group	(4,652)		(5,715)	
Other	135		(1,004)	
Latin America:		40,677		10,249
Global Vía Group	46,259		20,466	
Corporación M&S Internacional C.A., S.A.	(2,277)		(4,440)	
Proactiva Group	(7,475)		(4,861)	
Cemusa Group	2,544		1,216	
Other	1,626		(2,132)	
Other currencies		6,874		(4,286)
		(98,751)		**(167,280)**

The changes in 2010 were caused primarily by fluctuations in the exchanges rates of a number of foreign currencies compared to the euro, primarily the pound sterling, US dollar and Chilean peso.

Net investment abroad in currencies other than the euro represented approximately 50.1% of the FCC Group's equity (2009: 48.4%).

The details, by geographical market, of this net investment, after translation to euros as described in Note 3.j) are as follows:

	2010	2009
UK	853,086	793,482
USA	312,353	308,238
Latin America	217,876	188,154
Czech Republic	92,304	95,677
Other	131,809	114,836
	1,607,428	**1,500,387**

g) Earnings per share

Earnings per share are calculated by dividing the profit for the year attributable to the Parent by the weighted average number of ordinary shares outstanding during the year. In 2010 the earnings per share amounted to EUR 2.60 (EUR 2.43 in 2009).

With regard to the bond issue mentioned in part e) above, it should be noted that earnings per share could be diluted if the bondholders were to exercise the conversion option under certain conditions. According to IAS 33 "Earnings per share", diluted earnings per share must be calculated by adjusting the weighted average of the number of ordinary shares in circulation under the hypothesis that all bonds have been converted into ordinary shares. Likewise, the earnings attributed to the parent company must be adjusted by adding in the amount of interest, net of tax effects, corresponding to the bonds recognised on the enclosed consolidated income statement. The diluted earnings per share for 2010 amounted to 2.56 euros (2.42 euros per share in 2009).

II. Minority interests

"Minority 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 minority shareholders have ownership interests.

The details of the balances of the minority interests relating to the main companies at 31 December 2010 and 2009 are as follows:

	Equity			
	Capital	Reserves	Results	Total
2010				
Cementos Portland Valderrivas Group	18,583	570,513	10,101	599,197
Alpine Bau Group	19	6,030	(1,454)	4,595
Other	18,123	17,773	3,683	39,579
	36,725	**594,316**	**12,330**	**643,371**
2009				
Cementos Portland Valderrivas Group	18,583	567,581	22,738	608,902
Alpine Bau Group	19	9,951	2,157	12,127
Other	27,066	1,702	2,885	31,653
	45,668	**579,234**	**27,780**	**652,682**

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18. SHARE-BASED PAYMENT TRANSACTIONS

Following the decision taken by the Board of Directors on 29 July 2008, the Group has a remuneration plan in place for its officers and directors linked to the value of the Parent company's shares whereunder the plan participants receive a cash amount equivalent to the difference between the value of share when the option is exercised and the value of reference established in the plan.

The most prominent features of the plan, which is broken down into two tranches, are as follows:

First tranche

- Start date: 1 October 2008
- Option exercise period: 1 October 2011 through 1 October 2013.
- Number of shares: 1,800,000 shares, 700,000 of which pertain to Directors and Officers (12 people) and the remaining 1,100,000 to other executives (43 people).
- The price of exercising the option is EUR 34.22 euros per share.

Second tranche

- Start date: 06 February 2009
- Option exercise period: 06 February 2012 through 05 February 2014.
- Number of shares: 1,500,000 shares, 147,500 of which pertain to Directors and Officers (12 people) and the remaining 1,352,500 to other executives (225 people).
- The price of exercising the option is EUR 24.71 euros per share.

Under the applicable law, the Group estimated the present liquidation value at the end of the plan, recognising the corresponding provisions that are systematically funded with a balancing entry in staff costs spread over the years of the plan. At the end of each reporting term, the current value of the obligation is re-estimated and any difference between this and the previously recognised carrying value is taken to profit and loss for the year.

At 31 December 2010, EUR 2,323 thousand (EUR 1,824 thousand in 2009) (see Note 26.c) were recognised in respect of obligations to employees participating in the share option plan on the basis of the period accrued and the total initial value of the plan, which amounted to EUR 1,439 thousand. (EUR 3,568 thousand in 2009).

In order to hedge the risk of an increase in the Company's share price within the framework of the share option plan, the Group has arranged for each one of the tranches a call option and a put option as well as an and interest rate/dividend swap with the same exercise price, nominal and maturity as the plan. The shares covered by the hedge were turned over to the financial entities, as discussed in Note 17.c).

As far as the effectiveness of the hedge is concerned, only the call option is considered to be a cash flow hedge. Consequently, the change in fair value is carried to equity under the heading of "Adjustments due to change in value" on the consolidated balance sheet while the put option and the interest rate/dividend swap cannot be considered accounting hedges and therefore the changes in fair value are carried to the income statement (Note 22).

The resulting change in the fair value of financial derivatives that are not hedges generated losses of EUR 24,286 thousand in 2010 (gain of EUR 8,322 thousand in 2009). See Notes 22 and 26.f of this document for information on the fair value of financial derivatives.

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19. CURRENT AND NON-CURRENT PROVISIONS

The composition of provisions at 31 December 2010 and 2009 was as follows:

	2010		2009	
Non-current		1,047,836		906,535
Long-term employee benefit obligations	108,814		105,188	
Decommissioning, removal and rehabilitation of assets	187,683		161,245	
Environmental actions	199,282		216,890	
Litigations	171,703		170,987	
Legal and contractual guarantees and obligations	116,746		81,323	
Other provisions	263,608		170,902	
Current		143,233		110,773
Construction contract settlement and project losses	130,369		97,810	
Staff compensation	12,864		12,963	

The changes under the heading of Provisions in 2010 and 2009 were as follows:

	Provisions -non-current	Provisions -current
Balance at 31.12.08	**821,429**	**91,918**
Environmental expenses for the removal or dismantlement of assets	40,143	—
Provisions (reversals)	68,001	15,918
Computer Applications	(50,990)	—
Changes in the scope of consolidation, translation differences and other changes	27,952	2,937
Balance at 31.12.09	**906,535**	**110,773**
Environmental expenses for the removal or dismantlement of assets	36,633	—
Provisions (reversals)	142,907	33,735
Computer Applications	(49,844)	(131)
Changes in the scope of consolidation, translation differences and other changes	11,605	(1,144)
Balance at 31.12.10	**1,047,836**	**143,233**

The provisions recognised in 2010 include EUR 17,732 thousand (2009: EUR 17,475 thousand) relating to the adjustment for provision discounting.

"Environmental Expenses for the Removal or decommissioning 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.

The provisions stated on the enclosed consolidated balance sheet are considered to cover the Group's liability for the performance of its business activities.

The timing of the expected outflows of economic benefits at 31 December 2010 arising from the obligations covered by non-current provisions is as follows:

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	Within 5 years	More than 5 years	Total
Long-term employee benefit obligations	20,525	88,289	108,814
Decommissioning, removal and rehabilitation of assets	101,328	86,355	187,683
Environmental actions	61,437	137,845	199,282
Litigations	57,787	113,916	171,703
Legal and contractual guarantees and obligations	112,551	4,195	116,746
Other provisions	75,601	188,007	263,608
	429,229	**618,607**	**1,047,836**

Long-term employee benefit obligations

"Non-Current Provisions" in the accompanying consolidated balance sheet includes the provisions covering the Group companies' obligations with respect to pensions and similar obligations such as medical and life insurance, as indicated in Note 24.

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 preventive 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 2010 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 28 to these consolidated financial statements ("Environmental Informantion") 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 out by them. According to management's estimation, whilst the lawsuits may be significant in number they are not expected to have a notable impact on the Group's equity.

Legal and contractual guarantees and obligations

This heading includes the provisions to cover the expenses arising from contractual and legal obligations of a non-environmental nature.

Provisions for other contingencies and charges

This heading includes the items not classified in the foregoing accounts, comprising most notably the provisions to cover risks arising from international business.

Also included here are the Group's obligations with regard to share-based payments. Note 18, "Transactions with payments based on equity instruments" explains those transactions in further detail.

Provisions for construction contract settlements and project losses

These provisions are recognised for losses budgeted on construction projects in accordance with the measurement bases set forth in Note 3.r) 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.

Staff compensation

The Group companies recognise provisions for the severance payment to permanent construction site workers in accordance with the Consolidated Workers' Statute for contracts of this type. The impact of these provisions on the consolidated income statement is not material.

20. CURRENT AND NON-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 provided 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 banks and the Group companies currently have credit facilities with more than 140 financial institutions.

Should the financial transaction so require, the Group arranges interest-rate hedging transactions on the basis of the type and structure of each transaction (see Note 22).

In certain types of financing, particularly structured non-recourse borrowings, the arrangement of some kind of interest-rate hedge is obligatory and the Group assesses the best hedging instrument based on the project's cash flow and the amortisation calendar of the debt.

a) Current and non-current debt instruments and other marketable securities

One of the most significant items under this heading refers to the subordinated convertible debentures issued by the parent company on 30 October 2009 in the amount of EUR 450,000 thousand. The issue was intended for international institutional investors. The purpose of the issue was to reinforce the balance sheet equity structure by making the bond subordinate to the Company's corporate borrowings and to diversify the Company's financing base by supplementing its bank financing.

According to accounting laws, in addition to their financial component convertible debentures are recognised as equity in the terms described in Note 17.e) of this document. That note also describes the conditions for issuing such convertible debentures. At 31 December 2010, the carrying balance for this item shown under the heading of "Debentures and other negotiable securities" on the enclosed consolidated balance sheet was EUR 427,092 thousand. At 31 December 2010, these debentures were quoted on Bloomberg at 90.01%.

On 1 July 2010, the Alpine Group issued bonds in the fixed income market the amount EUR 100,000 thousand. The term of the bonds was five years with a single maturity date at the end of that period and an annual coupon of 5.25%. The funds were to be used to cover the Alpine Group's corporate financing needs.

In addition to this transaction, this heading includes those contributed by the Cementos Portland Valderrivas Group through the US company Giant Cement Holding, Inc. relating to an issue of non-convertible bonds amounting to USD 96 million (approximately EUR 71,714 thousand), repayable in a single maturity in 2013 and an interest interes rate indexed to Libor. The Group has arranged an interest rate hedging contract on this debt for a notional amount of USD 96 million and an interest rate of 6.093%.

Also, the company Severomoravske Vodovody a Kanalizace Ostrava, A.S. (SmVaK) issued non-convertible debentures amounting to CSK 2,000 million (EUR 79,764 thousand) at 31 Dec. 2010. These debentures, which were traded on the Prague Stock Exchange, mature in 2015 and bear nominal interest of 5%. As a guarantee associated with the bond issue, the company undertakes not to pledges the assets to third parties, not to sell the assets for a price above a certain cumulative value and not to assume debt beyond a certain limit.

b) Current and non-current bank borrowings

The details at 31 December 2010 and 2009 are as follows:

		Non-current		Current		Total
2010						
Credit facilities and loans		4,609,815		1,473,900		6,083,715
Project financing						
With recourse		2,279,530		161,576		2,441,106
Waste Recycling Group	714,595		48,459		763,054	
Uniland Group	632,919		56,009		688,928	
Olivento Group	415,230		25,617		440,847	
Other	516,786		31,491		548,277	
		6,889,345		**1,635,476**		**8,524,821**
2009						
Credit facilities and loans		4,998,891		971,507		5,970,398
Project financing						
With recourse		2,300,287		246,711		2,546,998
Waste Recycling Group	639,008		161,410		800,418	
Uniland Group	675,836		50,380		726,216	
Olivento Group	441,454		24,187		465,641	
Other	543,989		10,734		554,723	
		7,299,178		**1,218,218**		**8,517,396**

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As shown on the enclosed Cash Flow Statement, the most significant changes in borrowings in 2010 were due to increases in working capital. This increase was partially offset by the revenues from the disinvestments, which included the sale of the ITV business (vehicle inspection) discussed in Note 4 of this report and the sale of 10% of Sociedad Concesionaria Tranvía de Murcia, S.A. which resulted in a loss of control. This company is now carried by the equity method and this has resulted in a reduction of debt in the amount of EUR 122,000 thousand.

The increase in working capital was caused by the delayed payments of certain public sector clients for the environmental services rendered.

In this regard, the Group has enabled the necessary sources of financing with costs and terms that are in line with the high quality of the associated asset, the type of public sector client and the basic service rendered to the client.

The main features of the most significant current and non-current credit facilities and loans formalised by the Group in 2010 are as follows:

- On 30 July 2010, the parent company refinanced a syndicated loan in the amount of EUR 1,225 millions which was to mature on 8 May 2011 under a forward start arrangement. The credit facility has a term of 3 years (maturing on 8 May 2014), with amortisation of half the amount in 2013 and is broken down into three tranches: a EUR 735 million loan, a EUR 490 million credit facility and an additional EUR 62 million which will be available on 1 January 2011, bringing the total value of the credit facility to EUR 1,287 million.
- In August 2010, Cementos Portland Valderrivas refinanced a EUR 150,000 thousand loan. Payments of EUR 15,000 thousand must be made on the loan every six months starting in August 2011, with a final payment of EUR 75,000 thousand in February 2014. The interest rate on the loan is tied to the Euribor plus 2.95%. There is an interest rate hedge on this financing fixed at a rate of 4.02% which expires in February 2011.
- On 22 December 2010, the Alpine Group signed a syndicated credit facility in the amount of EUR 160,000 thousand maturing on 22 December 2013, which is divided into two tranches.
  - a) 50% of one of the tranches is guaranteed by the Republic of Austria according to the Unternehmensliquiditätsstärkungsgesetz or ULSG passed in August 2009 to boost the liquidity of Austrian companies. Under this law, the Austrian government provides access to liquidity to foster investment and growth through a programme of government guarantees. The interest rate on this tranche is fixed. This is the second financing operation of this kind entered into by the Alpine Group.
  - b) The cost of the other tranche is based on the net debt/EBITDA ratio.

This financing was paid in full in January 2011, enabling Alpine to repay some of its debt in 2011 early.

The details of the Group's loans and credit facilities from previous fiscal years are outlined below:

- On 29 April 2009, the parent company signed a syndicated loan in the amount of EUR 375,000 thousand with 12 participating financial institutions. Later, on 4 and 27 May, it was extended to EUR 451,000 thousand, into two tranches: a long-term loan of EUR 225,500 thousand and a long-term credit facility amounting to EUR 225,500 thousand. The syndicated loan was signed for a three-year term with a single maturity date on 28 April 2012. The interest rate is Euribor plus a differential based on the debt ratio each year shown on the FCC Group's financial statements.
- On 23 October 2009, the parent company signed a long-term loan in the amount of EUR 175,000 thousand with the European Investment Bank (EIB) with a maturity date of 6 November 2012 which may be extended to 2015. The interest rate on the loan is Euribor 3 months plus a fixed differential.

The loan was granted for the financing and development of environmental investments:

- a) Acquisition of a fleet of 1,900 vehicles equipped with the most highly advance technologies that will be used to provide city sanitation services in 130 municipalities in Spain.
- b) Financing of related investments (acquisition of filling stations, vehicle cleaning equipment and wastewater treatment plants) and
- c) Development of hybrid electric vehicles for intensive use which are more energy efficient and capable of using harmless fuel, thereby reducing the emissions of polluting gases.

- On 22 December 2010, the Alpine Group signed a syndicated credit facility in the amount of EUR 200,000 thousand maturing on 31 October 2014, with the same contractual characteristics as the ones signed on 22 December 2010 and mentioned above.
- On 9 December 2009, Aqualia Gestión Integral del Agua, S.A. (wholly-owned subsidiary of the FCC Group) refinanced a corporate loan taken out in 2006 in the amount of 4,800,000 thousand Czech koruna, approximately EUR 190 million, for the acquisition of Severomoravské Vodovody from Kanalizace Ostrava, A.S. (SmVaK). There are two tranches to the financing: a corporate loan taken by Aqualia Gestión

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Integral del Agua, S.A and a limited recourse loan signed by the newly created company, Aqualia Czech, S.L., a wholly-owned subsidiary of the FCC Group, which now controls 98.68% of SmVaK. The characteristics of the tranches are as follows:

a) A corporate multi-currency loan (€ and koruna) in the amount of EUR 71,750 thousand and 967,220 Czech koruna maturing in 2012.

b) A limited recourse loan in the amount of 2,000,000 thousand Czech koruna maturing in 2015.

The stipulated price includes the rate of reference (Euribor or Pribor) plus a fixed margin in the case of the corporate financing and calculated on the debt service coverage ratio (DSCR) in the case of the limited recourse financing.

- On 18 December 2009 the FCC Group signed a long term limited recourse credit facility in the amount of EUR 250,000 thousand maturing in 2024 with an interest rate equivalent to the Euribor plus a fixed margin. The Torre Picasso building was put up as collateral to guarantee this loan, in the terms described in Note 8 herein.

- On 10 July 2008, the Parent 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) A long-term loan of USD 40,000 thousand granted to the parent company.

b) A long-term credit facility of USD 58,900 thousand granted to Dédalo Patrimonial S.L.

c) A long-term loan of USD 88,000 thousand granted to Dédalo Patrimonial S.L.

The established price comprises the reference rate (Libor) plus a spread based on the variation in the consolidated net debt/consolidated EBITDA ratio.

- On 25 November 2008, Fomento Internacional FOCSA (wholly owned by the Parent) arranged a long-term syndicated credit facility for EUR 500,000 thousand maturing in 2025. The object of the operation was to finance the acquisition of the business in Spain of Babcock & Brown Wind Partners. The interest rate is Euribor plus a spread calculated on the basis of the variation in the net financial debt/EBITDA ratio. At 31 December 2010, a balance of EUR 465,640 thousand was outstanding. The agreement consists of two tranches: A senior debt tranche of EUR 455,000 thousand and a subordinated debt tranche of EUR 45,000 thousand already held by the acquired company.

- On 23 December 2008, Sky Sierresita Cortijo Viejo 1 and Sky Sierresita Cortijo Viejo 2 (wholly owned by the FCC Group) arranged a long-term syndicated loan for a combined amount of EUR 117,000 thousand, maturing in 2026. The purpose of the loan was to finance the acquisition of two photovoltaic farms with a total of 20 MW in Espejo (Cordoba). The interest rate is Euribor plus a spread calculated on the basis of the variation in the net financial debt/EBITDA ratio.

- 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 UK company Waste Recycling Group Ltd and its corporate 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 maturity of 40.005%. The interest rate applicable to the tranche denominated in euros is Euribor plus a spread based on 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. Various financial derivatives associated with the syndicated loan have been arranged.

  In addition, Azincourt Investment, S.L. obtained a syndicated loan in the amount of 625,000 thousand sterling pounds, approximately EUR 726 million, which was completely drawn down at year end. Payments must be made on the loan every six months through the maturity date in 2013. The interest rate is tied to the Libor plus a spread of 1.05% per annum payable monthly or every 3 or 6 months at the borrower's choice.

- Long-term syndicated financing facility of EUR 800,000 thousand arranged by the parent in July 2007 and maturing on 19 July 2012 with the possibility of an extension until 2014. At 31 December 2010, the loan had been drawn down in full. The agreement consists of two tranches: a long-term loan of EUR 280,000 thousand with a partial repayment of 50% one year prior to maturity and a long-term credit facility amounting to EUR 520,000 thousand.

  The established price comprises the reference rate (Euribor) plus a spread based on the variation in the consolidated net debt/consolidated EBITDA ratio.

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In August 2006, Cementos Portland Valderrivas signed a long-term syndicated loan with a limit of EUR 780,000 thousand to partially finance the purchase of shares in Corporación Uniland through the group company, Portland S.L. The loan matures every six months starting 15 January 2007, with a final maturity date of 2012. The interest rate is Euribor plus a spread based on the variation in the net financial debt/ EBITDA ratio.

In addition, Portland, S.L. obtained a EUR 800,000 thousand syndicated loan, of which a total of EUR 678,136 thousand had been drawn down at year end. The loan matures every six months through the year 2013 with a final payment of 70% of the used capital. Shares of Corporación Uniland, S.A. have been pledged as collateral on the loan, without the possibility of recourse against the parent company. This loan is subject to certain ratios being met relative at the coverage of the financial burden and net financial indebtedness levels of Portland, S.L. and the Corporación Uniland Group which were being met at the end of 2010 and 2009.

The detail of the bank borrowings, by currency and amounts drawn down at 31 December 2010 and 2009, is as follows:

	Euro	US dollar	Pound sterling	Czech Koruna	Brazilian real	Other	Total
2010							
Credit facilities and loans	5,498,862	343,916	148,340	33,488	7,064	52,045	6,083,715
Project financing loans with recourse	1,644,593	—	763,053	—	—	33,460	2,441,106
	7,143,455	**343,916**	**911,393**	**33,488**	**7,064**	**85,505**	**8,524,821**
2009							
Credit facilities and loans	5,390,247	327,876	152,869	31,610	10,994	56,802	5,970,398
Project financing loans with recourse	1,651,409	—	800,419	78,103	—	17,067	2,546,998
	7,041,656	**327,876**	**953,288**	**109,713**	**10,994**	**73,869**	**8,517,396**

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The credit facilities and loans denominated in US dollars are being used mainly to finance the assets of the Cementos Portland Group, M&S Concesiones S.A. and the Versia Group in the United States; those arranged in pounds sterling relate to the financing of the assets of the WRG Group (Waste Recycling Group Ltd) in the United Kingdom; and those arranged in Czech koruna are being used to finance the operations of SmVaK (Severomoravske Vodovody a Kanalizace Ostrava, A.S.) and the assets of the Alpine Bau Group in the Czech Republic.

The credit facilities and loans denominated in Brazilian reales and other currencies are being used to finance the assets of Cemusa in Brazil, the positions of the Alpine Bau Group and A.S.A. in currencies other than the euro in Eastern Europe and the operations of the Uniland Group in Tunisia.

With regard to the Group's financing, it should be noted that certain ratios must be met concerning coverage of financial expenses and levels of net debt in relation to EBITDA. The ratios established were being met at year-end.

c) Other non-current liabilities

	2010	2009
Non-current		
Finance lease liabilities	81,942	100,463
Borrowings – non-Group third parties	162,446	174,013
Liabilities relating to financial derivatives	212,709	210,217
Deposits and bonds received	29,745	29,072
Urban furniture contract financing	563,589	558,954
Other items	16,675	17,936
	1,067,106	**1,090,655**

Under the heading of "Borrowings – non-Group third parties" on the table above, the sum of EUR 101,396 thousand (EUR 120,962 thousand in 2009) refers to a put option executed by FCC Construcción, S.A., which on 29 October 2009 proceeded to revise the agreements initially signed with a minority shareholder, Alpine Holding GmbH:

In October 2009, the minority shareholder exercised part of the option on 3.73% in the amount of EUR 20,230 thousand with the option on the remaining 17% stake still pending.

The conditions of the agreement are as follows:

a) Under the initial agreement, FCC Construcción, S.A. has granted a minority shareholder of Alpine Holding GmbH a put option exercisable in 2009 on 52% of its ownership interest and in 2011 on the portion not previously exercised and on the remainder of its total ownership interest (20.73%). The exercise price is based on the performance of EBITDA, profit before tax and net financial debt in the financial statements for 2008, if the option is exercised in 2009, or in those for 2010 if it is exercised in 2011.

b) An additional agreement that establishes two put options on 7% of the ownership interest which may be exercised at a rate of 3.5% in 2011 and 2012 of 7% in 2012. The price of this option is EUR 37,970 thousand plus 5% interest starting in November 2009.

c) An addendum to the initial agreement in which it is agreed to modify the put option mentioned above, allowing the option to be exercised in 2011 on all shares not sold as of that date and setting a price based on gross operating profit and before-tax profits shown on the 2010 financial statements. Alternatively, if they are not sold in 2011, all shares in the company's possession as of that date will be sold in 2013, using the 2012 financial statements to set the price.

Simultaneously, the minority shareholder has granted a call option to FCC Construcción, S.A. on the former's entire stake in Alpine Holding GmbH which may be exercised at any time through 31 December 2014, according to an amendment to the initial agreement. The same parameters are used to determine the price of both the put and the call options.

Under the heading of "Liabilities arising from financial derivatives" described in Note 22, "Derivative financial instruments", the amount of EUR 56,399 thousand (EUR 32,007 thousand in 2009) refers to the market value of the put option on the treasury stock associated with the Stock Option Plan for officers and directors, as mentioned in Note 18, as well as the financial hedging instruments composed primarily of interest rate swaps.

The heading titled "Urban furniture contract financing" includes the payment obligations assumed by the FCC Group in connection with the operating rights to certain urban furniture contracts (Notes 2 and 6).

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d) Other current financial liabilities

	2010	2009
Current		
Finance lease liabilities	72,152	71,124
Interim dividend payable	89,950	99,017
Payable to non-current asset suppliers and notes payable	61,035	48,323
Group companies, associates and jointly-controlled enterprises	17,483	17,798
Liabilities relating to financial derivatives	13,378	14,542
Deposits and bonds received	13,232	11,643
Financiación contratos mobiliario urbano	59,405	31,805
Other items	17,987	6,312
	344,622	**300,564**

This balance sheet item includes various debt items, most notably that relating to the payment of the 2010 and 2009 interim dividend, of which EUR 88,746 thousand correspond to the Parent.

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:

	2012	2013	2014	2015	2016 and thereafter	Total
2010						
Debentures and other marketable securities	—	71,714	422,204	178,599	—	672,517
Bank borrowings current	2,409,329	2,630,567	898,315	104,610	846,524	6,889,345
Other financial liabilities	147,299	295,498	73,446	55,903	494,960	1,067,106
	2,556,628	**2,997,779**	**1,393,965**	**339,112**	**1,341,484**	**8,628,968**

21. TRADE AND OTHER PAYABLES

The composition of the caption titled "Trade and other payables" at 31 December 2010 and 2009 is as follows:

	2010	2009
Suppliers	3,318,288	3,562,381
Current tax liabilities	107,507	19,316
Other taxed payable	558,440	573,702
Advance payments from customers	936,794	1,073,423
Accrued wages and salaries	193,613	182,315
Other payables	548,326	485,694
Total creditors and other accounst payable	**5,662,968**	**5,896,831**

According to the resolution of the Accounting and Audit Institute of 29 December 2010 which develops Law 15/2010 of 5 July, which in turn established measures to combat delinquency in commercial operations and, in particular, in compliance with the Second Temporary Provision of the said resolution, it is noted that the outstanding balance shown under "Suppliers" at the end of 2010, exclusively for companies located in Spain, is EUR 2,056,041 thousand. In addition, it is noted that the aforementioned Law 15/2010 took effect on 5 July 2010 and therefore applies to contracts signed on or after that date. According to the period of time between the signing, delivery of the goods or services and the valid payment term during the transitory period of the Law, there is no deferment which exceeds the legally-established maximum limits.

22. DERIVATIVE FINANCIAL INSTRUMENTS

Generally speaking, the financial derivatives contracted by the FCC Group are treated, from an accounting perspective, as provided for in the rules governing accounting hedges, as explained in Note 3.o) herein.

The main financial risk hedged by the FCC Group using derivatives is the variation in floating interest rates to which group companies' finance is referenced.

At 31 December 2010, the FCC Group had arranged interest rate hedging transactions totalling EUR 6,228,826 thousand (31 December 2009: EUR 5,109,729 thousand), mainly in the form of IRSs in which the Group companies pay fixed interest rates and receive floating interest rates.

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

	Type of derivative	Type hedge	% hedged	Notional 31.12.09	Notional 31.12.10	Value at 31.12.09	Value at 31.12.10	Maturity
Fully consolidated companies								
Fomento de Construcciones y Contratas, S.A.	IRS	FE	100%	162,842	148,023	(13,102)	(12,710)	30/12/2013
	IRS	FE	2%	15,385	13,539	(943)	(786)	30/12/2013
	IRS	FE	20%	128,849	113,389	(8,629)	(7,093)	30/12/2013
	IRS	FE	31%	196,159	172,622	(13,645)	(11,155)	30/12/2013
	IRS	FE	17%	109,618	96,465	(7,285)	(5,996)	30/12/2013
	Basis Swap	FE		20,011	—	(13)	—	30/06/2010
	Basis Swap	FE		100,000	—	(65)	—	30/06/2010
	Basis Swap	FE		100,000	—	(62)	—	30/06/2010
	Basis Swap	FE		100,000	—	(63)	—	30/06/2010
	Basis Swap	FE		130,000	—	(84)	—	30/06/2010
	Basis Swap	FE		—	105,000	—	11	30/06/2011
	Basis Swap	FE		—	245,000	—	43	30/06/2011
	Basis Swap	FE		—	26,998	—	1	30/06/2011
	Basis Swap	FE		—	46,016	—	8	30/06/2011
	Basis Swap	FE		—	—	—	—	
Azincourt Investment, S.L.	IRS	FE	15%	100,606	99,630	(8,849)	(9,291)	31/12/2013
	IRS	FE	15%	100,606	99,630	(8,849)	(9,291)	31/12/2013
	IRS	FE	15%	100,606	99,630	(8,849)	(9,291)	31/12/2013
	IRS	FE	14%	88,298	87,441	(7,766)	(8,154)	31/12/2013
Severomoravské Vodovody a Kanalizace Ostrava A.S. (SmVaK)	IRS	VR	25%	18,900	—	589	—	16/11/2015
WRG –RE3	IRS	FE	82%	36,684	36,748	(2,620)	(2,628)	30/09/2029
Kent	IRS	FE	37%	52,823	52,797	(5,370)	(7,497)	31/03/2027
	IRS	FE	16%	22,638	22,627	(2,302)	(3,213)	31/03/2027
	IRS	FE	27%	37,731	38,760	(3,836)	(5,355)	31/03/2027

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	Type of derivative	Type hedge	% hedged	Notional 31.12.09	Notional 31.12.10	Value at 31.12.09	Value at 31.12.10	Maturity
Fully consolidated companies								
WRG - WREXHAM	IRS	FE	100%	27,239	27,657	(3,007)	(6,128)	30/09/2032
Depurplan 11, S.A.	IRS	FE	65%	8,735	8,280	(873)	(901)	01/12/2025
Ecodeal-Gestao Integral de Residuos Industriais, S.A.	IRS	FE	80%	12,640	11,337	(849)	(769)	15/12/2017
Autovía Conquense, S.A.	IRS	FE	100%	56,000	43,246	(4,458)	(4,447)	30/06/2024
	IRS	FE	100%	28,000	21,623	(2,229)	(2,224)	28/06/2024
Olivento	Basis Swap	FE	7%	33,774	32,081	(451)	(945)	31/12/2024
	Basis Swap	FE	9%	41,691	39,600	(556)	(1,167)	31/12/2024
	Basis Swap	FE	16%	72,941	69,283	(984)	(2,048)	31/12/2024
	Basis Swap	FE	6%	29,025	27,569	(392)	(815)	31/12/2024
	IRS	FE	7%	33,774	32,081	(456)	(948)	31/12/2024
	CAP	FE	9%	39,166	37,202	(528)	(1,100)	31/12/2024
	IRS	FE	6%	27,160	25,798	(362)	(760)	31/12/2024
	IRS	FE	7%	33,774	32,081	(456)	(948)	31/12/2024
	IRS	FE	9%	39,166	37,202	(523)	(1,096)	31/12/2024
Aqualia Czech, S.L.	Forward IRS	FE	17%	—	13,036	—	(869)	15/05/2015
	Forward IRS	FE	12%	—	8,691	—	(205)	15/05/2015
	Forward IRS	FE	11%	—	8,147	—	(192)	15/05/2015
	Forward IRS	FE	7%	—	5,432	—	(128)	15/05/2015
	Forward IRS	FE	3%	—	2,067	—	(3)	15/05/2015
Torre Picasso	IRS	FE	89%	—	200,000		(5,218)	18/12/2024
ALPINE	Currency forward	FE		2,318	—	(857)	—	18/01/2010
	Currency forward	FE		2,014	—	(923)	—	13/01/2010
	Currency forward	FE		5,431	—	(1,238)	—	04/01/2010
	Currency forward	FE		8,473	—	(1,507)	—	18/01/2010
	Currency forward	FE		12,083	—	(1,525)	—	19/01/2010
	Currency forward	FE		—	1,664	—	(11)	31/03/2011
	IRS	FE	43%	—	85,714	—	1,834	31/10/2014
Helios Patrimonial 1, S.L. y Helios Patrimonial 2, S.L.	IRS	FE	13%	—	14,900	—	495	22/12/2023
	IRS	FE	13%	—	14,900	—	526	22/12/2023
	IRS	FE	27%	—	29,832	—	1,022	22/12/2023
	IRS	FE	27%	—	29,832	—	1,053	22/12/2023
Concesionaria Túnel de Coatzcoalcos, S.A. de C.V.	IRS	FE	100%	31,634	42,724	(1,617)	(3,464)	10/06/2014

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	Type of derivative	Type hedge	% hedged	Notional 31.12.09	Notional 31.12.10	Value at 31.12.09	Value at 31.12.10	Maturity
Fully consolidated companies								
Cementos Portland Valderrivas, S.A.	IRS	FE	100%	150,000	150,000	(5,601)	(656)	22/02/2011
	IRS	FE	60%	409,855	337,527	(16,696)	(4,084)	15/07/2011
	IRS	FE	14%	16,667	15,000	(238)	(129)	15/07/2012
	IRS	FE	14%	16,667	15,000	(238)	(129)	15/07/2012
	IRS	FE	14%	16,667	15,000	(238)	(129)	15/07/2012
	Basis Swap	FE		50,000	—	(205)	—	15/01/2010
	Basis Swap	FE		150,000	—	(406)	—	25/03/2010
	Basis Swap	FE		409,855	—	(1,676)	—	15/01/2010
	Basis Swap	FE		—	439,636	—	(6)	15/07/2011
	IRS	FE		—	57,109	—	50	15/07/2011
	Basis Swap	FE		—	150,000	—	(124)	22/02/2011
Portland, S.L.	IRS	FE	12%	89,148	84,473	(5,241)	(2,826)	15/07/2012
	IRS	FE	6%	48,003	45,485	(2,849)	(1,535)	15/07/2012
	IRS	FE	12%	89,148	84,473	(5,241)	(2,826)	15/07/2012
	IRS	FE	6%	48,003	45,485	(2,849)	(1,535)	15/07/2012
	IRS	FE	12%	89,148	84,473	(5,241)	(2,826)	15/07/2012
	IRS	FE	6%	48,003	45,485	(2,849)	(1,535)	15/07/2012
	IRS	FE	6%	44,574	42,236	(2,621)	(1,413)	15/07/2012
	IRS	FE	3%	24,002	22,743	(1,424)	(767)	15/07/2012
	IRS	FE	6%	44,574	42,236	(2,621)	(1,413)	15/07/2012
	IRS	FE	3%	24,002	22,743	(1,424)	(767)	15/07/2012
Giant Cement Holding, Inc	IRS	FE	100%	66,609	72,156	(6,713)	(7,793)	22/05/2013
	IRS	FE	26%	36,494	33,886	(2,891)	(2,937)	05/10/2014
	IRS	FE	26%	36,494	33,886	(2,891)	(2,937)	05/10/2014
Cementos Lemona, S.A.	IRS	FE	50%	4,000	2,400	(172)	(60)	01/06/2012
	IRS	FE	50%	4,125	2,475	(184)	(68)	14/06/2012
	IRS	FE	50%	2,063	1,313	(98)	(34)	20/07/2012
Total fully consolidated companies				**4,084,895**	**4,251,514**	**(186,141)**	**(158,332)**	
Companies carried using the equity method								
Tramvia Metropolità, S.A.	IRS	FE	56%	9,115	8,341	(1,824)	(1,649)	31/10/2023
	IRS	FE	24%	3,906	3,575	(781)	(706)	31/10/2023
Tramvia Metropolità del Besós, S.A.	IRS	FE	64%	11,613	10,544	(1,580)	(1,535)	30/06/2023
	IRS	FE	16%	2,903	2,636	(395)	(384)	30/06/2023
Cedinsa Eix del Llobregat, S.A.	IRS	FE	70%	41,451	40,898	(1,135)	(2,002)	01/05/2033

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	Type of derivative	Type hedge	% hedged	Notional 31.12.09	Notional 31.12.10	Value at 31.12.09	Value at 31.12.10	Maturity
Companies carried using the equity method								
Urbs Iudex et Causidicus, S.A.	IRS	FE	100%	78,042	75,811	(26,763)	(30,161)	30/12/2033
Cedinsa d'Aro, S.A.	CAP	FE	100%	5,440	—	—	—	04/01/2010
	IRS	FE	100%	8,449	8,351	(719)	(913)	03/01/2033
Nova Bocana Barcelona, S.A.	IRS	FE	17%	5,523	5,491	(545)	(621)	30/06/2025
	IRS	FE	33%	11,047	10,983	(1,088)	(1,240)	30/06/2025
Suministro de Aguas de Querétano, S.A. de C.A.	CAP	FE	100%	26,337	30,066	18	—	20/01/2011
Betearte, S.A.U.	IRS	FE	33%	1,923	1,826	(242)	(173)	06/02/2018
Nihg South West Health Partnership Limited	IRS	FE	33%	—	28,443	—	(1,947)	19/05/2039
	IRS	FE	33%	—	28,443	—	(1,947)	19/05/2039
	IRS	FE	33%	—	28,443	—	(1,947)	19/05/2039
	CAP	FE	18%	—	20,571	—	—	31/03/2014
	CAP	FE	18%	—	20,571	—	—	31/03/2014
	Swap de Inflación	FE	50%	—	866	—	(2,781)	31/03/2039
	Swap de Inflación	FE	50%	—	866	—	(2,781)	31/03/2039
Cedinsa Ter Concessionaria de la Generalitat, S.A:	IRS	FE	32%	—	22,613	—	(658)	31/12/2014
	IRS	FE	7%	—	4,947	—	(144)	31/12/2014
	IRS	FE	14%	—	9,611	—	(280)	31/12/2014
	IRS	FE	7%	—	4,947	—	(144)	31/12/2014
	IRS	FE	14%	—	9,921	—	(289)	31/12/2014
Concessió Estacions Aeroport L9	IRS	FE	9%	—	42,475	—	(75)	23/09/2012
	IRS	FE	3%	—	13,521	—	(24)	23/09/2012
	IRS	FE	3%	—	14,674	—	(26)	23/09/2012
	IRS	FE	3%	—	13,746	—	(24)	23/09/2012
	IRS	FE	3%	—	5,757	—	(10)	23/09/2012
	IRS	FE	3%	—	5,757	—	(6)	23/09/2012
	IRS	FE	36%	—	169,899	—	1,140	23/12/2033
	IRS	FE	12%	—	54,083	—	363	23/12/2033
	IRS	FE	13%	—	58,696	—	394	23/12/2033
	IRS	FE	12%	—	54,983	—	369	23/12/2033
	IRS	FE	12%	—	23,028	—	154	23/12/2033
	IRS	FE	13%	—	23,028	—	96	23/12/2033

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	Type of derivative	Type hedge	% hedged	Notional 31.12.09	Notional 31.12.10	Value at 31.12.09	Value at 31.12.10	Maturity
Companies carried using the equity method								
Sociedad Concesionaria Tranvía de Murcia, S.A.	IRS	FE	34%	—	19,856	—	(4)	31/03/2011
	IRS	FE	25%	—	14,894	—	(3)	31/03/2011
	IRS	FE	42%	—	24,825	—	(5)	31/03/2011
Concesionaria Atención Primaria, S.A.	IRS	FE	75%	—	3,767	—	(7)	20/12/2018
Atlántica de Graneles y Moliendas, S.A.	IRS	FE	100%	656	219	(10)	(2)	02/06/2011
	IRS	FE	100%	656	219	(10)	(2)	02/06/2011
	IRS	FE	100%	656	219	(10)	(2)	02/06/2011
	IRS	FE	100%	656	219	(10)	(2)	02/06/2011
Realia Patrimonio, S.L.U.	IRS	FE		8,096	8,064	(728)	(734)	30/06/2014
	IRS	FE		8,096	8,064	(724)	(732)	30/06/2014
	IRS	FE		16,193	16,128	(1,372)	(1,403)	30/06/2014
	IRS	FE		16,193	16,128	(1,490)	(1,495)	30/06/2014
	IRS	FE		16,193	16,128	(1,490)	(1,495)	30/06/2014
	IRS	FE		16,193	16,128	(1,449)	(1,463)	30/06/2014
	IRS	FE		8,096	8,064	(745)	(748)	30/06/2014
	IRS	FE		8,096	8,064	(728)	(734)	30/06/2014
	IRS	FE		16,193	16,128	(1,372)	(1,403)	30/06/2014
	IRS	FE		16,193	16,128	(1,490)	(1,495)	30/06/2014
	IRS	FE		16,193	16,128	(1,490)	(1,495)	30/06/2014
	IRS	FE		16,193	16,128	(1,449)	(1,463)	30/06/2014
	IRS	FE		8,096	8,064	(745)	(748)	30/06/2014
	IRS	FE		8,096	8,064	(728)	(734)	30/06/2014
	IRS	FE		8,096	8,064	(728)	(734)	30/06/2014
	IRS	FE		8,096	8,064	(724)	(732)	30/06/2014
Societe d'Investissements Inmobiliers Cotee de Paris	IRS	FE		8,026	7,798	(721)	(718)	30/06/2014
	IRS	FE		8,026	7,798	(705)	(705)	30/06/2014
	IRS	FE		16,052	15,595	(1,442)	(1,436)	30/06/2014
	IRS	FE		16,052	15,595	(1,329)	(1,348)	30/06/2014
	IRS	FE		16,052	15,595	(1,329)	(1,348)	30/06/2014
	IRS	FE		16,052	15,595	(1,442)	(1,436)	30/06/2014
	IRS	FE		8,026	7,798	(721)	(718)	30/06/2014
	IRS	FE		8,026	7,798	(705)	(705)	30/06/2014
Hermanos Revilla, S.A.	IRS	FE		1,114	1,761	(41)	(41)	16/01/2012
Ruta de los Pantanos, S.A.	IRS	FE		12,163	17,137	(1,521)	(2,267)	02/01/2018

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	Type of derivative	Type hedge	% hedged	Notional 31.12.09	Notional 31.12.10	Value at 31.12.09	Value at 31.12.10	Maturity
Companies carried using the equity method								
Autopista Central Gallega - Concesionaria Española, S.A. Unipersonal	IRS	FE		25,899	42,187	(2,176)	(3,203)	31/07/2013
	IRS	FE		15,539	25,312	(1,306)	(1,922)	31/07/2013
Phunciona Gestión Hospitalaria, S.A. (Hospital del Sureste, S.A.)	IRS	FE		9,910	14,225	(181)	(597)	31/12/2032
	IRS	FE		—	13,738	—	(299)	31/12/2032
Túnel d'Envalira, S.A. Concesionaria del Principat d'Andorra	COLLAR	FE		7,134	8,865	(451)	(637)	20/07/2022
Tranvía de Parla, S.A.	IRS	FE		20,654	26,010	(1,869)	(2,739)	30/12/2022
Concesiones de Madrid, S.A.	IRS	FE		34,450	33,555	(2,109)	(1,976)	15/12/2013
Terminal Polivalente de Castellón, S.A.	IRS	FE		5,196	6,537	(489)	(676)	15/01/2018
	IRS	FE		2,598	3,268	(244)	(338)	15/01/2018
Autovía del Camino, S.A.	SWAP INFLACIÓN	FE		3,316	5,487	5,206	9,131	15/12/2027
	IRS	FE		27,863	27,838	(4,475)	(5,076)	15/12/2027
	IRS	FE		17,155	17,118	(2,604)	(2,863)	15/12/2024
	IRS	FE		1,139	17,003	(86)	(186)	16/12/2030
Autopista de la Costa Cálida Concesionaria Española de Autopistas, S.A.	IRS	FE		20,109	20,109	(992)	(889)	15/12/2012
	IRS	FE		20,109	20,109	(992)	(889)	15/12/2012
Madrid 407 Sociedad Concesionaria, S.A.	IRS	FE		11,592	11,589	(1,365)	(1,700)	10/07/2033
Ibisan, S.A.	IRS	FE		14,302	28,136	(601)	(1,782)	30/12/2027
N6 (Concession) Limited	IRS	FE		5,964	6,405	(342)	(249)	30/06/2013
	IRS	FE		4,297	4,257	(326)	(364)	30/06/2034
	IRS	FE		371	373	(29)	(33)	30/06/2034
	IRS	FE		1,763	—	(27)	—	04/01/2010
	IRS	FE		1,323	—	(20)	—	04/01/2010
	IRS	FE		4,474	4,805	(254)	(195)	28/06/2013
	IRS	FE		3,223	3,193	(233)	(270)	30/06/2034
	IRS	FE		278	280	(21)	(24)	30/06/2034
	IRS	FE		1,764	—	(24)	—	04/01/2010
	IRS	FE		5,966	6,407	(338)	(261)	28/06/2013
	IRS	FE		4,298	4,258	(310)	(359)	30/06/2034
	IRS	FE		378	373	(27)	(31)	30/06/2034
	IRS	FE		1,764	—	(27)	—	04/01/2010
	IRS	FE		5,966	6,407	(338)	(247)	28/06/2013
	IRS	FE		4,298	4,258	(310)	(350)	30/06/2034
	IRS	FE		378	373	(28)	(31)	30/06/2034

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	Type of derivative	Type hedge	% hedged	Notional 31.12.09	Notional 31.12.10	Value at 31.12.09	Value at 31.12.10	Maturity
Companies carried using the equity method								
Portsur Castellón, S.A.	IRS	FE	100%	4,466	4,466	(461)	(538)	31/10/2031
M50 (Concession) Limited	IRS	FE		5,110	6,109	(900)	(1,135)	28/03/2040
	IRS	FE		5,110	6,109	(962)	(1,196)	28/03/2040
	IRS	FE		5,110	6,109	(961)	(1,195)	28/03/2040
	IRS	FE		5,110	6,109	(961)	(1,195)	28/03/2040
	IRS	FE		1,469		(43)		27/10/2010
M50 (Concession) Limited	IRS	FE		1,469		(43)		27/10/2010
	IRS	FE		1,469		(43)		27/10/2010
	IRS	FE		1,469		(43)		27/10/2010
Autopistas del Sol, S.A.	IRS	FE		30,778	33,734	(2,691)	(4,865)	30/11/2023
Concesionaria Hospital Son Dureta, S.A.	IRS	FE		11,038	16,108	(2,321)	(2,399)	25/07/2029
	IRS	FE		11,038	16,108	(2,304)	(2,392)	25/07/2029
Autovía Necaxa - Tihuatlan, S.A. de C.V.	IRS	FE		14,500	28,907	(786)	(4,688)	06/12/2027
	IRS	FE		14,074	28,454	(763)	(4,550)	06/12/2027
	IRS	FE		14,074	28,057	(763)	(4,550)	06/12/2027
Scutvias-Autoestradas da Beira Interior, S.A.	IRS	FE		13,221	12,140	(2,750)	(1,934)	04/10/2018
	IRS	FE		8,264	7,587	(1,718)	(1,208)	04/10/2018
	IRS	FE		8,264	7,587	(1,718)	(1,208)	04/10/2018
	IRS	FE		3,305	3,035	(689)	(486)	04/10/2018
Aeropuerto de Castellón	IRS	FE		5,712	5,605	(442)	(498)	30/09/2019
Auto-Estradas XXI – Subconcessionaria Transmontana, S.A.	IRS	FE		6,646	23,769	(693)	(1,528)	31/12/2029
	IRS	FE		2,420	8,665	(252)	(556)	31/12/2029
	IRS	FE		4,289	15,340	(447)	(986)	31/12/2029
	IRS	FE		6,646	23,769	(693)	(1,528)	31/12/2029
	IRS	FE		6,646	23,769	(693)	(1,528)	31/12/2029
	IRS	FE		6,320	22,601	(659)	(1,452)	31/12/2029
	IRS	FE		3,600	12,875	(375)	(827)	31/12/2029
CIRALSA Sociedad Anónima Concesionaria del Estado	IRS	FE		7,083	7,083	(132)	(331)	30/12/2024
	IRS	FE		7,083	7,083	(132)	(331)	30/12/2024
	IRS	FE		7,083	7,083	(133)	(333)	30/12/2024
Compañía Concesionaria del Túnel de Sóller, S.A.	IRS	FE		3,112	5,173	(66)	(167)	30/06/2018
	IRS	FE		3,112	5,173	(67)	(168)	30/06/2018
Metro Barajas Sociedad Concesionaria, S.A.	IRS	FE		—	7,595	—	(93)	24/06/2024
Total equity method				**1,024,834**	**1,977,312**	**(105,594)**	**(141,228)**	

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The detail, by maturity, of the notional amount of the hedging transactions arranged at 31 December 2010 is as follows:

	Notional maturity				
	2011	2012	2013	2014	2015 and thereafter
Fully consolidated companies	1,762,226	697,808	883,182	188,911	719,387
Companies carried using the equity method	124,439	220,971	171,692	383,116	1,077,094

The following table shows the financial derivatives contracted for hedging purposes by the company but which are not considered hedges for accounting purposes:

	Type of derivative	Type hedge	% hedged	Notional 31.12.09	Notional at 31.12.10	Value at 31.12.09	Value at 31.12.10	Maturity
Fully consolidated companies								
.A.S.A. Abfall Service Zistersdorf GmbH	COLLAR	ESP		50,667	70,667	(5,726)	(6,426)	28/03/2024
Total fully consolidated companies				**50,667**	**70,667**	**(5,726)**	**(6,426)**	
Companies carried using the equity method								
Zabalgarbi, S.A.	COLLAR	ESP		3,000	—	(58)	—	26/01/2010
	BARRIER SWAP	ESP		4,500	3,000	(342)	(263)	26/01/2014
	COLLAR	ESP		3,000	—	(86)	—	26/01/2010
	BARRIER SWAP	ESP		4,500	4,500	(562)	(428)	27/01/2014
	BARRIER SWAP	ESP		3,000	—	(50)	—	26/01/2010
	BARRIER SWAP	ESP		3,000	—	(48)	—	26/01/2010
Suministro de Aguas de Querétano, S.A. de C.V.	CAP	ESP		—	473	—	—	20/01/2011
Nihg South West Health Partnership Limited	CAP	ESP		—	20,571	—	55	31/03/2014
	CAP	ESP		—	20,571	—	56	31/03/2014
Total equity method				**21,000**	**49,115**	**(1,146)**	**(580)**	

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The detail, by maturity, of the notional amount covered by the derivatives that do not meet the requirements to be considered hedging instruments:

	Notional maturity				
	2011	2012	2013	2014	2015 y siguientes
Fully consolidated companies	3,556	3,556	3,556	3,556	56,443
Companies carried using the equity method	473	—	—	48,642	—

The following table refers to the fair value of the PUT treasury stock sale instruments associated with the stock option plan for officers and directors mentioned in Note 18:

Type of derivative	Classification	Amount contracted	Maturity	Fair value 2009 Assets	Fair value 2009 Liabilities	Fair value 2010 Assets	Fair value 2010 Liabilities
First tranche							
CALL	Hedge	61.596	30/09/2013	6,983	—	1,065	—
PUT	Speculative	61.596	30/09/2013	—	21,989	—	37,910
Swap	Speculative	61.596	30/09/2013	5,625	—	4,336	—
				12,608	**21,989**	**5,401**	**37,910**
Second tranche							
CALL	Hedge	37.065	10/02/2014	9,939	—	2,505	—
PUT	Speculative	37.065	10/02/2014	—	10,018	—	18,489
Swap	Speculative	37.065	10/02/2014	6,533	—	5,014	—
				16,472	**10,018**	**7,519**	**18,489**

23. TAXES

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, tax receivables and payables and the income tax expense.

Under authorisation 18/89, the FCC Group files consolidated income tax returns with all the other Group companies that meet the requirements established by tax legislation.

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. In relation to the years which have been reviewed, in certain cases the criteria applied by the tax authorities gave rise to tax assessments, which are currently being appealed against by the related Group companies. However, the Parent's directors consider that the resulting liabilities, relating both to the years open for review and to the assessments issued, will not significantly affect the Group's equity.

CONSOLIDATED FINANCIAL STATEMENTS

a) Deferred tax assets and liabilities

The deferred tax assets arise mainly as a result of the differences between the depreciation and amortisation charges and impairment losses 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.

The negative taxable income 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 51,817 thousand, since they considered that there are no doubts as to their recoverability (31 December 2009: EUR 36,628 thousand).

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 Note 3.b) and 4. 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 amortisation for tax purposes of leased assets and of certain items of property, plant and equipment qualifying for accelerated amortisation for tax purpose and the release of amortisation in 2009 which made it possible to completely amortise certain investments as long as certain requirements were met.
- Profits earned by joint ventures that are included in the next year's taxable base for corporate income tax and,
- The tax deductibility of the goodwill arising on the acquisition of non-resident companies before 2008 up to a limit of one-twentieth of the total since, in accordance with IFRS 3 "Business Combinations", goodwill is not amortisable for accounting purposes.

In 2010, "Retained Earnings and Other Reserves" includes a decrease of EUR 14,437 thousand (decrease of EUR 16,118 thousand at 31 December 2009) arising from the tax effect of translation differences and the adjustment of the fair value of financial instruments, with a balancing entry in the related deferred taxes.

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

	2011	2012	2013	2014	2015 and thereafter	Total
Assets	44,615	61,054	17,055	15,492	460,381	598,597
Liabilities	119,101	26,149	22,160	20,329	968,304	1,156,043

b) Taxes

The detail at 31 December 2010 and 2009 of the current assets and liabilities included under "Tax Receivables" and "Tax Payables", respectively, is as follows:

Current assets

	2010	2009
VAT refundable (Note 15)	175,878	159,300
Current-year tax	38,334	57,833
Other tax items (Note 15)	61,049	59,559
	275,261	**276,692**

Current liabilities

	2010	2009
VAT refundable (Note 21)	255,560	259,482
Current-year tax	107,507	19,316
Other tax items (Note 21)	302,880	314,220
	665,947	**593,018**

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c) Income tax expense

The income tax expense incurred in 2010 amounts to EUR 80,048 thousand (2009: EUR 115,229 thousand), as shown in the accompanying consolidated income statement. Following is the reconciliation of the expense to the tax charge payable:

		2010			2009	
Consolidated profit for the year before tax			393,631			439,045
	Increases	Decreases		Increases	Decreases	
Consolidation adjustments and eliminations	—	(7,578)	(7,578)	6,227	—	6,227
Permanent differences	42,960	(29,795)	13,165	35,644	(45,382)	(9,738)
Adjusted consolidated Carrying profit (loss)			**399,218**			**435,534**
Permanent differences: impact en reserves (*)			3,291			(773)
Temporary differences						
- Arising during the year	230,111	(226,819)	3,292	251,713	(463,161)	(211,448)
- Arising in prior years	360,216	(183,258)	176,958	182,480	(149,663)	32,817
Consolidated taxable base (tax result)			**582,759**			**256,130**

(*) Deductible income and expenses allocated in accordance with the accounting rules are carried directly to reserves.

	2010	2009
Adjusted consolidated carrying profit	399,218	435,534
Corporate tax	113,479	137,200
Deductions and credits	(35,116)	(22,453)
Tax rate adjustment	(50)	—
Other adjustments	1,735	482
Corporate tax expense	**80,048**	**115,229**

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24. PENSION PLANS AND SIMILAR OBLIGATIONS

Generally speaking, the Spanish member companies of the Group doe not have pension plans other than those provided by Social Security. However, in accordance with the amended deed of the Pension Plans and Pension Funds, in those instances where such obligations do exist, the company has outsourced its pension plans and similar obligations to personnel.

The parent company, with authorisation from the Executive Committee, an insurance policy was arranged and 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 indemnity are those that entail the extinction 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) Ceasing of the executive on reaching 60 years of age, at the request of the executive and with the consent of the Company.

g) Ceasing of the executive on reaching 65 years of age, by unilateral decision of the executive.

On the enclosed consolidated income statement for 2010, there are no premium insurance payments or refunds of excess insurance premiums paid. In 2009, there were premium refunds totalling EUR 6,418 thousand. At 31 December 2010, the fair value of the premiums paid covered all actuarial obligations assumed. No insurance benefits of this kind were paid in fiscal year 2010 (EUR 5,942 thousand at 31 December 2009).

Regarding the liabilities assumed by the Spanish member companies of the Group in respect of certain former senior staff wages, the liability side of the accompanying consolidated balance sheet for 2010 includes the present value, totalling EUR 3,029 thousand (2009: EUR 3,082 thousand). Also, remuneration amounting to EUR 221 thousand in both 2010 and 2009 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 any assets assigned thereto were measured by independent actuaries using generally accepted actuarial methods and techniques. Where appropriate, the obligations were recognised in the accompanying consolidated balance sheet under "Non-Current Provisions - Pensions and Similar Obligations", as established by IFRSs (see Note 19).

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

- The cement company Giant Cement Holding Inc., resident in the USA, is obliged to supplement its employees' retirement pension benefits. 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 5.20% (2009: 5.70%). At 31 December 2010, the fair value of the plan assets amounted to USD 40,279 thousand (2009: USD 36,987 thousand), and the actuarial value of the accrued obligations amounted to USD 52,424 thousand (2009: EUR 45,227 thousand).

  Also, Giant Cement Holding, Inc. has undertaken to continue to provide health care and life insurance for certain employees after termination of their employment, the cost of which was EUR 35,826 thousand (EUR 29,067 thousand in 2009).

  At 31 December 2010, the actuarial deficit for pension and healthcare insurance obligations to employees amounted to EUR 23,559 thousand (2009: EUR 17,261 thousand), which are not provided for in the consolidated financial statements of the Group since, as permitted under IAS 19 "Employee Benefits", the Group opted to defer recognition of actuarial gains and losses, which are being systematically recognised in the income statement over the remaining years of the employees' working life in the case of pension benefit obligations, and over the remaining life expectancy of the employees in the case of healthcare insurance obligations. The net difference, representing a liability of EUR 24,412 thousand (31 December 2009: EUR 20,046 thousand), was recognised under "Provisions for Pensions and Similar Obligations" in the accompanying consolidated balance sheet.

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- The accompanying consolidated balance sheet at 31 December 2010 includes the employee benefit obligations of the Waste Recycling Group companies, resident in the UK. These obligations are represented by certain assets assigned to the plans funding the benefits, the fair value of which amounted to EUR 35,888 thousand (31 December 2009: EUR 31,661 thousand), and the actuarial value of the accrued obligations amounted to EUR 40,927 thousand (31 December 2009: EUR 36,195 thousand). The net difference, representing a liability of EUR 5,039 thousand (31 December 2009: EUR 4,534 thousand), was recognised under non-current provisions on the accompanying consolidated balance sheet. The caption titled "Staff charges" on the enclosed consolidated income statement includes a cost of EUR 713 thousand (31 December 2009: EUR 876 thousand) relating to the net difference between the service cost and the return on the plan assets. The average actuarial rate applied was 5.4%. (5.7% en 2009).
- At 31 December 2010, the Alpine Bau Group companies contributed EUR 59,444 thousand (31 December 2009: EUR 56,952 thousand) relating to the actuarial value of their accrued pension and termination benefit obligations. The amount of these obligations is recognised under "Provisions for Pensions and Similar Obligations" in the accompanying consolidated balance sheet. A cost of EUR 4,836 thousand is included in the accompanying consolidated income statement in respect of the aforementioned items (31 December 2009: EUR 7,154 thousand)
- Lastly, Flightcare Italia, SpA also contributed EUR 11,237 thousand to "Provisions for long-term employee benefits" in the accompanying consolidated balance sheet at 31 December 2010 (31 December 2009: EUR 12,170 thousand). This amount relates to the actuarial value of the accrued obligations, to which no assets have been assigned. The caption titled "Staff costs" on the enclosed consolidated income statement includes a cost of EUR 532 thousand (31 December 2009: EUR 1,370 thousand) relating to the net difference between the service cost and the discounted present value. The average actuarial rate applied was 0.96% in both years.

The details of the changes in the year in the obligations and assets associated with the pension plan are as follows:

Year 2010

Actual evolution of the present value of the obligation

	Giant	Waste Recycling Group	Alpine	Flightcare
Opening balance of obligations	**74,294**	**36,195**	**71,034**	**11,796**
Current service cost	1,426	678	4,934	—
Borrowing costs	4,520	2,108	2,553	108
Contributions by participants	—	50	—	424
Actuarial gains/losses	6,519	2,207	2,597	137
Changes due to exchange rate	6,382	1,151	3,781	—
Benefits paid in 2009	(4,891)	(1,496)	(7,247)	(1,465)
Past service costs	—	34	—	—
Business contingencies	—	—	2,041	—
Closing balance of obligations	**88,250**	**40,927**	**79,693**	**11,000**

Actual evolution of the fair value of plan assets

	Giant	Waste Recycling Group	Alpine	Flightcare
Opening balance of plan assets	**36,987**	**31,661**	**12,895**	**—**
Expected return on assets	3,676	2,128	324	—
Actuarial gains/losses	—	1,922	254	—
Changes due to exchange rate	2,888	1,006	2,216	—
Employer contributions	78	617	2,733	—
Participant contributions	—	50	—	—
Benefits paid	(3,350)	(1,496)	(1,609)	—
Closing balance of plan assets	**40,279**	**35,888**	**16,813**	**—**

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Conciliation of the actual evolution of the obligation, less the plan assets with the balance effectively recognised on the balance sheet

	Giant	Waste Recycling Group	Alpine	Flightcare
Net balance of obligations less plan assets at year-end	**47,971**	**5,039**	**62,880**	**11,000**
Actuarial gains/losses not recognised on balance sheet within 10% margin	—	—	(3,436)	237
Actuarial gains/losses not recognised on balance sheet to be recognised in later years	(23,559)	—	—	—
Unrecognised past-services cost balance (paragraph 58.b, IAS 19)	—	—	—	—
Net balance (asset-liability) recognised at year-end	**24,412**	**5,039**	**59,444**	**11,237**

Year 2009

Actual evolution of the present value of the obligation

	Giant	Waste Recycling Group	Alpine	Flightcare
Opening balance of obligations	**72,295**	**25,615**	**66,602**	**11,748**
Current service cost	2,359	594	7,172	—
Interests cost	2,613	1,707	2,491	482
Contributions by participants	—	193	—	888
Actuarial gains/losses	3,580	5,945	424	317
Changes due to exchange rate	(2,439)	2,754	—	—
Benefits paid	(4,114)	(897)	(7,744)	(1,639)
Past service costs	—	284	2,089	—
Closing balance of obligations	**74,294**	**36,195**	**71,034**	**11,796**

Actual evolution of the fair value of plan assets

	Giant	Waste Recycling Group	Alpine	Flightcare
Opening balance of plan assets	**35,534**	**23,672**	**11,952**	**—**
Expected return on assets	5,639	1,577	382	—
Actuarial gains/losses	—	3,131	—	—
Changes due to exchange rate	(1,201)	2,613	350	—
Employer contributions	—	1,373	2,126	—
Participant contributions	—	192	—	—
Benefits paid	(2,985)	(897)	(1,915)	—
Closing balance of plan assets	**36,987**	**31,661**	**12,895**	**—**

Reconciliation of the actual evolution of the obligation, less the plan assets with the balance effectively recognised on the balance sheet

	Giant	Waste Recycling Group	Alpine	Flightcare
Net balance of obligations less plan assets at year-end	**37,307**	**4,534**	**56,153**	**11,796**
Actuarial gains/losses not recognised on balance sheet within 10% margin	—	—	822	374
Actuarial gains/losses not recognised on balance sheet to be recognised in later years	(17,261)	—	—	—
Unrecognised past-services cost balance (paragraph 58.b, IAS 19)	—	—	(23)	—
Net balance (asset-liability) recognised at year-end	**20,046**	**4,534**	**56,952**	**12,170**

25. THIRD PARTY GUARANTEES AND OTHER CONTINGENT LIABILITIES

At 31 December 2010, the Group had provided EUR 5,200,345 thousand of guarantees to third parties, provided to government agencies and private-sector customers as security for the performance of construction projects and urban cleaning contracts (31 December 2009: EUR 5,927,309 thousand).

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 19). The lawsuits, although numerous, represent scantily 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 joint ventures, joint property entities, joint accounts and other entities of a similar legal nature, the venturers share joint and several liability with respect to the activity carried on (see Note 12).

26. INCOME AND EXPENSE

a) Operating revenues

The Group classifies operating income under "Revenue", except for that arising from work on non-current assets, operating grants, income from the sale of real estate assets and the expenses chargeable to tenants which are recorded as "Other Operating Income" on the enclosed consolidated income statement.

Note 27, "Segment Reporting", shows the contribution of the business lines to consolidated revenue.

The details of other operating income in 2010 and 2009 are as follows:

	2010	2009
Income from sundry services	193,477	205,726
CO_2 emission rights	62,784	35,278
Insurance indemnities	17,109	19,922
Operating grants	22,575	21,591
Other income	17,433	21,827
Excess provisions	24,577	53,183
	337,955	**357,527**

b) Supplies

The details of the balance under "Supplies" at 31 December 2010 and 2009 were as follows:

	2010	2009
Work performed by subcontractors and other companies	3,436,909	3,941,190
Purchases and procurements	2,186,770	2,181,971
Other external expenses	132	2,961
	5,623,811	**6,126,122**

c) Staff costs

The details of saff costs in 2010 and 2009 is as follows:

	2010	2009
Wages and salaries	2,590,904	2,584,745
Social Security	642,805	648,387
Other staff costs	67,055	63,390
	3,300,764	**3,296,522**

The balance under "Staff costs" at 31 December 2010 included EUR 2,323 thousand (EUR 1,824 thousand at 31 December 2009) relative to the Stock Option Plan (Note 18).

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The average number of employees working for the Group, by professional category, in 2010 and 2009 was as follows:

	2010	2009
Managers and university graduates	4,255	4,410
Other qualified line personnel	7,679	7,367
Clerical and similar staff	10,246	10,403
Other salaried employees	70,113	71,486
	92,293	93,666

The average number of employees at the Group, by gender, in 2010 and 2009 was as follows:

	2010	2009
Men	72,656	73,834
Women	19,637	19,832
	92,293	93,666

d) Impairment and results on fixed asset disposals

The composition of the balances under "Impairment and gains or losses on disposals of financial instruments" in 2010 and 2009 was as follows:

	2010	2009
Gain on the sale of ITV (vehicle inspection) business (Note 4.b)	163,385	—
Gain on the disposal of FCC Global Insurance General Services, S.A. (Note 4.b)	—	44,299
Gains(losses) on disposals of Property, Plant and Equipment and intangible assets	6,990	(6,691)
Impairment (Provisions)/reversals	(21,345)	19,199
Other items	(3,679)	4,037
	145,351	60,844

Notable under the heading of impairment in 2010 was the impairment of Flightcare Italia S.p.A. goodwill in the amount of EUR 17,000 thousand (Note 6).

e) Financial income and expense

The detail of the finance income in 2010 and 2009, based on the assets giving rise thereto, is as follows:

	2010	2009
Negotiable financial assets	5,730	3,043
Available-for-sale financial assets	3,801	2,878
Held-to-maturity investments	11,060	5,808
Current and non-current loans	17,283	17,373
"Total price payment" works	7,618	8,518
Cash and cash equivalents	14,299	28,576
	59,791	66,196

The details of finance costs in 2010 and 2009 are as follows:

	2010	2009
Credit facilities and loans	252,940	229,143
Limited recourse project financing loans	111,957	94,010
Payable under finance leases	4,544	7,882
Payable to third parties	39,029	19,412
Assignment of accounts receivable under "total price payment"	15,877	9,041
Other finance costs	17,738	18,187
	442,085	377,675

f) Change in fair value of financial instruments

The most noteworthy change was the loss due a change in the fair value of the non-hedging derivatives swap associated with the Share Option Plan which was EUR 24,286 thousand (gain of EUR 8,322 thousand in 2009) (Note 18).

g) Impairment and results on disposal of financial instruments

Notable under this heading in 2009 was the impairment of the Xfera Móviles, S.A. portfolio in the amount of EUR 18,443 thousand.

h) Results of entities carried under the equity method

The composition of this caption is as follows:

	2010	2009
Results (Note 11)		
Jointly-controlled entities	2,223	(8,194)
Associates	8,111	2,101
Results on disposals	6,505	24,454
	16,839	**18,361**

Notable among the disposals in 2009 was the sum of EUR 17,283 thousand in profits generated by the contribution of the concession business to the Global Vía Infraestructuras Group (Note 4).

27. 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 "Corporation" column includes the financial activity arising from the Group's centralised cash management, the operation of the Torre Picasso building and the companies that do not belong to any of the aforementioned Group activities.

Income statement by segment

In particular, the information shown in the following tables includes the following items as the segment result for 2010 and 2009:

- All operating income and expenses of the subsidiaries and joint ventures 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 assets of the segment.
- The stake in the profits (losses) of companies carried by the equity method.
- The income tax expense relating to the transactions performed by each segment.
- The "Corporation" column includes, in addition to the aforementioned items, the eliminations due to financial or other transactions between Group segments.
- The contribution of each area to the equity attributable to the shareholders of Fomento de Construcciones y Contratas, S.A. is shown under "Contribution to FCC Group Profit".

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	Total	Services		Construction	Cement	Energy	Corporation
		Environment	Versia				
2010							
Turnover	12,114,168	3,672,222	846,347	6,693,575	886,678	86,254	(70,908)
Other income	420,552	81,592	35,733	173,085	96,609	6,871	26,662
Operating expenses	(11,100,168)	(3,096,162)	(743,092)	(6,511,175)	(763,595)	(27,641)	41,497
Fixed asset amortisation	(732,140)	(333,246)	(96,400)	(115,100)	(133,773)	(45,698)	(7,923)
Operating profit	71,313	(895)	150,350	1,215	(18,908)	(49)	(60,400)
Operating results	773,725	323,511	192,938	241,600	67,011	19,737	(71,072)
Percentage of revenue turnover	6.39%	8.81%	22.80%	3.61%	7.56%	22.88%	100.23%
Financial income and expense	(382,294)	(183,864)	(33,149)	(59,355)	(64,915)	(39,895)	(1,116)
Other financial income (losses)	(14,639)	3,688	3,123	6,800	2,227	—	(30,477)
Profit (loss) companies carried by equity	16,839	26,740	3,270	(1,920)	(1,499)	3,936	(13,688)
Before-tax profits (losses) from continuous operations	**393,631**	**170,075**	**166,182**	**187,125**	**2,824**	**(16,222)**	**(116,353)**
Income tax	(80,048)	(32,657)	(31,078)	(31,321)	8,136	5,283	1,589
Consolidated profit of the year	**313,583**	**137,418**	**135,104**	**155,804**	**10,960**	**(10,939)**	**(114,764)**
Minority interests	(12,330)	(2,985)	64	637	(9,757)	55	(344)
Profit/(loss) attributed to parent company	**301,253**	**134,433**	**135,168**	**156,441**	**1,203**	**(10,884)**	**(115,108)**
Contribution to FCC Group profit	**301,253**	**134,433**	**135,168**	**156,441**	**860**	**(10,884)**	**(114,765)**

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	Total	Services Environment	Services Versia	Construction	Cement	Energy	Corporation
2009							
Turnover	12,699,629	3,601,697	820,012	7,201,220	1,035,393	81,948	(40,641)
Other income	407,987	111,809	28,986	187,034	66,409	2,898	10,851
Operating expenses	(11,622,703)	(3,103,361)	(750,110)	(6,982,152)	(812,758)	(19,011)	44,689
Fixed asset amortisation	(752,381)	(322,863)	(95,229)	(121,199)	(162,969)	(42,636)	(7,485)
Operating profit	56,980	10,124	2,850	(2,794)	2,494	—	44,306
Operating results	789,512	297,406	6,509	282,109	128,569	23,199	51,720
Percentage of revenue turnover	6.22%	8.26%	0.79%	3.92%	12.42%	28.31%	(127.26%)
Financial income and expense	(311,479)	(155,713)	(37,389)	(37,489)	(73,036)	(29,797)	21,945
Other financial income (losses)	(57,349)	(10,846)	(3,019)	(21,289)	(13,835)	(7)	(8,353)
Profit (loss) companies carried by equity	18,361	17,335	2,168	81,582	12,171	513	(95,408)
Before-tax profits (losses) from continuous operations	**439,045**	**148,182**	**(31,731)**	**304,913**	**53,869**	**(6,092)**	**(30,096)**
Income tax	(115,229)	(31,488)	5,076	(77,673)	(13,984)	2,615	225
Consolidated profit of the year	**323,816**	**116,694**	**(26,655)**	**227,240**	**39,885**	**(3,477)**	**(29,871)**
Minority interests	(27,780)	(2,452)	(24)	(2,414)	(15,843)	(152)	(6,895)
Profit/(loss) attributed to parent company	**296,036**	**114,242**	**(26,679)**	**224,826**	**24,042**	**(3,629)**	**(36,766)**
Contribution to FCC Group profit	**296,036**	**114,242**	**(26,679)**	**224,826**	**17,147**	**(3,629)**	**(29,871)**

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Regarding to the tables above anf for "Corporation", the following items are particularly worthy of note in 2010 and 2009:

Turnover

	2010	2009
Torre Picasso	25,371	26,127
Elimination of inter-segment transactions	(100,759)	(77,446)
Other	4,480	10,678
	(70.908)	**(40.641)**

Contribution to FCC Group profit (net of tax)

	2010	2009
Results of Realia Business carried by the equity method (Note 4)	**335**	**(16,445)**
Results of Global Vía Group: - Consolidated by equity method - Intergroup portfolio transfers	 (22,901) —	 (13,522) (53,376)
Gain on the sale of FCC Global Insurance General Services, S.A.	—	36,325
Stock option derivatives and others	(21,350)	6,580
Torre Picasso (Note 8)	12,572	13,202
International expansion provision	(42,280)	—
Staff costs	(14,423)	(16,534)
Other	(26,718)	13,899
	(114,765)	**(29,871)**

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Balance sheet by segments

	Total	Services Environment	Services Versia	Construction	Cement	Energy	Corporation
2010							
ASSETS							
Non-current assets	13,393,742	5,531,277	1,093,382	1,701,173	2,948,299	1,038,847	1,080,764
Intangible assets	5,063,681	2,081,316	763,147	515,487	1,104,295	530,749	68,687
Property, plant and equipment	5,833,737	2,735,409	253,817	669,093	1,686,434	498,482	(9,498)
Investment property	259,033	6,461	—	23,590	—	—	228,982
Investments carried using the equity method	1,222,895	226,334	23,890	242,090	39,122	967	690,492
Financial assets	415,799	301,298	20,626	68,208	9,371	3,243	13,053
Deferred tax assets	598,597	180,459	31,902	182,705	109,077	5,406	89,048
Current assets	8,585,395	1,966,588	426,142	5,396,214	796,888	55,500	(55,937)
Inventories	1,138,375	56,623	28,853	904,899	136,173	761	11,066
Trade and other receivables	5,491,691	1,521,680	253,218	3,521,899	219,315	17,761	(42,182)
Other financial assets	225,763	100,682	120,852	117,108	13,115	5,702	(131,696)
Other assets	50,915	24,743	2,720	14,538	4,325	235	4,354
Cash and cash equivalents	1,678,651	262,860	20,499	837,770	423,960	31,041	102,521
Total assets	**21,979,137**	**7,497,865**	**1,519,524**	**7,097,387**	**3,745,187**	**1,094,347**	**1,024,827**
LIABILITIES							
Equity	3,206,301	617,203	133,086	878,994	1,472,091	(7,526)	112,453
Non-current liabilities	10,962,527	2,680,823	719,796	1,312,167	1,829,277	642,214	3,778,250
Grants	104,693	20,932	386	80,902	2,473	—	—
Provisions	1,047,836	474,913	57,005	186,163	75,221	12,115	242,419
Financial liabilities	8,628,968	1,639,458	634,506	949,206	1,456,681	530,018	3,419,099
Deferred tax liabilities	1,156,043	520,533	27,899	95,896	294,902	100,081	116,732
Other non-current liabilities	24,987	24,987	—	—	—	—	—
Current liabilities	7,810,309	4,199,839	666,642	4,906,226	443,819	459,659	(2,865,876)
Provisions	143,233	14,730	2,801	125,655	47	—	—
Financial liabilities	1,988,231	784,381	266,841	621,726	272,455	441,676	(398,848)
Trade and other payables	5,662,968	1,032,167	221,334	4,151,898	167,776	17,983	71,810
Other liabilities	15,877	5,202	34	6,947	3,541	—	153
Intra-group transactions	—	2,363,359	175,632	—	—	—	(2,538,991)
Total liabilities	**21,979,137**	**7,497,865**	**1,519,524**	**7,097,387**	**3,745,187**	**1,094,347**	**1,024,827**

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	Total	Services Environment	Services Versia	Construction	Cement	Energy	Corporation
2009							
ASSETS							
Non-current assets	13,384,655	5,368,193	1,189,783	1,708,916	2,998,148	1,014,423	1,105,192
Intangible assets	5,009,277	1,971,672	822,801	496,442	1,105,580	545,903	66,879
Property, plant and equipment	5,957,478	2,729,658	281,703	741,526	1,752,765	463,939	(12,113)
Investment property	264,093	7,332	—	18,563	—	—	238,198
Investments carried using the equity method	1,145,754	191,364	25,785	193,731	40,991	914	692,969
Financial assets	404,024	262,582	20,745	78,397	7,299	51	34,950
Deferred tax assets	604,029	205,585	38,749	180,257	91,513	3,616	84,309
Current assets	8,427,874	1,920,778	331,924	5,282,017	869,534	56,602	(32,981)
Non-current assets held for sale	—	—	—	—	879	—	(879)
Inventories	1,103,282	38,436	35,363	887,191	141,141	146	1,005
Trade and other receivables	5,372,976	1,478,758	247,486	3,395,067	255,609	20,930	(24,874)
Other financial assets	230,980	109,426	24,095	100,382	17,183	4,013	(24,119)
Other assets	66,174	23,317	3,321	34,668	4,311	266	291
Cash and cash equivalents	1,654,462	270,841	21,659	864,709	450,411	31,247	15,595
Total assets	**21,812,529**	**7,288,971**	**1,521,707**	**6,990,933**	**3,867,682**	**1,071,025**	**1,072,211**
LIABILITIES							
Equity	3,097,574	540,738	86,434	576,679	1,455,645	(6,425)	444,503
Non-current liabilities	11,178,933	2,438,120	771,072	847,187	2,014,559	677,653	4,430,342
Grants	85,692	18,236	396	63,953	3,107	—	—
Provisions	906,535	445,962	59,597	186,339	49,547	11,844	153,246
Financial liabilities	8,952,544	1,432,132	668,517	469,548	1,666,832	556,287	4,159,228
Deferred tax liabilities	1,216,910	524,546	42,562	127,347	295,065	109,522	117,868
Other liabilities	17,252	17,244	—	—	8	—	—
Current liabilities	7,536,022	4,310,113	664,201	5,567,067	397,478	399,797	(3,802,634)
Provisions	110,773	8,216	1,387	101,123	47	—	—
Financial liabilities	1,519,368	953,865	295,038	1,039,082	238,956	384,537	(1,392,110)
Trade and other payables	5,896,831	1,109,084	216,182	4,422,243	156,054	15,260	(21,992)
Other liabilities	9,050	2,025	13	4,619	2,421	—	(28)
Intra-group transactions	—	2,236,923	151,581	—	—	—	(2,388,504)
Total liabilities	**21,812,529**	**7,288,971**	**1,521,707**	**6,990,933**	**3,867,682**	**1,071,025**	**1,072,211**

Cash flows by segment

	Total	Services Environment	Services Versia	Construction	Cement	Energy	Corporation
2010							
From operating activities	1,011,065	489,641	156,231	37,318	250,888	52,551	24,436
From investing activities	(576,643)	(356,175)	31,879	(288,534)	(13,109)	(50,752)	100,048
From financing activities	(423,519)	(145,749)	(193,632)	220,601	(265,144)	(2,005)	(37,590)
Effect of exchange rate fluctuations and other	13,286	4,301	4,362	3,676	912	—	35
Cash flow of the year	**24,189**	**(7,982)**	**(1,160)**	**(26,939)**	**(26,453)**	**(206)**	**86,929**
2009							
From operating activities	1,602,070	682,714	138,262	146,519	360,262	71,690	202,623
From investing activities	(843,050)	(406,287)	(67,115)	263,360	79,211	(207,966)	(504,253)
From financing activities	(503,784)	(219,427)	(71,495)	(369,673)	(269,073)	159,994	265,890
Effect of exchange rate fluctuations and other	(9,435)	(7,968)	692	(840)	(2,341)	—	1,022
Cash flow of the year	**245,801**	**49,032**	**344**	**39,366**	**168,059**	**23,718**	**(34,718)**

b) Activities and investments by geographical area

Approximately 46% of the Group's business is conducted abroad (2009: 44%)

The breakdown, by market, of the revenue earned abroad by the Group companies in 2010 and 2009 is as follows:

	Total	Services Environment	Services Versia	Construction	Cement	Energy
2010						
European Union	4,446,592	1,145,077	216,503	3,033,846	48,270	2,896
USA North America	288,874	106,072	35,801	11,033	135,968	—
Latin America	226,057	3,133	28,817	193,244	863	—
Other	600,400	56,978	598	433,162	108,938	724
	5,561,923	**1,311,260**	**281,719**	**3,671,285**	**294,039**	**3,620**
2009						
European Union	4,509,742	1,111,079	209,700	3,132,215	56,748	—
USA	296,612	84,446	28,053	46,267	137,846	—
Latin America	150,456	5,440	21,936	122,461	619	—
Other	668,747	54,387	697	513,667	99,996	—
	5,625,557	**1,255,352**	**260,386**	**3,814,610**	**295,209**	**—**

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According to the terms of IFRS 8, "Operating segments", the enclosed financial statement includes the following information by geographical area:

	Group Total	Spain	UK	Czech Republic	Other European Union countries	United States of America	Latin America	Other
2010								
ASSETS								
Intangible assets	5,063,681	3,055,770	725,336	897	597,440	582,028	102,210	—
Property, Plant and Equipment	5,833,737	2,523,778	1,467,515	302,958	813,801	590,726	43,584	91,375
Investment property	259,033	235,443	—	—	23,590	—	—	—
Deferred tax assets	598,597	357,782	135,052	1,787	21,889	76,192	5,873	22
2009								
ASSETS								
Intangible assets	5,009,277	3,073,767	697,921	935	592,143	563,692	80,819	—
Property, Plant and Equipment	5,957,478	2,648,187	1,480,482	288,512	840,361	549,555	46,361	104,020
Investment property	264,093	245,530	—	—	18,563	—	—	—
Deferred tax assets	604,029	363,800	145,433	1,170	19,565	68,069	3,581	2,411

c) Staff

The average number of employees in 2010 and 2009, by business area, was as follows:

	2010	2009
Services		
Environmental	49,513	49,558
Versia	11,201	11,251
Construction	27,583	28,637
Cement	3,529	3,832
Corporation	467	388
	92,293	**93,666**

28. ENVIRONMENTAL INFORMATION

At the meeting held on 3 June 2009, the Board of Directors of FCC approved the FCC Group's Environmental Policy which responds to the objectives of the 2009-2010 Corporate Responsibility Master Plan and reinforces the FCC Group's commitment to social responsibility as part of FCC's overall strategy in relation to environmental services.

The FCC Group conducts its business in keeping with its commitment to corporate responsibility, to compliance with all applicable legal requirements, to its respect for interest groups and its desire to generate wealth and wellbeing.

Aware of just how important environmental preservation and the responsible use of available resources are to the FCC Group and in keeping with the desire to render its services in a way which is respectful of the environment, the FCC Group has established the following standards, applicable to the entire organisation, which serve as the cornerstone of its contribution to sustainable development.

Continuing improvement

Promoting environmental excellence by establishing objectives for continuously improving performance, minimizing the negative impact of the processes, products and services of the FCC Group and maximising the positive impact.

Control and monitoring

Establishing systems for managing environmental indicators for the operational control of processes that provide the knowledge needed for the purposes of monitoring, evaluating, decision making and communication of the environmental performance of the FCC Group and the fulfilment of the commitments assumed.

Climate change and pollution prevention

Directing the fight against climate change by implementing processes with lower greenhouse effect gas emissions and by fostering emery efficiency and promoting renewable energies.

Preventing pollution and protecting the environment through effective management and the responsible use of natural resources and by minimizing the impact of the emissions, dumping and waste generated and handled in connection with the FCC Group's business activities.

Observing the environment and innovation

Identifying the risks and opportunities inherent to the activities associated with a changeable natural environment in order to promote innovation and the application of new technologies and to generate synergies among the different activities carried out by the FCC Group.

Life cycle of products and services

Intensifying environmental considerations when planning the activities, acquisition of materials and equipment and relationships with suppliers and contractors.

The necessary ivolvement of all

Promoting an awareness and application of environmental principles among employees and other interest groups.

Sharing the experience with best practices with the different social agents to foster alternative solutions that contribute to the achievement of a sustainable environment.

The implementation of quality management and environmental management systems and follow-up audits are illustrative of 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) Ongoing analysis of risks and possible improvements.

The basic tool for mitigating environmental risk is the environmental plan prepared by each operating unit, which sets out the following:

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.

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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, wastewater treatment, 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 2010, the acquisition cost of the non-current assets assigned to production in the Services area, net of depreciation and amortisation, totalled EUR 4,816,724 thousand (31 December 2009: EUR 4,701,329 thousand). The environmental provisions, mainly for landfill sealing and shutdown expenses, totalled EUR 353,556 thousand (31 December 2009: EUR 348,089 thousand).

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

At year-end the Cementos Portland Valderrivas Group had non-current assets relating to environmental conservation and protection amounting to EUR 192,856 thousand (2009: EUR 191,314 thousand), with accumulated amortisation of EUR 88,251 thousand (EUR 79,708 thousand in 2009).

The Group's cement business receives, free of charge, CO_2 emission rights under the corresponding national allocation plans. In 2010 and 2009, the emission rights received were equivalent to 7,763,000 tonnes per annum, 7,729,000 tonnes of which referred to the National Allocation Plan (NAP) for Spain for the period 2008-2012 for the companies Cementos Portland Valderrivas, S.A., Cementos Alfa, S.A., Lemona Industrial, S.A. and Uniland Cementera, S.A. and 34,000 tonnes pending final allocation to Cementos Portland Valderrivas, S.A.

In 2010, the companies mentioned above reached an agreement with a financial institution to exchange the emission rights received as part of the "EUA" for the acquired investment rights in projects in developing countries (also known as "CER") during the term of the 2008-2012 National Allocation Plan. The financial institution has guaraneed the Group a premium per ton exchanged.

The caption titled "Operating Income" on the enclosed income statement reflects the income obtained from the sale of greenhouse gas rights 2010 in the amount of EUR 62,784 thousand (EUR 35,278 thousand in 2009) (Note 26.a).

The Construction division adopts environmental practices which make it possible to respect the environment in the performance of construction projects, and minimises its 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 effluents 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.

The Energy area strives for energy efficiency through the use of technologies which focus on the generation and use of renewable energies as vital mechanisms for the reduction of CO_2 emission and the fight against climate change.

It is not believed that there are any significant contingencies in relation to the protection and enhancement of the environment at 31 December 2010 which could have a significant impact on the enclosed 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.

29. FINANCIAL RISK MANAGEMENT POLICIES

Financial risk refers to changes in the value of financial instruments contracted by the Group due to political, market and other factors, and the effect of such changes on the consolidated balance sheet.

The FCC Group's risk management philosophy is consistent with its business strategy, as it strives for maximum solvency and efficiency at all times. In that regard, the Group has set out stringent financial risk management and control criteria for identifying, measuring, analysing and controlling the risks faced in the course of FCC's operations. This risk policy is correctly integrated into the Group's organisational structure.

In keeping with the risk control policy, hedging transactions arranged by the FCC Group are not speculative but, rather, aim to cover the transaction risks.

Due to the Group's activities and the operations through which carries them out, it is exposed to the following risks:

Capital risk management

The Group manages its capital to ensure that the Group companies will be able to continue to operate as profitable businesses while maximising the return for shareholders.

The Group's overall strategy continues to focus on geographical diversification, developing and expanding activities in Europe and in North and Central America.

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.

In addition to the standard objectives of investment analysis (returns, return period, risk assumed, and strategic and market valuations), these analyses focus on keeping the net debt/EBITDA ratio at reasonable levels and within the terms of agreements with lenders.

The Company's Finance Department, which is in charge of managing financial risks, regularly reviews the leverage ratios and compliance with loan covenants, as well as subsidiaries' capital structures.

Interest rate risk

In order to adopt the optimal position for the Group's interests, it implements an active risk management policy; it constantly monitors the market and adopts positions depending mainly on the asset being 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.

Nevertheless, the FCC Group has arranged interest rate hedges; at the end of 2010, it had hedged 48.6% of the Group's total net debt using a range of instruments at different terms (including hedges for structured project finance).

In compliance 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 pay a fixed interest rate and receive a floating rate.

Foreign exchange risk

As a result of the FCC Group's positioning in international markets, it is exposed to exchange rate risks in its net foreign currency positions with respect to both the euro and other foreign currencies when the investment and financing of an activity cannot be arranged 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 exchange risk can have on both the balance sheet and the income statement.

The Group actively manages its foreign exchange risk by arranging financial transactions in the same currency as that in which the related asset is denominated. In that regard, the Group strives always to finance its activities in every country in the local currency as this creates a natural hedge between cash flows and financing. However, this is occasionally not possible where the currency of the country of origin of the investment is weak and long-term financing cannot be obtained in that currency. In these cases, financing is obtained either in the currency of the consolidated Group or in the most closely-related foreign currency.

Foreign currency risk is expressed as the portion of the Group's equity denominated in currencies other than the euro, as indicated in Note 17, "Equity", the most noteworthy currency being the pound sterling.

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Solvency risk

At 31 December 2010, the FCC Group's net financial debt amounted to EUR 7,748,732 thousand as shown in the following table:

	2010	2009
Bank borrowings	8,524,821	8,517,396
Bonds and debentures	680,650	563,297
Other interest-bearing debt	447,675	459,906
Current financial assets	(225,763)	(230,980)
Cash and cash equivalents	(1,678,651)	(1,654,462)
Net financial debt	**7,748,732**	**7,655,157**
Net debt with limited recourse	**(2,760,615)**	**(2,881,637)**
Net debt with recourse	**4,988,117**	**4,773,520**

The most relevant ratio for measuring solvency and repayment capacity is: the net debt / EBITDA ratio. The Group's ratios are reasonable and comply with the covenants agreed with lenders.

Liquidity risk

The FCC Group operates in various markets in order to obtain the financing it needs, thereby mitigating liquidity risk.

Despite the adverse situation reigning in the financial markets throughout 2010, the FCC Group has remained extremely well positioned and has anticipated any potential adversity by paying close attention to trends in those factors that may help to resolve liquidity shortfalls in the future and to the various sources of financing and their characteristics.

Details of the credit facilities granted at consolidated level at 31 December 2010, taking into account only short- and long-term bank debt and excluding non-recourse debt, finance lease payables and accrued interest payable, are as follows:

	Amount granted	Undrawn balance	Balance drawn down
Consolidated	7,586,285	1,526,911	6,059,374

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 140 Spanish and international credit institutions.
- Markets/geographical area (Spanish, foreign): The FCC Group operates in a wide variety of markets in Spain and other countries; 83% of the Group's debt is in euro and 17% 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 significant concentration of financing in euro, US dollars and pounds sterling, investments tend to be financed in the local currency, and in the country of origin, wherever possible.

Sensitivity test

With regard to the sensitivity test of hedging derivatives and net debt, the table below shows the amounts obtained, in thousands of euros, in relation to the exisiting derivatives at the end of the year with an impact on equity and the income statement, once the percentage of interest is applied. Given the instability of financial markets, the sensitivity test considered three scenarios which assumed a rise in the interest rate curve at 31 December 2010 of 100, 125 and 150 basis points and three scenarios which assumed a decline in the interest rate curve of 100, 75 and 50 basis points.

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	Hedging derivatives					
	-100 bp	-75 bp	-50 bp	+100 bp	+125 bp	+150 bp
Impact on equity (fully consolidated companies)	(74,479)	(55,160)	(36,281)	67,992	84,117	99,911
Impact on equity (equity method)	(107,262)	(78,890)	(51,579)	92,789	114,092	134,639

Regarding the derivatives that do not meet hedging requirements, it should be noted that the impact which applying the sensitivity test in the same terms as indicated above would have on the income statement would be negligible.

As with derivatives, the table below shows the effect which the upward or downward variations in the interest rate curve discussed above would have on net debt and on the Company's income statement, excluding the debt associated with hedging instruments (+100 bp, +125 bp, +150 bp and -100 bp, -75 bp y -50 bp respectively).

	Net debt					
	-100 bp	-75 bp	-50 bp	+100 bp	+125 bp	+150 bp
Impact on income statement	(50,100)	(37,600)	(25,100)	50,100	62,700	75,200

Internal Financial Reporting Control System (IFRCS)

As a consequence of the foreseeable incorporation of the 4th EU Directive into Spanish law in 2011, publicly listed companies shall not be obligated to itemise the information relative to the description of their internal control systems for regulated financial information (hereinafter IFRCS). Furthermore, following the modification in 2010 of section 4 of the Eighteenth Additional Provision of the Stock Market Act in relation to the adaptation of the 8th EU Directive, there are new responsibilities for the Audit Committees of publicly listed companies relative to their organizations' internal control practices.

To assist these entities in complying with their new obligations, the CNMV asked the Expert Working Group to draft a report which could serve as a frame of reference and a guide about internal control practices to ensure the reliability of financial information.

In this regard, in 2010 Fomento de Construcciones y Contratas, S.A. started a project to evaluate the current level of development of the IFRCS in relation to the good practices proposed in the report published by the CNMV and implement any measures which may be needed in this regard.

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30. INFORMATION ON RELATED PARTY TRANSACTIONS

a) Transactions with significant shareholders of the Parent

The detail of the significant transactions involving a transfer of resources or obligations between Group companies and significant shareholders are as follows:

Shareholder Company	Group Operation	nature of the transaction	Type of relationship	Amount
B1998, S.L.	FCC Medio Ambiente, S.A.	Contractual	Cleaning services	3,282

b) Transactions with Company directors and officers

The bylaw-stipulated emoluments earned by the directors of Fomento de Construcciones y Contratas, S.A. payable to them by the Company or by any of the Group companies, joint ventures or associates totalled EUR 1,937 thousand in 2010 (EUR 2,209 thousand in 2009).

The detail of the fixed and variable remuneration earned by the executive directors of Fomento de Construcciones y Contratas, S.A. in 2010 and 2009 and payable to them by the Company or by any of the Group companies, joint ventures or associates is as follows:

	2010	2009
Fixed	3,724	4,075
Variable	1,639	1,866
	5,363	**5,941**

The senior executives listed below, who are not members of the Board of Directors, earned total remuneration of EUR 6,668 thousand in 2010 (2009: EUR 6,686 thousand).

2010	
José Luís de la Torre Sánchez	Chairman of FCC Servicios
Miguel Hernanz Sanjuan	Director of Internal Audit
Dieter Kiefer	Chairman and CEO of Cementos Portland Valderrivas
José Mayor Oreja	Chairman of FCC Construcción, S.A.
Víctor Pastor Fernández	Director of Finance
Antonio Gómez Ciria	General Manager of Administration and IT
Eduardo González Gómez	Director of Energy and Sustainability
José Manuel Velasco Guardado	Director of Communications and Corporate Responsibility
Francisco Martín Monteagudo	Director of Human Resources
2009	
José Luís de la Torre Sánchez	Chairman of FCC Servicios
Miguel Hernanz Sanjuan	Director of Internal Audit
Dieter Kiefer	Chairman and CEO of Cementos Portland Valderrivas
José Mayor Oreja	Chairman of FCC Construcción, S.A.
Víctor Pastor Fernández	Director of Finance
Antonio Gómez Ciria	General Manager of Administration and IT
Gerard Ries	Deputy Director of Strategy and International Corporate Development
Eduardo González Gómez	Director of Energy and Sustainability
José Manuel Velasco Guardado	Director of Communications and Corporate Responsibility
Francisco Martín Monteagudo	Director of Human Resources

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The payments made by the Group in relation to the insurance policy taken out for, among others, certain executive directors and executives of the Company or the Group are disclosed in Note 24.

Except as indicated in Note 24, no other remuneration, advances, loans or guarantees were granted to the Board members.

Set forth below are the required disclosures in relation to the ownership interests held by the directors of Fomento de Construcciones y Contratas, S.A. in the share capital of non-FCC Group companies; the activities (if any) performed by them, as independent professionals or as employees, that are identical, similar or complementary to the activity business of the FCC Group; and the transactions (if any) conducted by them or by persons acting on their behalf with the Company or with any company in the same Group that are not part of the Company's normal business activities or are not conducted on an arm's length basis:

- They do not perform the same, analogous or supplementary activity to that which constitutes the Company's corporate object on their own behalf or on the behalf of any other person.
- They do not hold any ownership interests in the share capital of any 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
- They have not participated in other operations falling outside the scope of the Company's ordinary business operations or under conditions other than arm's length, either with the Company or any other member company of the Group.

The exception to the above is the Director B-1998, which has reported that the director's respresentative, Esther Koplowitz Romero de Juseu, is also a member of the Board of Directors of Veolia Environnement, S.A. Henri Proglio is also a member of the Board of Directors of Veolia Environnement, S.A. and Chairman of Electricité de France (EDF).

The details of the directors holding positions in companies in which Fomento de Construcciones y Contratas, S.A. has a direct or indirect ownership interest are as follows:

Director name or business name	Group company	Position
Cartera Deva, S.A.	Cementos Portland Valderrivas, S.A. Realia Business, S.A.	Director Director
EAC Inversiones Corporativas, S.L.	Cementos Portland Valderrivas, S.A. FCC Construcción, S.A. Realia Business, S.A.	Director Director Director
Don Fernando Falcó Fernández de Córdova	FCC Construcción, S.A. Waste Recycling Group Limited Realia Business, S.A.	Director Director Director
Don Rafael Montes Sánchez	FCC Construcción, S.A. Cementos Portland Valderrivas, S.A. Realia Business, S.A.	Director Director Director
Don Juan Castells Masana	Waste Recycling Group Limited Cementos Portland Valderrivas, S.A.	Director Director
Don Baldomero Falcones Jaquotot	FCC Energía, S.A.	Chairman
Don Felipe B. García Pérez	FCC Energía, S.A. FCC Environmental LLC.	Sectretary Director
Don Javier Ribas	FCC Environmental LLC.	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:

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Name of director or executive	Name of the Group company or entity	Nature of the transaction	Type of relationship	Amount
Dominum Desga, S.A.	Servicios especiales de limpieza, S.A.	Contractual	Service rendered	7,262

c) 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 case, are eliminated in the preparation of the consolidated financial statements

The revenue recognised in the accompanying consolidated income statement includes EUR 340,623 thousand (EUR 383,197 thousand in 2009) relating to Group company billings to associates.

The Group's consolidated financial statements also include purchases from associates amounting to EUR 72,760 thousand (EUR 33,361 thousand in 2009).

d) 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.

31. FEES PAID TO AUDITORS

The 2010 and 2009 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:

	2010		2009	
Fees for auditing services		6,331		6,508
Principal auditor	3,755		3,826	
Other auditors	2,576		2,682	
Fees for other services		7,541		8,035
Principal auditor	444		846	
Other auditors	7,097		7,189	
		13,872		14,543

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APPENDIX I SUBSIDIARIES (FULLY CONSOLIDATED COMPANIES)

Company	Address	Ownership (%)	Auditor
ENVIRONMENTAL SERVICES			
Abastecimientos y Saneamientos del Norte, S.A. Unipersonal	Uruguay, 11 – Vigo (Pontevedra)	100.00	
Abrantaqua-Serviço de Aguas Residuais Urbanas do Municipio de Abrantes, S.A.	Portugal	60.00	Ernst & Young
Acque di Caltanissetta, S.p.A.	Italy	88.90	Ernst & Young
Adobs Orgànics. S.L.	Sant Benet, 21 –Manresa (Barcelona)	60.00	
AEBA Ambiente y Ecología de Buenos Aires, S.A.	Argentina	52.50	
Aguas Torrelavega, S.A.	La Viña, 4 – Torrelavega (Cantabria)	51.00	Audinfor
Aigües de l'Alt Empordà, S.A.- in liquidation -	Lluís Companys, 43 – Roses (Girona	51.40	
Aigües de Vallirana, S.A. Unipersonal	Conca de Tremp, 14 – Vallirana (Barcelona)	100.00	
Alfonso Benítez, S.A.	Federico Salmón, 13 - Madrid	100.00	PricewaterhouseCoopers
Apex/FCC Llc.	USA	51.00	
Aqua Campiña, S.A.	Avda. Blas Infante, 6 – Écija (Sevilla)	90.00	Audinfor
Aquaelvas – Aguas de Elvas, S.A.	Portugal	100.00	Ernst & Young
Aqualia Czech, S.L.	Ulises, 18 – Madrid	100.00	Ernst & Young
Aqualia Gestión Integral del Agua, S.A.	Federico Salmón, 13 - Madrid	100.00	Ernst & Young
Aqualia Infraestructuras Inzenyring s.r.o.	Czech Republic	100.00	Ing. Ladislav Baláz
Aqualia Infraestructuras de México, S.A. de C.V.	Mexico	100.00	Ernst & Young
Aqualia Infraestructuras, S.A.	Ulises, 18 – Madrid	100.00	
Aqualia New Europe B.V.	Holland	51.00	Ernst & Young
Aquamaior-Aguas de Campo Maior, S.A.	Portugal	100.00	Ernst & Young
Armigesa, S.A.	Plaza de la Constitución s/n – Armilla (Granada)	51.00	
Augas Municipais de Arteixo, S.A.	Plaza Alcalde Ramón Dopico – Arteixo (La Coruña)	51.00	Centium
Azincourt Investment, S.L. Unipersonal	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	
Cartagua, Aguas do Cartaxo, S.A.	Portugal	60.00	Ernst & Young
Castellana de Servicios, S.A.	Federico Salmón, 13 - Madrid	100.00	PricewaterhouseCoopers
Chemipur Químicos, S.L. Unipersonal	Pincel, 25 – Sevilla	100.00	
Colaboración, Gestión y Asistencia, S.A.	Federico Salmón, 13 - Madrid	100.00	
Compañía Catalana de Servicios, S.A.	Balmes, 36 – Barcelona	100.00	PricewaterhouseCoopers
Compañía de Control de Residuos, S.L.	Peña Redonda, 27 – P.I. Silvota – Llanera (Asturias)	64.00	
Compañía Onubense de Aguas, S.A.	Avda. Martín Alonso Pinzón, 8 – Huelva	60.00	
Corporación Inmobiliaria Ibérica, S.A.	Ulises, 18 – Madrid	100.00	
Cristales Molidos, S.L.	Partida San Gregorio – Cadrete (Zaragoza)	100.00	
Dédalo Patrimonial, S.L. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
Depurplan 11, S.A.	San Miguel, 4 3ºB – Zaragoza	100.00	Audinfor

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Company	Address	Ownership (%)	Auditor
Depurtebo, S.A.	San Pedro, 57 – Zuera (Zaragoza)	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	53.63	PricewaterhouseCoopers
Ecogenesis Societe Anonime Rendering of Cleansing and Waste Management Services	Greece	51.00	
Ecoparque Mancomunidad del Este, S.A.	Federico Salmón, 13 - Madrid	100.00	
Egypt Environmental Services, S.A.E.	Egypt	100.00	PricewaterhouseCoopers
Ekonor, S.A.	Larras de San Juan-Iruña de Oca (Álava)	100.00	PricewaterhouseCoopers
Ekostone Áridos Siderúrgicos, S.L.	Trinidad, 9 – Getxo (Vizcaya)	51.00	
Empresa Comarcal de Serveis Mediambientals del Baix Penedés, ECOBP, S.L.	Plaça del Centre, 3 - El Vendrell (Tarragona)	80.00	Audinfor
Empresa Mixta de Conservación de la Estación Depuradora de Aguas Residuales de Butarque, S.A.	Princesa, 3 – Madrid	70.00	
Empresa Municipal de Desarrollo Sostenible Ambiental de Úbeda, S.L.	Plaza Vázquez de Molina, s/n –Úbeda (Jaén)	90.00	Audinfor
Entemanser, S.A.	Castillo, 13 – Adeje (Santa Cruz de Tenerife)	97.00	Ernst & Young
Enviropower Investments Limited	UK	100.00	Deloitte
F.S. Colaboración y Asistencia, S.A.	Ulises, 18 – Madrid	65.00	Audinfor
FCC Ámbito, S.A.	Federico Salmón, 13 - Madrid	100.00	PricewaterhouseCoopers
FCC Environmental Llc. (1)	USA	100.00	
FCC Medio Ambiente, S.A.	Federico Salmón, 13 - Madrid	100.00	PricewaterhouseCoopers
Focsa Services, U.K., Ltd.	UK	100.00	Deloitte
Focsa Serviços de Saneamento Urbano de Portugal, S.A.	Portugal	100.00	PricewaterhouseCoopers
FTS 2010 Societa Consortile a Responsabilita Limitata	Italy	60.00	
Gamasur Campo de Gibraltar, S.L.	Antigua Ctra. de Jimena de la Frontera, s/n – Los Barrios (Cádiz)	85.00	PricewaterhouseCoopers
GEMECAN, Gestora Medioambiental y de Residuos, S.L.	Josefina Mayor, 12 – Telde (Las Palmas)	100.00	
Geneus Canarias, S.L. Unipersonal	Electricista, 2. U. I. de Salinetas – Telde (Las Palmas)	100.00	
Gestió i Recuperació de Terrenys, S.A.	Rambla de Catalunya, 2-4 – Barcelona	80.00	Audinfor
Gestión de Aguas del Norte, S.A.	Cuarta del Agua, 9 – Galdar (Las Palmas)	100.00	Ernst & Young
Gonzalo Mateo, S.L.	Partida San Gregorio – Cadrete (Zaragoza)	100.00	PricewaterhouseCoopers
Graver Española, S.A. Unipersonal	Epalza, 8 – Bilbao (Vizcaya)	100.00	Audinfor
Group .A.S.A.	Austria		
1. Polabská	Czech Republic	100.00	
ASA Abfall Services AG	Austria	100.00	PricewaterhouseCoopers
.A.S.A. Abfall Service Betriebs GmbH	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 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	PricewaterhouseCoopers

(1) Name change. Formerly Hydrocarbon Recovery Services Inc.

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Company	Address	Ownership (%)	Auditor
.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	
.A.S.A. EKO Polska sp. z.o.o.	Poland	100.00	PricewaterhouseCoopers
.A.S.A. EKO s.r.o.	Slovakia	100.00	
.A.S.A. EKO Znojmo s.r.o	Czech Republic	49.66	
.A.S.A. Es Únanov s.r.o.	Czech Republic	66.00	
.A.S.A. Finanzdienstleistungen GmbH	Austria	100.00	
.A.S.A. Hódmezövásárhel yKöztisztasági Kft	Hungary	61.83	PricewaterhouseCoopers
.A.S.A. Hp spol. s.r.o.	Czech Republic	100.00	
.A.S.A. International Environmental Services GmbH	Austria	100.00	
.A.S.A. Kikinda d.o.o.	Serbia	80.00	PricewaterhouseCoopers
.A.S.A. Kisalföld Szállító Környezetvédelmi Es H Kft	Hungary	100.00	
.A.S.A. Liberec s.r.o.	Czech Republic	55.00	
.A.S.A. Lubliniec sp. z.o.o.	Poland	61.97	
.A.S.A. Magyarország Környezetvédelem És H Kft	Hungary	100.00	PricewaterhouseCoopers
.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. 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. z.o.o. (2)	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	75.00	PricewaterhouseCoopers
.A.S.A. V.O.D.S. Sanacie s.r.o.	Slovakia	51.00	
.A.S.A. Vilnius UAB	Lithuania	100.00	
.A.S.A. Vrbak d.o.o.	Serbia	51.00	
.A.S.A. Zabcice spol. s.r.o.	Czech Republic	80.00	
.A.S.A. Zohor spol. s.r.o.	Slovakia	85.00	PricewaterhouseCoopers
Abfallwirtschaftszentrum Mostviertel GmbH	Austria	100.00	
Avermann-Hungária Kft	Hungary	100.00	
Bec Odpady s.r.o.	Czech Republic	99.60	
EKO-Radomsko sp. z.o.o.	Poland	100.00	
Entsorga Entsorgungs GmbH Nfg KG	Austria	100.00	

(2) Name change. Formerly Pergo a.s.

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Company	Address	Ownership (%)	Auditor
EnviCon G a.s..	Czech Republic	100.00	
Erd-Kom Érdi Kommunális Hulladékkezelö	Hungary	90.00	PricewaterhouseCoopers
Inerta Abfallbehandlungs GmbH	Austria	100.00	
Kreindl GmbH	Austria	100.00	
Miejska 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 AS	Czech Republic	99.99	PricewaterhouseCoopers
Remat Jihlava s.r.o.	Czech Republic	100.00	
S.C. A.S.A. Servicii Ecologice SRL	Romania	100.00	PricewaterhouseCoopers
SC Valmax Impex SRL	Romania	60.00	PricewaterhouseCoopers
Sárrétti Közterület-Fenntartó Kft	Hungary	25.50	
Siewierskie Przedsiebiorstwo Gospodarki Komunalnej sp. z.o.o.	Poland	60.00	
Skladka Uhy spol. s.r.o.	Czech Republic	100.00	
Terobet AS	Czech Republic	100.00	
Technické Sluzby – A S A s.r.o.	Slovakia	100.00	PricewaterhouseCoopers
Textil Verwertung GmbH	Austria	100.00	
Tores – Technické, Obchodní a Rekreacní Sluzby AS	Czech Republic	100.00	
Waste City spol. s.r.o. –in liquidation-	Slovakia	100.00	
Waste Recycling Group:	UK		
3C Holdings Limited	UK	100.00	
3C Waste Limited	UK	100.00	Deloitte
Airdriehill Quarries Limited	UK	100.00	
Allington O & M Services Limited (3)	UK	100.00	Deloitte
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 (4)	UK	80.00	Deloitte
BDR Waste Disposal Limited	UK	100.00	Deloitte
CLWR Management 2001 Limited	UK	100.00	
Darrington Quarries Limited	UK	100.00	Deloitte
Derbyshire Waste Limited	UK	100.00	Deloitte
East Waste Limited	UK	100.00	Deloitte
Enviropower Investments, Ltd.	UK	100.00	Deloitte
FCC Energy Limited (5)	UK	100.00	
FCC Environmental Services Limited (6)	UK	100.00	

(3) Name change. Formerly Waste Recycling Group (South West) Limited.
(4) Name change. Formerly Arpley Gas Limited.
(5) Name change. Formerly Tawse Ellon (Haulage) Limited.
(6) Name change. Formerly Anti-Rubbish Limited.

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Company	Address	Ownership (%)	Auditor
FCC Environmental Services UK Limited (7)	UK	100.00	
Finstop Limited	UK	100.00	
Green Waste Services Limited	UK	100.00	
GWS (Holdings) Limited	UK	100.00	
Herrington Limited	UK	100.00	
Integrated Waste Management Limited (8)	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
Meadshores Limited	UK	100.00	
Norfolk Waste Limited	UK	100.00	Deloitte
Oxfordshire Waste Limited	UK	100.00	Deloitte
Paper Product Developments Limited	UK	90.00	
Pennine Waste Management Limited	UK	100.00	Deloitte
RE3 Holding Limited	UK	100.00	Deloitte
RE3 Limited	UK	100.00	Deloitte
Site&Field Equipment Limited	UK	100.00	
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 (Scotland) Limited	UK	100.00	Deloitte
Waste Recycling Group (Yorkshire) Limited	UK	100.00	Deloitte
Waste Recycling Group Limited	UK	100.00	Deloitte
Waste Recycling Limited	UK	100.00	Deloitte
Wastenotts (Reclamation) Limited	UK	100.00	Deloitte
Wastenotts O & M Services Limited (9)	UK	100.00	Deloitte
Wastewise Limited	UK	100.00	
Wastewise Power Limited	UK	100.00	
Wastewise Trustees Limited	UK	100.00	
Welbeck Waste Management Limited	UK	100.00	Deloitte
Winterton Power Limited	UK	100.00	
WRG (Management) Limited	UK	100.00	Deloitte
WRG (Midlands) Limited	UK	100.00	Deloitte
WRG (Northerm) Limited	UK	100.00	Deloitte
WRG Acquisitions 2 Limited	UK	100.00	

(7) Name change. Formerly Econowaste Limited.
(8) Name change. Formerly Humberside Wastewise Waste Management Services Limited
(9) Name change. Formerly Wastenotts Limited.

CONSOLIDATED FINANCIAL STATEMENTS

Company	Address	Ownership (%)	Auditor
WRG Berkshire Limited	UK	100.00	Deloitte
WRG Environmental Limited	UK	100.00	Deloitte
WRG PFI Holdings Limited	UK	100.00	Deloitte
WRG Properties Limited	UK	100.00	
WRG Waste Services Limited	UK	100.00	Deloitte
WRG Wrexham PFI Holdings Limited	UK	100.00	Deloitte
WRG Wrexham PFI Limited	UK	100.00	Deloitte
Hidrotec Tecnología del Agua, S.L. Unipersonal	Pincel, 25 – Sevilla	100.00	
Instugasa, S.L. Unipersonal	La Presa, 14 – Adeje (Santa Cruz de Tenerife)	100.00	Ernst & Young
Integraciones Ambientales de Cantabria, S.A.	Barrio la Barquera, 13 – Torres - Reocín – Cartes (Cantabria)	70.00	
International Petroleum Corp. of Delaware	USA	100.00	
International Services Inc., S.A. Unipersonal	Arquitecto Gaudí, 4 – Madrid	100.00	
Inversora Riutort, S.L.	Berlín, 38-43 – Barcelona	100.00	
Jaime Franquesa, S.A.	P.I. Zona Franca Sector B calle D49 – Barcelona	100.00	
Jaume Oro, S.L.	Avda. de les 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. San Margalida-Can Picafort – Santa Margalida (Baleares)	100.00	Audinfor
Manipulación y Recuperación MAREPA, S.A	Avda. San Martín de Valdeiglesias, 22 – Alcorcón (Madrid)	100.00	PricewaterhouseCoopers
Municipal de Serveis, S.A.	Joan Torró i Cabratosa, 7 – Girona	80.00	
Nilo Medioambiente, S.L. Unipersonal	Pincel, 25 – Sevilla	100.00	Audinfor
Onyx Gibraltar, Ltd.	UK	100.00	
Ovod spol. s.r.o.	Czech Republic	100.00	Ing. Ladislav Baláz
Recuperació de Pedreres, S.L.	Rambla de Catalunya, 2 – Barcelona	80.00	PricewaterhouseCoopers
Saneamiento y Servicios, S.A.	Federico Salmón, 13 - Madrid	100.00	PricewaterhouseCoopers
Serveis d'Escombreries i Neteja, S.A.	Coure, s/n – P.I. Riu Clar - Tarragona	100.00	
Servicios de Levante, S.A.	Ctra. de Valencia Km. 3 – Castellón de la Plana (Castellón)	100.00	PricewaterhouseCoopers
Servicios Especiales de Limpieza, S.A.	Federico Salmón, 13 - Madrid	100.00	PricewaterhouseCoopers
Severomoravské Vodovody a Kanalizace Ostrava A.S.	Czech Republic	98.67	Ernst & Young
Sociedad Española de Aguas Filtradas, S.A.	Ulises, 18 – Madrid	100.00	Ernst & Young
Sociedad Ibérica del Agua S.I.A., S.A. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
Telford & Wrekin Services, Ltd.	UK	100.00	Deloitte
Tratamiento Industrial de Aguas, S.A.	Federico Salmón, 13 - Madrid	100.00	Audinfor
Tratamiento y Reciclado Integral de Ocaña, S.A.	Federico Salmón, 13 - Madrid	100.00	
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 – Pol. Ind. 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	Audinfor

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Company	Address	Ownership (%)	Auditor
VERSIA			
Aparcamientos Concertados, S.A.	Arquitecto Gaudí, 4 – Madrid	100.00	PricewaterhouseCoopers
Beta de Administración, S.A.	Federico Salmón, 13 - Madrid	100.00	Centium
C.G.T. Corporación General de Transportes, S.A.	Federico Salmón, 13 - Madrid	100.00	
Camusa Corporación Americana de Mobiliario Urbano, S.A.	Argentina	100.00	
Cemusa Amazonia, S.A.	Brazil	100.00	
Cemusa Boston, Llc.	USA	100.00	
Cemusa Brasilia, S.A.	Brazil	100.00	
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	PricewaterhouseCoopers
Cemusa Italia, S.R.L.	Italy	100.00	
Cemusa Miami, Llc.	USA	100.00	
Cemusa Miami Ltd.	USA	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	
Cemusa Salvador, S.A.	Brazil	65.00	
Conservación y Sistemas, S.A.	Federico Salmón, 13 - Madrid	100.00	PricewaterhouseCoopers
Empresa Mixta de Tráfico de Gijón, S.A.	W-6, 23 P.I. Promosa – El Plano – Tremañes (Gijón)	60.00	PricewaterhouseCoopers
Equipos y Procesos, S.A.	Conde de Peñalver, 45 – Madrid	80.73	
Estacionamientos y Servicios, S.A.	Federico Salmón, 13 - Madrid	100.00	PricewaterhouseCoopers
FCC International, B.V.	Holland	100.00	
FCC Logística Portugal, S.A.	Portugal	99.99	PricewaterhouseCoopers
FCC Logística, S.A. Unipersonal	Buenos Aires, 10 P.I. Camporroso – Alcalá de Henares (Madrid)	100.00	PricewaterhouseCoopers
FCC Versia, S.A.	Federico Salmón, 13 - Madrid	100.00	PricewaterhouseCoopers
Flightcare Belgium, Naamloze Vennootschap	Belgium	100.00	PricewaterhouseCoopers
Flightcare Cyprus Limited	Cyprus	75.00	
Flightcare Italia, S.p.A.	Italy	100.00	PricewaterhouseCoopers
Flightcare, S.L.	Federico Salmón, 13 - Madrid	100.00	PricewaterhouseCoopers
Geral I.S.V. Brasil Ltda.	Brazil	100.00	
Navegación y Servicios Aeroportuarios, S.A. Unipersonal (10)	Federico Salmón, 13 - Madrid	100.00	
Santos Renting, S.L. Unipersonal	Francisco Medina y Mendoza – Guadalajara	100.00	
Sistemas y Vehículos de Alta Tecnología, S.A.	Conde de Peñalver, 45 – Madrid	100.00	PricewaterhouseCoopers
Zona Verde-Promoçao e Marketing Limitada	Portugal	100.00	PricewaterhouseCooper

(10) Name change. Formerly Industrial de Limpiezas y Servicios, S.A. Unipersonal

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Company	Address	Ownership (%)	Auditor
CONSTRUCTION			
Alpetrol, S.A.	Avda. General Perón, 36 – Madrid	100.00	
Aremi Tecair, S.A.	Valle de Laguar, 7 - Valencia	100.00	Deloitte
Áridos de Melo, S.L.	Finca la Barca y el Ballestar, s/n – Barajas de Melo (Cuenca)	100.00	Centium
Autovía Conquense, S.A.	Pedro Texeira, 8 – Madrid	100.00	Deloitte
BBR Pretensados y Técnicas Especiales, S.L.	Retama, 5 – Madrid	100.00	Centium
Binatec al Maghreb, S.A.	Morocco	100.00	
Concesionaria Túnel de Coatzacoalcos, S.A. de C.V.	Mexico	85.59	
Concesiones Viales de Costa Rica, S.A.	Costa Rica	100.00	
Concesiones Viales S. de R.L. de C.V.	Mexico	99.97	Deloitte
Conservial, S.L.	Manuel Lasala, 36 – Zaragoza	100.00	
Construcción y Filiales Mexicanas, S.A. de C.V.	Mexico	100.00	
Constructora Túnel de Coatzacoalcos, S.A. de C.V.	Mexico	55.60	
Contratas y Ventas, S.A.	Asturias, 41 – 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.	Avda. General Perón, 36 – Madrid	100.00	
EHST - European High-Speed Trains SGPS, S.A.	Portugal	85.71	Deloitte
FCC Construcción, S.A.	Balmes, 36 – Barcelona	100.00	Deloitte
FCC Construcción de Centroamérica, S.A.	Costa Rica	100.00	
FCC Constructii Romania, S.A.	Romania	100.00	
FCC Construction Hungary Kft	Hungary	100.00	
FCC Construction I-95 Llc.	USA	100.00	
FCC Construction Inc.	USA	100.00	
FCC Construction International B.V.	Holland	100.00	
FCC Construction Northern Ireland Limited	Ireland	100.00	
FCC Industriale SRL	Italy	100.00	
FCC Servicios Industriales y Energéticos, S.A. (11)	Acanto, 22 – Madrid	100.00	Deloitte
Fomento de Construcciones y Contratas Construction Ireland Limited	Ireland	100.00	
Gavisa Portugal Montagens Eléctricas Lda.	Portugal	97.00	
Alpine Group:			
Acoton Projektmanagement & Bauträger GmbH	Austria	79.10	
AD Grundbesitzverwaltung GmbH	Germany	80.54	
AJS Acoton Projektmanagement & Bautrager GmbH Co KG	Austria	86.10	
Alpine Aleksandar d.o.o.	Macedonia	83.49	
Alpine Bau CZ s.r.o. (12)	Czech Republic	86.97	
Alpine Bau Deutschland AG	Germany	86.73	Deloitte

(11) Name change. Formerly Especialidades Eléctricas, S.A.
(12) Name change. Formerly Alpine Stavebni Spolecnost Cz s.r.o.

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Company	Address	Ownership (%)	Auditor
Alpine Bau GmbH	Austria	86.97	Deloitte
Alpine Bau GmbH A-1 sp. j	Poland	86.88	Deloitte
Alpine Bau GmbH Schweiz	Switzerland	86.97	Deloitte
Alpine Bau India Private Limited	India	86.97	Thingna & Contractor, Chertered Accountants
Alpine BeMo Tunnelling GmbH	Austria	87.10	Deloitte
Alpine Building Services GmbH	Germany	86.73	
Alpine Bulgaria AD	Bulgaria	44.35	
Alpine Construction Polska sp z.o.o.	Poland	86.73	Deloitte
Alpine Consulting d.o.o.	Slovenia	86.97	
Alpine d.o.o. Banja Luka	Bosnia Herzegovina	86.97	
Alpine d.o.o. Beograd	Serbia	86.97	Deloitte
Alpine Dolomit d.o.o.	Serbia	71.93	
Alpine Energie Cesko spol. s.r.o.	Czech Republic	86.97	
Alpine Energie Deutschland GmbH	Germany	86.97	Deloitte
Alpine Energie Holding AG (Austria) (13)	Austria	86.97	
Alpine Energie Holding AG (Germany)	Germany	86.97	Deloitte
Alpine Energie Luxembourg SARL	Luxembourg	86.97	
Alpine Energie Osterreich GmbH	Austria	86.97	Deloitte
Alpine Energie Schweiz AG	Switzerland	86.97	Deloitte
Alpine Energie Solar Italia GmbH	Austria	86.97	
Alpine Granit d.o.o.	Serbia	85.13	
Alpine Green Energia sp. z.o.o.	Poland	65.12	
Alpine Green Energy Italy SRL	Italy	86.97	
Alpine Holding GmbH	Austria	83.00	Deloitte
Alpine Hungaria Bau GmbH	Hungary	86.97	Deloitte
Alpine Investment d.o.o.	Bosnia Herzegovina	44.35	
Alpine Liegenschaftsverwertungs GmbH	Austria	86.97	
Alpine Mayreder Construction Co Ltd. AMCC	China	65.23	
Alpine Podgorica d.o.o.	Montenegro	86.97	
Alpine Project Finance and Consulting GmbH	Germany	86.97	
Alpine PZPB d.o.o.	Serbia	86.97	
Alpine Rudnik Krecnjaka Lapisnica d.o.o.	Bosnia Herzegovina	44.35	Confida
Alpine Skopje DOOEL	Macedonia	86.97	
Alpine - Slask Budowa sp. z.o.o.	Poland	86.97	
Alpine Slovakia spol s.r.o.	Slovakia	86.97	Deloitte
Alpine Untertagebau GmbH	Germany	86.73	Deloitte
Alpine, S.A.	Romania	86.97	Deloitte

(13) Name change. Formerly APT Alpine Project Technology GmbH

CONSOLIDATED FINANCIAL STATEMENTS

Company	Address	Ownership (%)	Auditor
Altec Umwelttechnik GmbH	Austria	86.97	
Andezit Stanceni SRL (14)	Romania	86.97	
Asfaltna Cesta d.o.o.	Croatia	86.97	
Bautechnische Prüf und Versuchsanstalt GmbH	Austria	86.97	
Bewehrungszentrum Linz GmbH	Austria	86.97	
Bürozentrum U3 Projekt GmbH	Austria	86.97	
CSS - City Service Solution GmbH (15)	Germany	86.97	
E Gottschall & Co GmbH	Germany	83.00	
Ecoenergetika d.o.o.	Slovenia	86.97	
Emberger & Essl GmbH	Austria	78.27	
Emberger & Heuberger Bau GmbH	Austria	78.27	Deloitte
Fröhlich Bau und Zimmereiunternehmen GmbH	Austria	86.97	
Geotechnik Systems GmbH	Austria	86.97	
OOO, Alpine Mayreder	Russia	86.97	
Grados d.o.o. Novi Sad	Serbia	60.59	
Gregorich GmbH	Austria	86.97	
Grund Pfahl und Sonderbau GmbH	Austria	86.97	Deloitte
Grund und Sonderbau GmbH	Austria	86.97	
Grund und Sonderbau GmbH ZNL Berlín	Austria	86.97	Deloitte
Hazet Bauunternehmung GmbH	Austria	86.97	Deloitte
Hoch & Tief Bau Beteiligungs GmbH	Austria	84.02	
Ing Arnulf Haderer GmbH	Austria	86.97	
Ingenieurbüro Für Energie – Und Haustechnik Andreas Duba GmbH	Germany	78.27	
Kai Center Errichtungs und Vermietungs GmbH	Austria	86.10	
KAPPA d.o.o.	Croatia	60.59	
Klöcher Bau GmbH	Austria	86.97	Deloitte
Konrad Beyer & Co Spezialbau GmbH	Austria	86.97	Deloitte
MLA Beteiligungen GmbH (16)	Austria	86.97	
Mortinger-Grohmann Tief Hoch und Strassenbau GmbH	Austria	86.97	Deloitte
MWG Wohnbau GmbH	Austria	86.10	
Oekotechna Entsorgungs und Umwelttechnik GmbH	Austria	86.97	
OKTAL Plus d.o.o.	Croatia	86.97	
Osijek – Koteks d.d.	Croatia	60.59	Deloitte
Osijek - Koteks d.o.o.	Croatia	86.97	Deloitte
PRO – PART AG	Switzerland	86.97	
PRO-PART Energie GmbH	Switzerland	86.97	
PRO – PART in Austria Handels GmbH	Austria	86.97	

(14) Name change. Formerly S.C. "Hodaco Servimpex" SRL
(15) Name change. Formerly City Service Solution GmbH
(16) Name change. Formerly MLA Lieferasphalt GmbH.

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Company	Address	Ownership (%)	Auditor
Project Development GmbH	Austria	86.97	
RMG d.o.o.	Bosnia Herzegovina	44.35	
Salzburger Lieferasphalt GmbH & Co KG	Austria	34.79	
Schauer Eisenbahnbau GmbH	Austria	86.97	
Solar Park Serena SRL	Italy	60.88	
Strazevica Kamenolom d.o.o. (17)	Serbia	51.94	
Stump – Geospol s.r.o. Prag	Czech Republic	86.97	Deloitte
Stump Hydrobudowa sp. z.o.o. Warschau	Poland	86.97	Deloitte
Stump Spezial Tiefbau GmbH	Czech Republic	86.97	Deloitte
Thalia Errichtungs und Vermietungs GmbH	Austria	79.10	
Tiefbau Deutschlandsberg GmbH & Co KG	Germany	52.18	
Universale Bau GmbH	Austria	86.97	Deloitte
Vela Borovica Koncern d.o.o.	Croatia	86.97	
Velici Kamen d.o.o.	Croatia	60.59	Deloitte
Walter Hamann Hoch Tief und Stahlbetonbau GmbH	Germany	86.73	
Weinfried Bauträger GmbH	Austria	86.97	
Wellnesshotel Ëpito Kft	Hungary	86.97	Deloitte
Ibérica de Servicios y Obras, S.A.	Federico Salmón, 13 - Madrid	100.00	Deloitte
Ibervia Construcciones y Contratas, S.L.	Avda. General Perón, 36 – Madrid	100.00	
Impulsa Infraestructura, S.A. de C.V.	Mexico	52.00	
Impulsora de Proyectos PROSERME, S.A. de C.V.	Mexico	100.00	
Internacional Tecair, S.A.	Valentín Beato, 24-26 – Madrid	100.00	Deloitte
M&S Concesiones, S.A.	Costa Rica	100.00	
Mantenimiento de Infraestructuras, S.A.	Avda. General Perón, 36 – Madrid	100.00	Deloitte
Megaplás Italia, S.p.A.	Italy	100.00	
Megaplás, S.A.	Hilanderas, 4-14 – La Poveda – Arganda del Rey (Madrid)	100.00	Deloitte
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.	Galena, 11 – Entreplanta - Valladolid	100.00	
Nevasa Inversión, S.L.	Avda. General Perón, 36 – Madrid	100.00	
Norseñal, S.L.	Juan Flórez, 64 – La Coruña	100.00	
Participaciones Teide, S.A.	Avda. General Perón, 36 – Madrid	100.00	
Pedrera Les Gavarres, S.L.	Bonastruc de Porta, 20 - (Girona)	100.00	
Pinturas Jaque, S.L.	Avenida General Perón, 36 – Madrid	100.00	
Prefabricados Delta, S.A.	Retama, 7 – Madrid	100.00	Deloitte
Proyectos y Servicios, S.A.	Torregalindo, 1 – Madrid	100.00	Centium
Ramalho Rosa Cobetar Sociedade de Construçoes, S.A.	Portugal	100.00	Deloitte

(17) Name change. Formerly Strazevica AD.

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Company	Address	Ownership (%)	Auditor
Señalizaciones de Vías Públicas, S.L.	Avda. de Barber, 2 – Toledo	100.00	
Servià Cantó, S.A.	Bonastruc de Porta, 20 - (Girona)	100.00	Deloitte
Sincler, S.A. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
Tema Concesionaria, S.A.	Porto Pi, 8 – Palma de Mallorca (Balearic Islands)	100.00	
Tulsa Inversión, S.L.	Avda. General Perón, 36 – Madrid	100.00	
Vialia, Sociedad Gestora de Concesiones de Infraestructuras, S.L.	Avda. General Perón, 36 – Madrid	100.00	
CEMENT			
Áridos de Navarra, S.A.	Estella, 6 – Pamplona (Navarra)	47.16	
Áridos Uniland, S.A. Unipersonal	Torrenteres, 20 P.I. Sur-El Papiol (Barcelona)	52.53	Deloitte
Áridos y Canteras del Norte, S.A.U.	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	70.51	Deloitte
Áridos y Premezclados, S.A. Unipersonal	José Abascal, 59 – Madrid	71.51	Deloitte
Arriberri, S.L. Unipersonal	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	52.88	Deloitte
Atracem, S.A. Unipersonal	José Abascal, 59 – Madrid	71.46	Deloitte
Cántabra Industrial y Minera, S.A. Unipersonal	Josefina de la Maza, 4 P.E. Piasca – Santander (Cantabria)	62.84	Deloitte
Canteras de Alaiz, S.A.	Estella, 6 – Pamplona (Navarra)	50.04	Deloitte
Canteras Villallano, S.L.	Poblado de Villallano – Villallano (Palencia)	62.84	
Carbocem, S.A.	Paseo de la Castellana, 45-85 Madrid	57.19	Deloitte
Cemensilos, S.A.	Josefina de la Maza, 4 P.E. Piasca – Santander (Cantabria)	62.84	Deloitte
Cementos Alfa, S.A.	Josefina de la Maza, 4 P.E. Piasca – Santander (Cantabria)	62.84	Deloitte
Cementos Lemona, S.A.	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	70.51	Deloitte
Cementos Portland Valderrivas, S.A.	Estella, 6 – Pamplona (Navarra)	71.46	Deloitte
Cementos Villaverde, S.L. Unipersonal	Almagro, 26 – Madrid	71.46	Deloitte
Coastal Cement Corporation	USA	71.34	
Compañía Auxiliar de Bombeo de Hormigón, S.A. Unipersonal	José Abascal, 59 – Madrid	71.46	
Corporación Uniland, S.A.	Córcega, 299 – Barcelona	52.64	Deloitte
Dragon Alfa Cement Limited	UK	62.84	Bentley Jennison
Dragon Energy Llc.	USA	71.34	
Dragon Products Company Inc.	USA	71.34	
Egur Birziklatu bi Mila, S.L.	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	42.31	
Explotaciones San Antonio, S.L. Unipersonal	Josefina de la Maza, 4 P.E. Piasca – Santander (Cantabria	62.84	
Giant Cement Company	USA	71.34	
Giant Cement Holding, Inc.	USA	71.34	Deloitte
Giant Cement NC Inc.	USA	71.34	
Giant Cement Virgina Inc.	USA	71.34	
Giant Resource Recovery Inc.	USA	71.34	
Giant Resource Recovery – Arvonia Inc.	USA	71.34	
Giant Resource Recovery – Attalla Inc.	USA	71.34	

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Company	Address	Ownership (%)	Auditor
Giant Resource Recovery – Harleyville Inc.	USA	71.34	
Giant Resource Recovery – Sumter Inc.	USA	71.34	
Hormigones de la Jacetania, S.A.	Llano de la Victoria – Jaca (Huesca)	44.66	KPMG
Hormigones Premezclados del Norte, S.A.	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	70.51	Deloitte
Hormigones Reinosa, S.A. Unipersonal	Josefina de la Maza, 4 P.E. Piasca – Santander (Cantabria)	62.84	
Hormigones Uniland, S.L. Unipersonal	Ctra. Vilafranca del P. a Moja Km. 1 – Olérdola (Barcelona)	52.53	Deloitte
Hormigones y Morteros Preparados, S.A. Unipersonal	José Abascal, 59 – Madrid	71.46	Deloitte
Horminal, S.L. Unipersonal	José Abascal, 59 – Madrid	71.46	
Keystone Cement Company	USA	71.34	
Lemona Industrial, S.A. Unipersonal	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	70.51	Deloitte
Maquinaria para Hormigones, AIE	Maestro García Rivero, 7 – Bilbao (Vizcaya)	39.66	
Morteros Bizkor, S.L.	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	37.96	Deloitte
Morteros Valderrivas, S.L. Unipersonal	José Abascal, 59 – Madrid	71.46	Deloitte
Participaciones Estella 6, S.L. Unipersonal	Estella, 6 – Pamplona (Navarra)	71.46	
Portland, S.L. Unipersonal	José Abascal, 59 – Madrid	71.46	Deloitte
Prebesec Mallorca, S.A.	Conradors, 48 – Marratxi – Palma de Mallorca (Baleares)	35.96	
Prebesec, S.A. Unipersonal	Torrenteres, 20 P.I. Sur-El Papiol (Barcelona)	52.53	Deloitte
Prefabricados Uniland, S.A. Unipersonal	Córcega, 299 – Barcelona	52.53	
Recisuelos, S.A. Unipersonal	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	70.51	
Santursaba, S.L. Unipersonal	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	70.51	
Sechem Inc.	USA	71.34	
Select Béton, S.A.	Tunisia	46.25	Mourad Guellaty
Société des Ciments d'Enfida	Tunisia	46.25	Mourad Guellaty
Southern Cement Limited	UK	52.64	Deloitte
Telsa, S.A.	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	70.51	Deloitte
Telsa, S.A. y Compañía Sociedad Regular Colectiva	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	70.51	Deloitte
Transportes Gorozteta, S.L. Unipersonal	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	52.88	
Transportes Lemona, S.A.	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	70.51	
Tratamiento Escombros Almoguera, S.L.	José Abascal, 59 – Madrid	36.47	
Uniland Cementera, S.A.	Córcega, 299 – Barcelona	52.53	Deloitte
Uniland International B.V.	Holland	52.64	
Uniland Marítima, S.L. Unipersonal	Córcega, 299 – Barcelona	52.53	
Uniland Trading B.V.	Holland	52.64	
Uniland USA Llc.	USA	52.64	
Utonka, S.A. Unipersonal	Torrenteres, 20 P.I. Sur-El Papiol (Barcelona)	52.53	

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Company	Address	Ownership (%)	Auditor
ENERGY			
Efitek Energía, S.A. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
Electric Generation Investments Limited	UK	100.00	Deloitte
Enerstar Villena, S.A.	San Vicente Ferrer, 16 – Gandía (Valencia)	67.00	Deloitte
FCC Energía, S.A.	Federico Salmón, 13 - Madrid	100.00	Deloitte
FCC Energia Catalunya, S.L.	Balmes, 36 – Barcelona	80.04	
Fomento Internacional Focsa, S.A. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
Generación Eléctrica Europea, S.A.R.L.	Federico Salmón, 13 - Madrid	100.00	
Generación Eléctrica Hispana, S.A.R.L.	Federico Salmón, 13 - Madrid	100.00	
Olivento Group:			
Olivento, S.L. Unipersonal	Federico Salmón, 13 - Madrid	100.00	Deloitte
Sistemas Energéticos Abadía, S.A.	Albareda, 1 – Zaragoza	96.57	Deloitte
Guzmán Energía, S.L. Unipersonal	Portada, 11 – Palma del Río (Córdoba)	100.00	Deloitte
Helios Patrimonial 1 , S.L. Unipersonal	Federico Salmón, 13 - Madrid	100.00	Deloitte
Helios Patrimonial 2 , S.L. Unipersonal	Federico Salmón, 13 - Madrid	100.00	Deloitte
OTHER ACTIVITIES			
Afigesa Inversión, S.L. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
Asesoría Financiera y de Gestión, S.A.	Federico Salmón, 13 - Madrid	100.00	Deloitte
Compañía Auxiliar de Agencia y Mediación, S.A. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
Compañía General de Servicios Empresariales, S.A. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
Corporación Española de Servicios S.A.	Federico Salmón, 13 - Madrid	100.00	
Corporación Financiera Hispánica, S.A.	Federico Salmón, 13 - Madrid	100.00	
Europea de Gestión, S.A. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
Eusko Lanak, S.A.	Federico Salmón, 13 - Madrid	100.00	
F-C y C, S.L. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
FCC 1, S.L. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
FCC Construcciones y Contratas Internacional, S.L. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
FCC Finance B.V.	Holland	100.00	
FCC Fomento de Obras y Construcciones, S.L. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
FCC Inmobiliaria Conycon, S.L. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
FCC International B.V.	Holland	100.00	
Fedemés, S.L.	Federico Salmón, 13 - Madrid	100.00	
Per Gestora Inmobiliaria, S.L.	Plaza Pablo Ruiz Picasso – Madrid	100.00	Centium
Puerto Cala Merced, S.A.	Arquitecto Gaudí, 4 – Madrid	100.00	

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APPENDIX II JOINTLY-CONTROLLED COMPANIES WITH THIRD PARTIES OUTSIDE THE GROUP (CONSOLIDATED BY THE EQUITY METHOD)

Company	Address	Net carring value of the portfolio 2010	Net carring value of the portfolio 2009	% effective ownership	Auditor
ENVIRONMENTAL SERVICES					
Aguas de Langreo, S.L.	Alonso del Riesgo, 3 – Sama de Langreo (Asturias)	861	674	49.00	Audinfor
Aguas de Narixa, S.A.	Málaga, 11 – Nerja (Málaga)	298	311	50.00	Audinfor
Aguas y Servicios de la Costa Tropical de Granada, A.I.E.	Plaza de la Aurora – Motril (Granada)	805	805		Attest Servicios Empresariales
Aigües de Girona, Salt i Sarrià de Ter, S.A.	Ciutadans, 11 – Girona	201	292	26.89	Cataudit Auditors Associats
Aquagest Aqualia, A.I.E. (1)	Condado de Jaruco, s/n – Lloret de Mar (Barcelona)	59	218		
Atlas Gestión Medioambiental, S.A.	Roma, 25 – Barcelona	14,482	14,700	50.00	Deloitte
Beacon Waste Limited	UK	1,559	1,502	50.00	Deloitte
Compañía de Servicios Medioambientales Do Atlantico, S.A.	Ctra. de Cedeira Km. 1 – Narón (La Coruña)	292	362	49.00	Audinfor
Costa Brava Abastament Aqualia-Sorea, A.I.E.	Sector Carlit, s/n – Empuriabrava (Girona)	—	—		
Ecoparc del Besós, S.A.	Rambla Cataluña, 91-93 – Barcelona	4,040	2,951	49.00	Castellà Auditors Consultors
Ecoserveis Urbans de Figueres, S.L.	Avda. de les Alegries, s/n – Lloret de Mar (Girona)	260	477	50.00	
Electrorecycling, S.A.	Ctra. BV – 1224 Km. 6,750 – El Pont de Vilomara i Rocafort (Barcelona)	1,735	1,139	33.34	KPMG Auditores
Empresa Mixta d'Aigües de la Costa Brava, S.A.	Plaza Josep Pla, 4 – Girona	327	132	25.00	Deloitte
Empresa Mixta de Aguas y Servicios, S.A.	Elisa Cendreros, 14 – Ciudad Real	75	16	41.25	Centium
Empresa Mixta de Limpieza de la Villa de Torrox, S.A.	Pz. de la Constitución, 1 – Torrox (Málaga)	414	432	50.00	Audinfor
Empresa Mixta de Medio Ambiente de Rincón de la Victoria, S.A.	Avda. Zorreras, 8 – Rincón de la Victoria (Málaga)	388	287	50.00	Audinfor
Empresa Municipal de Aguas de Benalmádena, EMABESA, S.A.	Avda. Juan Luis Peralta, s/n – Benalmádena (Málaga)	1,907	1,487	50.00	Audinfor
Fisersa Ecoserveis, S.A.	Alemania, 5 – Figueres (Girona)	266	(7)	36.35	Tax Consulting i Auditoria
Gestión de Servicios Hidráulicos de Ciudad Real, A.I.E.	Ramírez de Arellano – Madrid	(61)	—		
Girona, S.A.	Travessera del Carril, 2 – Girona	1,382	1,284	33.61	Cataudit
Proactiva Group	Cardenal Marcelo Espínola, 8 – Madrid	44,058	40,448	50.00	
Hades Soluciones Medioambientales, S.L.	Mayor, 3 – Cartagena (Murcia)	60	60	50.00	
Inalia Mostaganem, S.L.	Gobelas, 47-49 – Madrid	—	(2)	50.00	
Inalia Water Solutions, S.L.	Ulises, 18 – Madrid	5	5	50.00	
Ingeniería Urbana, S.A.	Calle 1 esquina calle 3, P.I. Pla de la Vallonga – Alicante	5,105	5,130	35.00	Deloitte
ITAM Delta de la Tordera, A.I.E.	Berlín, 38-48 – Barcelona	—	(1)		
Mediaciones Comerciales Ambientales, S.L.	Roma, 25 – Barcelona	248	272	50.00	
Mercia Waste Management Ltd.	UK	11,777	9,903	50.00	Deloitte
Pilagest, S.L.	Ctra. BV – 1224 Km. 6,750 – El Pont de Vilomara i Rocafort (Barcelona)	824	900	50.00	

(1) Name change. Formerly Sorea-Searsa Aqualia, A.I.E.

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Company	Address	Net carring value of the portfolio 2010	Net carring value of the portfolio 2009	% effective ownership	Auditor
Reciclado de Componentes Electrónicos, S.A.	E – Pol. Actividades Medioambientales – Aznalcóllar (Sevilla)	2,256	1,840	37.50	KPMG
Senblen, S.A.	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	(149)	(149)	85.23	
Servicios de Limpieza Integral de Málaga III, S.A.	Camino de la Térmica, 83 – Málaga	1,856	290	26.01	
Servicios Urbanos de Málaga, S.A.	Ulises, 18 – Madrid	525	2,061	51.00	
Severn Waste Services Limited	UK	184	161	50.00	Deloitte
Tratamiento Industrial de Residuos Sólidos, S.A.	Rambla Cataluña, 91 – Barcelona	694	582	33.33	Castellà Auditors Consultors
Zabalgarbi, S.A.	Camino de Artigas, 10 – Bilbao (Vizcaya)	13,999	13,012	30.00	KPMG
VERSIA					
Converty Service, S.A.	Camino de los Afligidos P.I. La Esgaravita, 1 – Alcalá de Henares (Madrid)	5,657	5,843	50.00	Pérez y Asociados Auditores
Corporación Jerezana de Transportes Urbanos, S.A. Unipersonal	P.I. El Portal – Jerez de la Frontera (Cádiz)	2,757	2,051	50.00	
Detren Compañía General de Servicios Ferroviarios, S.L.	Serrano, 93 – Madrid	1,517	1,614	50.00	Ernst & Young
FCC-CONNEX Corporación, S.L.	Serrano, 93 – Madrid	12,319	11,374	50.00	
Infoser Estacionamientos, A.I.E.	Manuel Silvela, 8 – Madrid	120	81		
Tranvía de Parla, S.A.	Camino de la Cantuela, 2 – Parla (Madrid)	211	278	5.00	
Valenciana de Servicios I.T.V., S.A.	P.I. El Oliveral – Ribarroja de Turia (Valencia)	—	3,163	50.00	
Versia Holding GmbH	Austria	7	16	100.00	
CONSTRUCTION					
ACE Acestrada Construçao de Estradas	Portugal	1	77	13.33	
ACE CAET XXI Construçoes	Portugal	164	—	50.00	
ACE Edifer Construçoes Ramalho R.C. E.C.	Portugal	93	(16)	33.33	
ACE EPOS/Dreagados/Sopol/Ramalho Rosa Cobetar (2)	Portugal	—	40	13.33	
ACE FCC Construcción e Edifer	Portugal	—	26	50.00	
ACE Infraestructuras das Antas – Construçao e Obras Publicas	Portugal	77	2	33.33	
ACE Metrexpo	Portugal	156	(3)	44.90	
ACE Ramalho Rosa Cobetar a Edifer	Portugal	—	4	56.00	
ACE Ramalho Rosa Cobetar Graviner e Novocpa	Portugal	—	2	72.25	
ACE Ribeiradio-Ermida	Portugal	(119)	—	55.00	
ACE SPIE, Ramalho Rosa Cobetar, Eterman (3)	Portugal	(1)	—	35.00	
ACE Túnel Ramela	Portugal	—	40	13.33	

(2) Name change. Formerly ACE Túnel Ramela
(3) Name change. Formerly ACE Túnel Odeoluca

CONSOLIDATED FINANCIAL STATEMENTS

Company	Address	Net carring value of the portfolio 2010	2009	% effective ownership	Auditor
ACE Túnel Rua de Ceuta, Construçao e Obras Publicas	Portugal	90	(5)	49.50	
Construcciones Olabarri, S.L.	Ripa, 1 – Bilbao (Vizcaya)	4,916	4,850	49.00	Charman
Constructora de Infraestructura de Agua de Queretaro, S.A. de CV	Mexico	2,500	1,644	49.00	Deloitte
Constructora Durango-Mazatlan, S.A. de C.V.	Mexico	(2,741)	—	51.00	
Constructora Nuevo Necaxa Tihuatlan, S.A.C.V.	Mexico	2,703	1,648	40.00	Deloitte
Dragados FCC, Canada Inc.	Canada	(1,624)	(1,118)	50.00	Daye Kelly & Associates
Peri 3 Gestión, S.L.	General Álava, 26 – Vitoria Gasteiz (Álava)	2	2	50.00	
Servicios Empresariales Durango-Mazatlan, S.A. de C.V.	Mexico	11	—	51.00	
Sociedad Concesionaria Tranvía de Murcia, S.A.	Olof Palmer, s/n – Murcia	15,948	—	50.00	Deloitte
CEMENT					
Atlántica de Graneles y Moliendas, S.A.	Muelle de Punta Sollana, s/n – Zierbena (Vizcaya)	1,772	2,071	35.26	KPMG
Carbocem, S.A.	Paseo de la Castellana, 45 Madrid	73	73	57.19	Deloitte
Corporación Uniland, S.A.	Córcega, 299 – Barcelona	(7)	(7)	52.64	Deloitte
Pedrera de l'Ordal, S.L.	Ctra. N 340 km. 1229,5 La Creu del L'Ordal – Subirats (Barcelona)	4,250	4,201	26.26	
ENERGY					
Olivento Group:					
Integral Management Future Renewables, S.L.	A Condomiña, s/n – Ortoño (La Coruña)	974	914	50.00	Deloitte
Sigenera, S.L.	Orzán, 124 – La Coruña	(6)	—	50.00	Ernst & Young
OTHER ACTIVITIES					
Global Vía Group	Paseo de la Castellana, 141 Edificio Cuzco IV - Madrid	481,572	478,983	50.00	
Realia Business Group	Paseo de la Castellana, 216 Madrid	145,304	153,818	30.20	Deloitte
TOTAL VALUE OF COMPANIES CARRIED BY THE EQUITY METHOD (JOINTLY-CONTROLLED COMPANIES)		**789,428**	**773,240**		

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APPENDIX III ASSOCIATES (CONSOLIDATED BY THE EQUITY METHOD)

Company	Address	Net carring value of the portfolio 2010	2009	% effective ownership	Auditor
ENVIRONMENTAL SERVICES					
Abastament en Alta Costa Brava Empresa Mixta, S.A.	Plaza Josep Pla Casadevall, 4 3º 1º - Girona	115	—	26.00	
Aguas de Denia, S.A.	Pare Pere, 17 – Denia (Alicante)	423	404	33.00	
Aguas de Priego, S.L.	Plaza de la Constitución, 3 - Priego de Córdoba (Córdoba)	246	—	49.00	
Aguas de Ubrique, S.A.	Avda. España, 9 – Ubrique (Cádiz)	(88)	11	49.00	
Aigües de Blanes, S.A.	Canigó, 5 – Blanes (Girona)	47	54	16.47	
Aigües del Tomoví, S.A.	Plaza Vella, 1 – El Vendrell (Tarragona)	466	520	49.00	GM Auditors
Aprochim Getesarp Rymoil, S.A.	P.I. Logrenzana La Granda – Carreño (Asturias)	1,554	1,366	23.49	Menéndez Auditores
Aquos El Realito, S.A. de CV	Mexico	17	4	49.00	Deloitte
Aragonesa de Gestión de Residuos, S.A.	Paseo María Agustín, 36 – Zaragoza	10	8	18.60	Laes Nexia & Castillero
Aragonesa de Recuperaciones Medioambientales XXI, S.A.	Ctra. Castellón Km. 58 – Zaragoza	—	6		
Aragonesa de Tratamientos Medioambientales XXI, S.A.	Ctra. Castellón Km. 58 – Zaragoza	693	708	33.00	
Betearte, S.A.U.	Colón de Larreátegui, 26 – Bilbao (Vizcaya)	583	571	33.33	Attest Servicios Empresariales
Claveguerам de Barcelona, S.A.	Acer, 16 – Barcelona	841	896	20.33	Bove Montero y Asociados
Concesionaria de Desalación de Ibiza, S.A.	Rotonda de Santa Eulalia, s/n - Ibiza	281	254	32.00	
Conducció del Ter, S.L.	Bourg de Peage, 89 – Sant Feliu de Gíxols (Girona)	13	108	48.00	
Constructora de Infraestructuras de Aguas de Potosí, S.A. de C.V.	Mexico	2	—	24.50	
Ecogestión Ambiental, S.L.	Juan Ramón Jiménez, 12 – Madrid	104	94	50.00	
EMANAGUA Empresa Mixta Municipal de Aguas de Níjar, S.A.	Plaza de la Goleta, 1 – Níjar (Almería)	223	221	49.00	Audinfor
Empresa Municipal de Aguas de Algeciras, S.A.	Avda. Virgen del Carmen – Algeciras (Cádiz)	(197)	105	49.00	Centium
Empresa Municipal de Aguas de Jodar, S.A.	Plaza España, 1 – Jodar (Jaén)	79	—	49.00	
Empresa Municipal de Aguas de Linares, S.A.	Cid Campeador, 7 – Linares (Jaén)	111	158	49.00	Centium
Empresa Municipal de Aguas de Toxiria, S.A.	Cristóbal Colón, 104 – Torredonjimeno (Jaén)	15	89	49.00	Centium
Generavila, S.A.	Plaza de la Catedral, 11 – Ávila	292	417	36.00	Audinfor
Gestión Integral de Residuos Sólidos, S.A.	Profesor Beltrán Baquena, 4 – Valencia	1,171	1,219	49.00	BDO
A.S.A. Group:	Austria	5,469	5,883		
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	
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	

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Company	Address	Net carring value of the portfolio 2010	Net carring value of the portfolio 2009	% effective ownership	Auditor
Recopap s.r.o.	Slovakia	—	—	50.00	PricewaterhouseCoopers
Repap Czech spol. s.r.o.	Czech Republic	—	—	50.00	
Technické a Stavební Sluzby AS	Czech Republic	—	—	50.00	
Tirme Group	Ctra. Soller Km. 8,2 Camino de Son Reus-Palma de Mallorca (Baleares)	9,587	8,605	20.00	KPMG
Waste Recycling Group	UK	—	—		
Energylinc Limited	UK	—	—	50.00	
Goole Renewable Energy Limited	UK	—	—	20.00	
Shelford Composting Limited	UK	—	—	50.00	KPMG
La Unión Servicios Municipales, S.A.	Salvador Pascual, 7 – La Unión (Murcia)	113	71	49.00	Audinfor
Nueva Sociedad de Aguas de Ibiza, S.A.	Avda. Bartolomé de Roselló, 18 – Ibiza (Baleares)	102	91	40.00	
Orasqualia Construction, S.A.E.	Egypt	2,522	—	50.00	KPMG
Orasqualia for the Development of the Waste Water Treatment Plant S.A.E.	Egypt	379	288	50.00	KPMG
Pallars Jussà Neteja i Serveis, S.A.	Pau Casals, 14 – Tremp (Lleida)	33	37	40.80	
Proveïments d'Aigua, S.A.	Asturies, 13 – Girona	269	245	15.12	
Sera Q A Duitama E.S.P., S.A.	Colombia	31	16	30.60	
Shariket Miyeh Ras Djinet, S.p.A.	Algeria	5,247	3,199	25.50	Mohammed Samir HADJ ALI
Shariket Tahlya Miyah Mostaganem, S.p.A.	Algeria	11,520	6,795	25.50	Mohammed Samir HADJ ALI
Sogecar, S.A.	Polígono Torrelarragoiti – Zamudio (Vizcaya)	468	457	30.00	
Suministro de Agua de Queretaro, S.A. de CV	Mexico	9,982	6,934	28.81	Deloitte
VERSIA					
I.T.V. Córdoba, S.A.	Argentina	—	45	30.00	
CONSTRUCTION					
Ablocade, S.L.	Rafael López, 1 – Huelva	741	930	20.00	
Administración y Servicios Grupo Zapotillo, S.A. de C.V.	Mexico	3	—	50.00	
Aigües del Segarra Garrigues, S.A.	Avenida de Tarragona, 6 – Tárrega (Lleida)	4,445	4,510	25.00	Deloitte
Autopistas del Valle, S.A.	Costa Rica	5,900	5,331	48.00	Deloitte
Baross Ter Ingatlanprojekt-Fejlszto Kft	Hungary	456	532	20.00	Consultrade Plussz Könywizsgáló és Adótanássadó Kft
BBR VT International Ltd.	Switzerland	1,467	1,254	22.50	Trewitax Zürich AG
Cleon, S.A.	Avda. General Perón, 36 – Madrid	24,874	24,961	25.00	KPMG
Concesionaria Atención Primaria, S.A.	Plaza Es Fortí, 4 – Palma de Mallorca	1,003	—	33.00	Deloitte
Concessió Estacions Aeroport L9, S.A.	Córcega, 270 – Barcelona	19,954	506	49.00	
Constructora de Infraestructuras de Aguas de Potosí, S.A. de C.V.	Mexico	2	—	24.50	
Constructora San José – Caldera CSJC, S.A.	Costa Rica	4,168	4,634	50.00	Deloitte
Constructora San José-San Ramón SJSR, S.A.	Costa Rica	77	67	33.00	

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Company	Address	Net carring value of the portfolio 2010	Net carring value of the portfolio 2009	% effective ownership	Auditor
Constructores del Zapotillo, S.A. de C.V.	Mexico	726	—	50.00	
Desarrollo Cuajimalpa, S.A. de C.V.	Mexico	2,023	1,770	25.00	
Desarrollos y Promociones Costa Cálida, S.A.	Saturno, 1 – Pozuelo de Alarcón (Madrid)	263	266	35.75	
Elaboración de Cajones Pretensados, S.L.	Avda. General Perón, 36 – Madrid	2	2	50.00	
FCC Construction Kipszer Ktf	Hungary	(3)	(112)	50.00	PricewaterhouseCoopers
FCC Elliot construction Limited	Ireland	2,381	1,035	50.00	Deloitte
Gesi-9, S.A.	Sorolla, 27 – Alcalá de Guadaira (Sevilla)	13,008	13,008	74.90	Antonio Moreno Campillo
Alpine Group:	Austria	15,251	15,154		
ABO Asphalt-Bau Oeynhausen GmbH	Austria	—	—	26.09	
AE Stadtland GmbH	Germany	—	—	13.42	Deloitte
AMW Asphaltwerk GmbH	Austria	—	—	19.13	
Asphaltmischwerk Betriebs GmbH & Co KG	Austria	—	—	17.39	
Asphaltmischwerk Greinsfurth GmbH & Co OHG	Austria	—	—	21.74	
Asphaltmischwerk Leopoldau-Teerag-Asdag-Mayreder Bau GmbH	Austria	—	—	43.48	
Asphaltmischwerk Leopoldau-Teerag-Asdag-Mayreder Bau GmbH & Co KG	Austria	—	—	17.39	
Asphaltmischwerk Steyregg GmbH & Co KG	Austria	—	—	17.39	
Asphaltwerk Sierning GmbH	Austria	—	—	34.79	
AWT Asphaltwerk GmbH	Austria	—	—	28.70	
AWW Asphaltmischwerk Wölbiling GmbH	Austria	—	—	43.48	
Bonaventura Strassenerhaltungs GmbH	Austria	—	—	21.74	Deloitte
Bonaventura Strassenerhaltungs GmbH	Austria	—	—	38.53	Deloitte
Dolomit-Beton Lieferbetonwerk GmbH	Austria	—	—	41.75	
Draubeton GmbH	Austria	—	—	30.44	
FMA Asphaltwerk GmbH & Co KG	Austria	—	—	8.70	
Hemmelmair Frästechnik GmbH	Austria	—	—	21.74	
Kieswerk-Betriebs GmbH & Co KG	Austria	—	—	19.57	
Lieferasphaltgesellschaft JAUNTAL GmbH	Austria	—	—	20.87	
MSO Mischanlagen Süd-Ost Betriebs GmbH und Co KG	Austria	—	—	9.57	
Paltentaler Beton Erzeugungs GmbH	Austria	—	—	20.87	
Porr Alpine Austriarail GmbH	Austria	—	—	43.48	
PPE Malzenice s.r.o.	Slovakia	—	—	43.48	Ing. Anna Mamajova
Rastätten Betriebs GmbH	Austria	—	—	43.48	GrantThorton
RBA Recycling und Betonanlagen GmbH & Co Nfg KG	Austria	—	—	22.18	
RFM Asphaltmischwerk GmbH & Co KG	Austria	—	—	28.99	
Schaberreiter GmbH	Austria	—	—	9.57	
Silasfalt s.r.o.	Czech Republic	—	—	43.48	Deloitte

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Company	Address	Net carring value of the portfolio 2010	2009	% effective ownership	Auditor
Straka Bau GMBH	Austria	—	—	44.35	
Transportbeton und Asphalt GmbH	Austria	—	—	43.48	
Transportbeton und Asphalt GmbH & Co KG	Austria	—	—	43.48	
Waldviertler Lieferasphalt GmbH & Co KG	Austria	—	—	43.48	
Ziegelwerk Frental Eder GmbH	Germany	—	—	32.22	Deloitte
Cedinsa Concesionaria Group	Tarragona, 141 – Barcelona	27,124	24,735	27.20	Deloitte
Foment de Construccions i Consulting Group	Andorra	12	12	33.30	
Ibisan Sociedad Concesionaria, S.A.	Porto Pi, 8 – Palma de Mallorca (Baleares)	7,315	7,986	50.00	Deloitte
Las Palmeras de Garrucha, S.L. – in liquidition -	Mayor, 19 – Garrucha (Almería)	1,081	1,178	20.00	
M50 (D&C) Limited	Ireland	(4,586)	(87)	42.50	Deloitte
Marina de Laredo, S.A.	Pasaje de Puntida, 1 – Santander (Cantabria)	1,192	692	50.00	
MDM-Teide, S.A.	Panama	1,129	1,024	50.00	P&A Palacios y Asociados Certified Public Accountants
Metro de Málaga, S.A.	Martínez, 11 – Málaga	10,258	9,198	10.00	Ernst & Young
N6 (Construction) Limited	Ireland	(21,235)	(8,504)	42.50	Deloitte
Nihg Limited	Ireland	—	—	39.00	Deloitte
Nihg South West Health Partnership Limited	Ireland	(16,653)	—	39.00	Deloitte
Nova Bocana Barcelona, S.A.	Avda. Josep Tarradellas, 123 – Barcelona	9,121	9,323	25.00	Deloitte
Nova Bocana Business, S.A.	Avda. Josep Tarradellas, 123 – Barcelona	992	992	25.00	
Omszki-Tó Part Ingatlanfejlesztö És Befektetö Kft	Hungary	(39)	(17)	20.00	
Operaciones y Servicios para la Industria de la Construcción, S.A. de C.V.	Mexico	(22)	16	50.00	Deloitte
Port Premià, S.A. – in liquidation -	Balmes, 36 – Barcelona	(555)	(555)	39.72	
Promvias XXI, S.A.	Vía Augusta, 255 Local 4 – Barcelona	(293)	(175)	25.00	
Proyecto Front Marítim, S.L.	Paseo de Gracia, 120 – Barcelona	(5,556)	(5,045)	50.00	
Teide Gestión del Sur, S.L.	José Luis Casso, 68 – Sevilla	4,474	4,842	49.94	
Teide-MDM Quadrat, S.A.	Panama	197	174	50.00	P&A Palacios y Asociados Certified Public Accountants
Terminal Polivalente de Huelva, S.A.	La Marina, 29 – Huelva	(263)	(263)	31.50	
Torres Porta Fira, S.A.	Mestre Nicolau, 19 – Barcelona	8,529	8,632	40.00	BDO
Tramvia Metropolità, S.A.	Córcega, 270 – Barcelona	4,528	4,108	22.44	KPMG
Tramvia Metropolità del Besós, S.A.	Córcega, 270 – Barcelona	3,786	4,358	22.53	KPMG
Urbs Iudex et Causidicus, S.A.	Tarragona, 161 – Barcelona	(2,247)	(925)	29.00	Deloitte
Urbs Iustitia Commodo Opera, S.A.	Avda. Carrilet, 3, planta 11º, Ciutat de la Justícia de Barcelona i l'Hospitalet de Llobregat – l'Hospitalet de Llobregat (Barcelona)	2,417	—	35.00	
Vivero del Río Razón, S.L.	Camino del Guardatillo – Valdeavellano de Tera (Soria)	1	1	48.00	

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Company	Address	Net carring value of the portfolio 2010	Net carring value of the portfolio 2009	% effective ownership	Auditor
Western Carpathians Motorway Investors Company GmbH	Austria	13	12	48.70	
Zilinská Dialnica s.r.o.	Slovakia	(299)	10	48.70	KPMG
CEMENT					
Aplicaciones Minerales, S.A.	Camino Fuente Herrero – Cueva Cardiel (Burgos)	563	618	33.15	
Áridos Unidos, S.A.	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	13	13	26.77	
Canteras y Hormigones Quintana, S.A.	Ctra. Santander-Bilbao Km. 184 – Barcena de Cicero (Cantabria)	4,416	4,838	18.85	Enrique Campos & Auditores
Canteras y Hormigones VRE, S.A.	Arieta, 13 – Estella (Navarra)	1,223	1,634	35.73	KPMG
Comercial de Prefabricados Lemona, S.A.	Barrio Inzunza, 1 – Lemona (Vizcaya)	19	19	67.04	
Exponor, S.A. – in liquidation -	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	—	1	38.92	
Hormigones Calahorra, S.A.	Brebicio, 25 – Calahorra (La Rioja)	111	152	35.72	
Hormigones Castro, S.A.	Ctra. Irún-La Coruña Km. 153 – Islares – (Cantabria)	374	347	25.14	
Hormigones del Baztán, S.L.	Suspeltxiki, 25 – Vera de Bidasoa (Navarra)	1,016	1,051	35.73	
Hormigones Delfín, S.A.	Venta Blanca – Peralta (Navarra)	856	939	35.73	
Hormigones en Masa de Valtierra, S.A.	Ctra. Cadreita Km. 0 - Valtierra (Navarra)	1,602	1,776	35.73	
Hormigones Galizano, S.A.	Ctra. Irún-La Coruña Km. 184 – Gama (Cantabria)	242	310	31.42	
Hormigones Reinares, S.A.	Praje Murillo de Calahorra, s/n – Calahorra (La Rioja)	854	1,164	35.73	KPMG
Hormigones y Áridos del Pirineo Aragonés, S.A.	Ctra. Biescas – Sabiñanigo (Huesca)	6,719	6,683	35.73	KPMG
Lázaro Echevarría, S.A.	Isidoro Melero – Alsasua (Navarra)	9,924	10,083	20.01	KPMG
Navarra de Transportes, S.A.	Ctra. Pamplona-Vitoria Km. 52 – Olazagutia (Navarra)	1,130	1,126	23.82	KPMG
Neuciclaje, S.A.	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	499	440	23.05	
Novhorvi, S.A.	Portal de Gamarra, 25 – Vitoria Gasteiz (Álava)	212	198	17.87	Iñurrieta
Portcemen, S.A.	Muelle Contradique Sur-Puerto Barcelona – Barcelona	925	774	13.13	
Quinsa Prefabricados de Hormigón, S.L. Unipersonal	Ctra. S. Sebastián-Coruña Km. 184 – Barcena de Cicero (Cantabria)	(15)	32	18.85	
Silos y Morteros, S.L.	Ctra. de Pamplona Km. 1 – Logroño (La Rioja)	210	190	23.82	Expertos Auditores
Terminal Cimentier de Gabes-Gie	Tunisia	104	50	15.41	Ernst & Young
Terrenos Molins	Llobregat – Molins de Rei (Barcelona)	4	5	13.14	
Transportes Cántabros de Cemento Portland, S.L.	Ctra. S. Sebastián-Coruña Km. 184 – Barcena de Cicero – (Cantabria)	42	77	18.85	
Vescem-LID, S.L.	Valencia, 245 – Barcelona	64	31	13.13	
TOTAL VALUE OF COMPANIES CARRIED BY THE EQUITY METHOD (ASSOCIATES)		**210,992**	**208,000**		

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APPENDIX IV CHANGES TO THE SCOPE OF CONSOLIDATION

ADDITIONS	Address
Fully consolidated	
.A.S.A. TS PROSTEJOV S.R.O. (*)	Czech Republic
ALPINE ENERGIE CESKO SPOL. S.R.O.	Czech Republic
ALPINE GREEN ENERGY ITALY SRL	Italy
APEX/FCC LLC.	USA
CARTAGUA, AGUAS DO CARTAXO, S.A.	Portugal
EKOSTONE ÁRIDOS SIDERÚRGICOS, S.L.	Trinidad, 9 – Getxo (Vizcaya)
GUZMÁN ENERGÍA, S.L. UNIPERSONAL	Portada, 11 – Palma del Río (Córdoba)
FCC INDUSTRIALE SRL	Italy
FTS 2010 SOCIETA CONSORTILE A RESPONSABILITA LIMITATA	Italy
IMPULSORA DE PROYECTOS PROSERME, S.A. DE C.V.	Mexico
INGENIEURBÜRO FÜR ENERGIE – UND HAUSTECHNIK ANDREAS DUBA GMBH	Germany
OKTAL PLUS D.O.O.	Croatia
SOLAR PARK SERENA SRL	Italy
TRATAMIENTO ESCOMBROS ALMOGUERA, S.L.	José Abascal, 59 - Madrid
Consoliated by the equity method	
JOINT VENTURES	
ACE CAET XXI CONSTRUÇOES	Portugal
ACE RIBEIRADIO-ERMIDA	Portugal
CONSTRUCTORA DURANGO-MAZATLAN, S.A. DE C.V.(*)	Mexico
COSTA BRAVA ABASTAMENT AQUALIA-SOREA, A.I.E.	Sector Carlit, s/n – Empuriabrava (Girona)
SERVICIOS EMPRESARIALES DURANGO-MAZATLAN, S.A. DE C.V.(*)	Mexico
SIGENERA, S.L.	Orzán, 124 – La Coruña
SOCIEDAD CONCESIONARIA TRANVÍA DE MURCIA, S.A. (*)	Olof Palmer, s/n – Murcia
ASSOCIATES	
ABASTAMENT EN ALTA COSTA BRAVA EMPRESA MIXTA, S.A.	Plaza Josep Pla Casadevall, 4 3º 1º – Girona
ADMINISTRACIÓN Y SERVICIOS GRUPO ZAPOTILLO, S.A. DE C.V.	Mexico
AGUAS DE PRIEGO, S.L.	Plaza de la Constitución, 3 – Priego de Córdoba (Córdoba)
CONCESIONARIA ATENCIÓN PRIMARIA, S.A.	Plaza Es Fortí, 4 – Palma de Mallorca

ADDITIONS	Address
CONSTRUCTORA DE INFRAESTRUCTURAS DE AGUAS DE POTOSÍ, S.A. DE C.V.	Mexico
CONSTRUCTORES DEL ZAPOTILLO, S.A. DE C.V.	Mexico
EMPRESA MUNICIPAL DE AGUAS DE JODAR, S.A.	Plaza Espana, 1 – Jodar (Jaén)
ORASQUALIA CONSTRUCTION, S.A.E.	Egypt
URBS IUSTITIA COMMODO OPERA, S.A.	Avda. Carrilet, 3, planta 11º, Ciutat de la Justícia de Barcelona i l'Hospitalet de Llobregat – l'Hospitalet de Llobregat (Barcelona)

REMOVALS	Address
Fully consolidated	
3 G NETZWERK ERRICHTUNGS GMBH & CO KG (6)	Austria
AGREGATS UNILAND, S.A.R.L. (2)	France
ALPINE BAU TROSTBERG GMBH (7)	Germany
ARAGONESA DE SERVICIOS I.T.V., S.A. (2)	Federico Salmón, 13 – Madrid
AUXILIAR DE PIPELINES, S.A. (10)	Paseo del Club Deportivo, 1 – Pozuelo de Alarcón (Madrid)
CASA PARK MOULAY YOUSSEF, S.A.R.L. (2)	Morocco
CASA PARK, S.A. (2)	Morocco
CEMENTRADE, S.A. UNIPERSONAL (3)	Josefina de la Maza, 4 P.E. Piasca – Santander (Cantabria)
CONCESIONARIA ZONA 5, S.A. (2)	Argentina
CONSTRUCTORA DURANGO-MAZATLAN, S.A. DE C.V.(*)	Mexico
DENEO ENERGÍA E INFRAESTRUCTURAS, S.A. (9)	José Agustín Goytisolo, 33 Nave B1 – Hospitalet de Llobretar (Barcelona)
ELCEN BRAS SERVICIOS Y PROYECTOS, S.A. (9)	Acanto, 22 - Madrid
EURMAN, S.A.	Valentín Beato, 24-26 - Madrid
GENERAL DE SERVICIOS I.T.V., S.A. (2)	Federico Salmón, 13 – Madrid
GESTIÓN ESPECIALIZADA EN INSTALACIONES, S.A. (9)	Valentín Beato, 24 - Madrid
GIZA ENVIRONMENTAL SERVICES, S.A.E. (1)	Egypt
GULFLAND CEMENT LLC. (4)	USA
I.T.V., S.A. (2)	Argentina
LURTARRI, S.L. (1)	Alameda de Urquijo, 10 – Bilbao (Vizcaya)
RECISUELOS, S.A. UNIPERSONAL (2)	Alameda de Urquijo, 10 – Bilbao (Vizcaya)

CONSOLIDATED FINANCIAL STATEMENTS

REMOVALS	Address
SERVICIOS EMPRESARIALES DURANGO-MAZATLAN, S.A. DE C.V.(*)	Mexico
SISTEMAS ENERGÉTICOS EL CARRASCAL, S.A. UNIPERSONAL (5)	Avenida San Francisco Javier, 15 – Sevilla
SISTEMAS ENERGÉTICOS EL CHAPARRAL, S.A. UNIPERSONAL (5)	Avenida San Francisco Javier, 15 – Sevilla
SISTEMAS ENERGÉTICOS LA CERRADILLA, S.A. UNIPERSONAL (5)	Avenida San Francisco Javier, 15 – Sevilla
SISTEMAS ENERGÉTICOS LAMATA, S.A. UNIPERSONAL (5)	Avenida San Francisco Javier, 15 – Sevilla
SISTEMAS ENERGÉTICOS MONTES DEL CONJURO, S.A. UNIPERSONAL (5)	Avenida San Francisco Javier, 15 – Sevilla
SOCIEDAD CONCESIONARIA TRANVÍA DE MURCIA, S.A. (*)	Olof Palmer, s/n – Murcia
UNILAND MARÍTIMA, S.L. UNIPERSONAL (8)	Córcega, 299 - Barcelona
VTV VERIFICACIONES TÉCNICAS VEHICULARES DE ARGENTINA, S.A. (2)	Argentina
VERAUTO LA PLATA, S.A. (2)	Argentina
Consolidated by the equity method	
JOINTE VENTURES	
ACE FCC CONSTRUCCION E EDIFER (1)	Portugal
ASSOCIATES	
.A.S.A. TS PROSTEJOV S.R.O. (*)	Czech Republic
ARAGONESA DE RECUPERACIONES MEDIOAMBIENTALES XXI, S.A.(1)	Ctra. Castellón Km. 58 - Zaragoza
EXPONOR, S.A. –EN LIQUIDATION- (1)	Alameda de Urquijo, 10 – Bilbao (Vizcaya)
I.T.V. CÓRDOBA, S.A. (2)	Argentina
VALENCIANA DE SERVICIOS I.T.V., S.A. (2)	P.I. El Oliveral – Ribarroja de Turia (Valencia)

(*) Change in consolidation method due to purcahse or sale of interests.
(1) Wound up
(2) Sold
(3) Merger
(4) Dissolved
(5) Merger by absorption of Olivento, S.L. Unipersonal
(6) Merger by absorption of 3 G Netzwerk Errichtungs GMBH
(7) Merger by absorption of Alpine Bau Deutschland AG
(8) Dissolved and liquidated by absorption of Uniland Cementera, S.A.
(9) Absorbed by FCC Servicios Industriales y Energéticos, S.A.
(10) Absorbed by Ibérica de Servicios y Obras, S.A.

CONSOLIDATED FINANCIAL STATEMENTS

APPENDIX V JOINT VENTURES AND OTHER CONTRACTS MANAGED JOINTLY WITH THIRD PARTIES OUTSIDE THE GROUP

	Consolidation percentage at 31.12.2010
ENVIRONMENTAL SERVICES	
FCCSA-SECOPSA UTE I	50.00
PASAIA UTE	70.00
PUERTO UTE	50.00
UTE A GUARDA	50.00
UTE A GUARDA SANEAMIENTO	50.00
UTE ABASTECIMIENTO EXTREMADURA	20.00
UTE ABASTECIMIENTO ZARAGOZA	70.00
UTE ABSA – PERICA	60.00
UTE ABSA – PERICA I	60.00
UTE ACTUACIÓN 11 TERUEL	50.00
UTE AEROPUERTO II	50.00
UTE AEROPUERTO V	50.00
UTE AEROPUERTO VI	50.00
UTE AEROPUERTO GALERIAS	50.00
UTE AEROPUERTO GALERIAS II	50.00
UTE AESA – FCC	50.00
UTE AGUAS ALCALÁ	37.50
UTE AGUAS DEL DORAMÁS	50.00
UTE AIGÜES ELS POBLETS	95.00
UTE ALMEDA	51.00
UTE AMPLIACIÓ LIXIVITATS	40.00
UTE AMPLIACIÓN IDAM SANT ANTONI	50.00
UTE AMPLIACIÓN ITAM DELTA DE LA TORDERA	66.67
UTE ANSA – ALFUS	20.00
UTE AQUALIA – FCC – MYASA	94.00
UTE ARGI GUEÑES	70.00
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 CAP DJINET	50.00

	Consolidation percentage at 31.12.2010
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 CENTRO DEPORTIVO VILLENA	80.00
UTE CHIPIONA	50.00
UTE CIUTAT VELLA	50.00
UTE COLECTOR MAGRANERS	50.00
UTE COLEGIOS SANT QUIRZE	50.00
UTE CONDUCCIÓN A EL VISO Y DEPÓSITOS	70.00
UTE CTR. DE L'ALT EMPORDÀ	45.00
UTE CTR – VALLÈS	20.00
UTE DEPURACIÓN PONIENTE ALMERIENSE	75.00
UTE DOS AGUAS	35.00
UTE ECOPARQUE CACERES	50.00
UTE ECOURENSE	50.00
UTE EDAR A GUARDA	50.00
UTE EDAR ÁVILA	55.00
UTE EDAR BAEZA	50.00
UTE EDAR CULEBRO EQUIPOS	50.00
UTE EDAR DE KRISPIJANA	70.00
UTE EKOFERRO	85.00
UTE ENERGÍA SOLAR ONDA	25.00
UTE EPTISA – AISA (ZIMNICEA)	50.00
UTE EPTISA – ENTEMANSER	48.50
UTE ETAP LAS ERAS	50.00
UTE ETAP ORBIGO	50.00
UTE EXPLOTACIÓN ITAM TORDERA	50.00
UTE EXPLOTACIÓN PISCINAS VIGO	50.00
UTE EXPLOTACIÓN PRESAS DEL SEGURA	60.00
UTE F.L.F. LA PLANA	47.00
UTE FCC – ANPE	80.00

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	Consolidation percentage at 31.12.2010
UTE FCC – ERS LOS PALACIOS	50.00
UTE FCC – HIJOS DE MORENO, S.A.	50.00
UTE FCC – PAS SALAMANCA	70.00
UTE FCC – PERICA	60.00
UTE FCC – SUFI MAJADAHONDA	50.00
UTE FCC – SUFI PESA	50.00
UTE FCC – SYF PLAYAS	40.00
UTE FCC – TEGNER	50.00
UTE FCCMA – NECA	51.00
UTE FCCMA – RUBATEC STO. MOLLET	50.00
UTE FCCSA – GIRSA	89.80
UTE FCCSA – VIVERS CENTRE VERD, S.A.	50.00
UTE FS BADAJOZ	79.00
UTE FS MUNGEST	33.15
UTE FS MUNGEST II	51.00
UTE FS PARLA	72.00
UTE FS PARLA II	72.00
UTE GALERÍAS III	50.00
UTE GESTIÓ INTEGRAL DE RUNES DEL PAPIOL	40.00
UTE GESTIÓN FANGOS MENORCA	55.00
UTE GESTIÓN INSTALACIÓN III	34.99
UTE GESTIÓN LODOS CYII	20.00
UTE GESTIÓN SERVICIOS DEPORTES CATARROJA	90.50
UTE GIREF	20.00
UTE GIRONA SELECTIVES	50.00
UTE GIRSA – FCC	59.20
UTE HIDRANTES	50.00
UTE IBIZA – PORTMANY EPC	32.00
UTE IDAM IBIZA	50.00
UTE IDAM IBIZA II	50.00
UTE IDAM IBIZA III	50.00
UTE IDAM SANT ANTONI	50.00
UTE IDAM SANT ANTONI II	50.00
UTE INFILCO	50.00
UTE INTAGUA	50.00
UTE JARDINES MOGÁN	51.00
UTE JARDINES SANTA COLOMA	50.00

	Consolidation percentage at 31.12.2010
UTE JUNDIZ	51.00
UTE KABIEZESKO KIROLDEGIA	60.00
UTE KAIAGARBI	51.00
UTE KAIXARRANKA	60.00
UTE LA LLOMA DEL BIRLET	80.00
UTE LEA – ARTIBAI	60.00
UTE LEGIO VII	50.00
UTE LIMPIEZA COLEGIOS PÚBLICOS DE ALCORA	50.00
UTE LIMPIEZA COLEGIOS PÚBLICOS DE BURRIANA	50.00
UTE LIMPIEZA COLEGIOS PÚBLICOS DE CASTELLÓN	50.00
UTE LIMPIEZA BENICASSIM	35.00
UTE LIMPIEZA SANTA COLOMA	50.00
UTE LIMPIEZA Y RSU LEZO	55.00
UTE LÍNEA 2 FASE 2 FMB	50.00
UTE LOCALES JUSTICIA LOTE II	50.00
UTE LOCALES JUSTICIA LOTE V	50.00
UTE LOGROÑO LIMPIO	50.00
UTE LOURO	65.00
UTE LV Y RSU ARUCAS	70.00
UTE MANTENIMIENTO COLEGIOS BILBAO	60.00
UTE MANTENIMIENTO COLEGIOS II	60.00
UTE MANTENIMIENTO DE EDIFICIOS	60.00
UTE MEJORA ABASTECIMIENTO SESEÑA	50.00
UTE MOLLERUSSA	60.00
UTE MONTCADA	50.00
UTE MOSTAGANEM	50.00
UTE MUSKIZ III	70.00
UTE NAVE JUNDIZ	51.00
UTE OBRA AMPLIACIÓN IDAM SAN ANTONIO	50.00
UTE OBRA EDAR IBIZA	50.00
UTE OBRAS AGUAS ALCALÁ	55.00
UTE ONDA EXPLOTACIÓN	33.33
UTE OYM CAP DJINET	50.00
UTE OYM MOSTAGANEM	50.00
UTE PAMPLONA	80.00
UTE PARQUES SINGULARES MÓSTOLES	50.00
UTE PISCINA CUBIERTA BENICARLÓ	65.00

CONSOLIDATED FINANCIAL STATEMENTS

	Consolidation percentage at 31.12.2010
UTE PISCINA CUBIERTA MUNICIPAL ALBATERA	93.00
UTE PISCINA CUBIERTA MUNICIPAL L'ELIANA	99.50
UTE PISCINA CUBIERTA CLUB DEPORTIVO ALBORAYA	99.00
UTE PISCINA CUBIERTA MANISES	99.50
UTE PISCINA CUBIERTA PAIPORTA	90.00
UTE PISCINA POLIDEPORTIVO PAIPORTA	65.00
UTE PLAN RESIDUOS	47.50
UTE PLANTA RSI TUDELA	60.00
UTE PLANTA TRATAMIENTO VALLADOLID	60.00
UTE PLAYAS	50.00
UTE PLAYAS GUIPUZKOA	55.00
UTE PONIENTE ALMERIENSE	50.00
UTE PORTUGARBI	51.00
UTE PORTUGARBI – BI	51.00
UTE POSU – FCC VILLALBA	50.00
UTE POTABILIZADORA ELS POBLETS	70.00
UTE PUERTO II	70.00
UTE QUINTO CONTENEDOR	50.00
UTE R.S. PONIENTE ALMERIENSE	50.00
UTE RBU VILLA-REAL	47.00
UTE RESIDENCIA	50.00
UTE RESTAURACIÓN GARRAF	27.50
UTE RSU TOLOSALDEA	60.00
UTE S.U. BILBAO	70.00
UTE SALTO DEL NEGRO	50.00
UTE SANEAMIENTO URBANO CASTELLÓN	65.00
UTE SANT LLORENÇ	50.00
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 SASIETA	75.00
UTE SAV – FCC TRATAMIENTOS	35.00
UTE SEAFSA LANZAROTE	60.00
UTE SELECTIVA SAN MARCOS	65.00
UTE SELECTIVA UROLA KOSTA	60.00
UTE SELLADO VERTEDERO LOGROÑO	50.00

	Consolidation percentage at 31.12.2010
UTE SERVICIOS EXPO	60.00
UTE TANATORIO DE PATERNA	50.00
UTE TIRVA FCC – FCCMA RUBÍ	51.00
UTE TORRIBERA III	50.00
UTE TORRIBERA IV	50.00
UTE TORRIBERA RSU	50.00
UTE TOSSA DE MAR	13.00
UTE TRANSPORTE SAN MARCOS	80.00
UTE TRANSPORTE DEBABARRENA 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 VERTRESA	10.00
UTE VIGO RECICLA	70.00
UTE VILOMARA	33.33
UTE VINAROZ	50.00
UTE VIVIENDAS MARGEN DERECHA	60.00
UTE WTC – ZARAGOZA	51.00
UTE ZARAGOZA DELICIAS	51.00
UTE ZARAUZKO GARBIKETA	60.00
UTE ZONZAMAS FASE II	30.00
UTE ZURITA	50.00
VERSIA	
CLEAR CHANNEL – CEMUSA UTE	50.00
CYCSA – ISOLUX INGENIERÍA UTE	50.00
CYS – IKUSI – GMV UTE	43.50
EYSSA-AUPLASA ALICANTE UTE	65.00
SISTEMAS TRANVÍA DE MURCIA UTE	32.00
TRAMBESÒS UTE	33.00
TÚNELES DE BARAJAS UTE	50.00
UTE BYPASS SUR	50.00
UTE C-17 SERVEI	50.00
UTE CC CLOT ARAGÓ	60.00

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	Consolidation percentage at 31.12.2010
UTE CN III	45.00
UTE EIX LLOBREGAT	50.00
UTE EUROHANDLING	50.00
UTE EUROHANDLING BARCELONA	50.00
UTE EUROHANDLING MÁLAGA	50.00
UTE FCC ACISA AUDING	45.00
UTE MENDIZULOA	30.00
UTE SCC SICE	50.00
UTE S.G.V.V.	50.00
UTE TRAMBAIX	33.00
CONSTRUCTION	
ARGE A4	50.00
ARGE ACHRAIN	50.00
ARGE ALPTRANSIT BRENNER	50.00
ARGE ARLBERG	45.00
ARGE ATAC	50.00
ARGE BEG H4 STANS	50.00
ARGE BEG LOS O1	50.00
ARGE BETON BHF. ST. PÖLTEN	45.00
ARGE BETON DOPPL 2	50.00
ARGE BETON NEUBAU	40.00
ARGE BETONBAU ÖBB YBBS AMSTETTEN	50.00
ARGE BETR. GEB. HEIDKOF	50.00
ARGE CONTIWEG	60.00
ARGE EGGETUNNEL	50.00
ARGE ERDB. A8 PICHL - MEGG	50.00
ARGE ERDB. MATZLEINSDORF	50.00
ARGE ERDBAU AMSTETTEN BL3	60.00
ARGE ERDBAU BHF ST. PÖLTEN	33.33
ARGE ERDBAU DOPPL II	50.00
ARGE ERDBAU NEUBAU	50.00
ARGE EURO 2008 AUSB. STAD. INNSBRUCK	33.33
ARGE EURO 2008 AUSB. STAD. KLAGENFURT	55.00
ARGE EURO 2008 AUSB. STAD. SALZBURG	51.00
ARGE GALERIEN KÜHTAI	25.00
ARGE GEBÖS NORDBAHNHOF	33.34
ARGE GK RECHTE ALTSTADT 2	50.00

	Consolidation percentage at 31.12.2010
ARGE GOTTHARD TUNNEL	66.66
ARGE HABERKORN ULMER	50.00
ARGE HEIDKOPFTUNNEL	33.34
ARGE HOCHBAU HBF ST. PÖLTEN	25.35
ARGE HWS MACHLAND	50.00
ARGE INGENIEURBAU PPP OSTREGION	50.00
ARGE JURIDICUM	50.00
ARGE KATSCHBERG	30.96
ARGE KDD	33.34
ARGE KH RIED BR 2 + 3	23.78
ARGE KH RIED BR 4/4A	33.33
ARGE KINGSCROSS	50.00
ARGE KLOSTERNEUBURG	28.10
ARGE KOPS	80.00
ARGE KRANKENHAUS BR A + F	50.00
ARGE LAINZERTUNNEL 31	50.00
ARGE LICHTENFELS	33.34
ARGE MISCHGUT PPP OSTREGION	50.00
ARGE MVA ZISTERSDORF	50.00
ARGE NBS LOS B	33.34
ARGE NUSSDORF – ZAGLING	50.00
ARGE PARKDECK STOCKERAU	33.00
ARGE PRO MENTE WELS	50.00
ARGE RASTSTÄTTE PPP OSTREGION	50.00
ARGE SCHMIEDETECHNIK – ERW	33.33
ARGE SCHWEDEN	50.00
ARGE SENIORENWOHNHEIM KREMS	66.66
ARGE SINGAPURE 855	50.00
ARGE SPERRE BAECHENTAL	15.00
ARGE STRENGEN	70.00
ARGE TERMINAL TOWER LINZ	50.00
ARGE THERAPIEZENTRUM BAD HALL	82.70
ARGE TSCHAMBREU	66.66
ARGE TULLNERFELD 4.1	66.66
ARGE TUNNEL – U. ING. BAU. LEIPZIG LOS B	5.70
ARGE TURBOLADERWERK	50.00
ARGE TWL LEHEN – LIEFERING	40.00

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	Consolidation percentage at 31.12.2010
ARGE UMFAHRUNG BRIXEN B13	48.80
ARGE UW YBBSFELD	50.00
ARGE VEZ	50.00
ARGE VKA TERNITZ	1.00
ARGE WIESING H4 – 3	75.00
ERD – UN STRASSENB. PPP	19.00
ASTALDI – FCC J.V.	50.00
FCC ELLIOT CONSTRUCTION PARTNERSHIP	50.00
J.V. ARAD-TIMISOARA FCC-ASTALDI	50.00
J.V. CENTURE OTOPENI OVERPASS	89.80
J.V ESTENSION OF LINE 2 TO ANTOHOUPOLI	50.01
J.V. FCC-ASTALDI	50.00
J.V. FCC CO-MCM	95.00
J.V. METRO DEHLI C1	19.00
UTE 180 VIVIENDAS PARCELA 22, LEGANÉS	60.00
UTE 2ª FASE EIQUE DE LA ESFINGE	35.00
UTE 57 VIVIENDAS PC-6 CERRO DE REYES	90.00
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 ACONDICIONAMIENTO BASE ALMUSSAFES	50.00
UTE ACTUACIONES AEROPUERTO DE LOGROÑO	80.00
UTE ADAMUZ	33.33
UTE AEROMÉDICA CANARIA – FCCCO	5.00
UTE AEROPUERTO DE CASTELLÓN	50.00
UTE AL – DEL CUENCA	50.00
UTE AL – DEL POLIVALENTES	50.00
UTE AL – DEL SANTIAGO	50.00
UTE AL – DEL VILLARRUBIA	50.00
UTE AL – DEL XÁTIVA	50.00
UTE ALARCÓN	55.00
UTE ALBACETE – ALMANSA	50.00
UTE ALBUERA	50.00
UTE ALCAR	45.00
UTE ALMENDRALEJO II	50.00
UTE ALQUERÍA	50.00

	Consolidation percentage at 31.12.2010
UTE ALUMBRADO BARRIO SAN FCO. JAVIER	80.00
UTE AMOREBIETA	66.66
UTE AMPLIACIÓN AP-6 TRAMO 2	50.00
UTE AMPLIACIÓN EDAR GIRONA	67.00
UTE AMP. PLAT COSTERA REC. GUINIGUADA	50.00
UTE AMPLIACIÓN PUERTO DE CASTELLÓN	50.00
UTE AMPLIACIÓN SAIH	50.00
UTE AMPLIACIÓN SUPERFICIE M. LEVANTE PTO. V	60.00
UTE ANAGA	33.33
UTE APARCAMIENTO TERM. ACT. AEROPUERTO G.C.	70.00
UTE ARENAL	16.17
UTE ARINAGA III	50.00
UTE ARMILLA INSTALACIONES	50.00
UTE ARRIXACA GASES	26.00
UTE ARROYO DE LA ENCOMIENDA	50.00
UTE ARROYO DEL FRESNO	50.00
UTE AUCOSTA CONSERVACIÓN	50.00
UTE AUDITORIO DE BURGOS	65.00
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 AUTOVÍA PAMPLONA – LOGROÑO T2, 3, 4	70.79
UTE AVE GIRONA	40.00
UTE AVE MASIDE	67.00
UTE AVE MONTBLANC	75.00
UTE AVE TERUEL	50.00
UTE AVE TÚNEL DE SERRANO	42.00
UTE ÁVILA 6	35.00
UTE AZOKA	45.88
UTE AZUCENAS	75.00
UTE AZUD BAJO EMBALSE ALARCÓN	50.00
UTE AZUD DEL EBRO 2ª FASE	70.00
UTE BALLONTI ARDANZA	9.80
UTE BARBADOS	50.00
UTE BENTA AUNDI	50.00
UTE BERGARA ANTZUOLA	50.00

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	Consolidation percentage at 31.12.2010
UTE BIBLIOTECA DE NAVARRA	65.00
UTE BIMENES	70.00
UTE BIMENES III	70.00
UTE BIZKAIA ENPARANTZA	24.50
UTE BOETTICHER	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 C&F JAMAICA	50.00
UTE C.A.R.E. CÓRDOBA	75.00
UTE CÁCERES II	50.00
UTE CAMPO GIBRALTAR	80.00
UTE CAMPO DE GIBRALTAR	50.00
UTE CAMPUS CLIMA	50.00
UTE CAN TUNIS	70.00
UTE CANAL DE NAVARRA	60.00
UTE CANALES DEL JÚCAR	60.00
UTE CANONADA SANT JUST	60.00
UTE CÁRCEL MARCOS PAZ	35.00
UTE CARCHUNA – CASTELL	75.00
UTE CARDEDEU	40.00
UTE CARIÑENA	50.00
UTE CARRETERA HORNACHOS – LLERA	65.00
UTE CARRETERA IBIZA – SAN ANTONIO	50.00
UTE CASON II	50.00
UTE CASTELLÓ D'AMPÚRIES	50.00
UTE CASTIÑEIRIÑO	65.00
UTE CATENARIA – CERRO NEGRO	50.00
UTE CATLANTICO	25.00
UTE CECOEX	20.00
UTE CENTRAL – BEURKO	19.60
UTE CENTRAL – BEURKO FASE II	12.25
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

	Consolidation percentage at 31.12.2010
UTE CENTRO CONTINGENCIAS GAVÀ	70.00
UTE CERRO GORDO	75.00
UTE CIBELES	50.00
UTE CIBELES ELECTRICIDAD	50.00
UTE CINE AVENIDA	50.00
UTE CIRCUITO	70.00
UTE CIRCUITO F-1 VALENCIA	38.00
UTE CIUDAD DE LAS COMUNICACIONES	50.00
UTE CIUDAD DEPORTIVA VALDEBEBAS	50.00
UTE CIUDAD DEPORTIVA VALDEBEBAS II	50.00
UTE CIUTAT DE LA JUSTÍCIA	30.00
UTE CLIMA "LA FE"	38.00
UTE CLIMA DENIA	65.00
UTE CLIMA PARQUE EMP. "FORESTA"	50.00
UTE CLIMATIZACIÓN ALCÁZAR DE SAN JUAN	60.00
UTE CLIMATIZACIÓN CIBELES	50.00
UTE CLIMATIZACIÓN CIUDAD DE TELEFÓNICA	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 COBRA CPD REPSOL	50.00
UTE COBRA – ESPELSA TRANVÍA	50.00
UTE COIMA, S.A. – T.P. D ARMENGOLS C.P.	15.28
UTE COLADA	63.00
UTE COLECTOR ABOÑO	80.00
UTE COLECTOR NAVIA	80.00
UTE COLECTOR PARLA	50.00
UTE CONAVILA II	50.00
UTE CONDUCCIÓN DEL JÚCAR TRAMO VI	70.00
UTE CONEXIÓN DISTRIBUIDOR SUR	60.00
UTE CONEXIONES EL CAÑAVERAL	33.33
UTE CONSEJERÍA AGRICULTURA	85.00
UTE CONSTRUCCIÓN HOSPITAL SURESTE	50.00
UTE CONSTRUCCIÓN HOSPITAL TORREJÓN	66.70
UTE CONSTRUCCIÓN TRANVÍA ZARAGOZA	50.00
UTE CONSTRUCTORA ATENCIÓN PRIMARIA	33.00

CONSOLIDATED FINANCIAL STATEMENTS

	Consolidation percentage at 31.12.2010
UTE COORDINACIÓN	34.00
UTE COPERO	70.00
UTE CORNELLÀ WTC	36.00
UTE CORREDOR	55.00
UTE CORTE INGLÉS EIBAR	50.00
UTE COSTA DEL SOL	50.00
UTE COSTERA NORTE 1º	70.00
UTE CP NORTE I	50.00
UTE CREAA	50.00
UTE CARRETERAS ACCESO PUERTO CASTELLÓN	50.00
UTE CUATRO CAMINOS	50.00
UTE CUÑA VERDE	93.00
UTE CYM – ESPELSA INSTALACIONES	50.00
UTE DÁRSENA SUR II DEL PUERTO DE CASTELLÓN	50.00
UTE DE SUMINISTROS PUENTE RÍO OZAMA	50.00
UTE DENIA SALUD	65.00
UTE DEPÓSITO COMBUSTIBLE PUERTO GIJÓN	80.00
UTE DESALADORA BAJO ALMANZORA	60.00
UTE DESARROLLO PUERTO DE AVILES FASE I	80.00
UTE DESDOBLAMIENTO CV – 309 EN SAGUNTO	50.00
UTE DESDOBLAMIENTO DE LA AS-17 I	70.00
UTE DESDOBLAMIENTO EX-100 BADAJOZ	50.00
UTE DESVÍOS II	60.00
UTE DESVÍOS LÉRIDA-BARCELONA	50.00
UTE DIQUE DE LA ESFINGE 2º FASE	70.00
UTE DIQUE ESTE	35.00
UTE DIQUE ESTE FASE II	50.00
UTE DIQUE ESTE DÁRSENA SUR PUERTO DE CASTELLÓN	50.00
UTE DIQUE TORRES	27.00
UTE DIQUE TORRES II	27.00
UTE DIQUE TORRES 3	27.00
UTE DISTRIBUCIÓN L-2 Y VARIAS	50.00
UTE DOZÓN	29.60
UTE DRAGADO CANAL ENTRADA Y DÁRSENA SUR	50.00
UTE DRAGADO MEJORA ACCESO DÁRSENA SUR	50.00
UTE DRAGADO MUELLE COMERCIAL VILAGARCÍA	50.00
UTE EBRACONS	68.00

	Consolidation percentage at 31.12.2010
UTE EDAM OESTE	70.00
UTE EDAR CULEBRO	50.00
UTE EDAR CULEBRO OBRA CIVIL	50.00
UTE EDAR LOIOLA	89.80
UTE EDAR NAVIA	80.00
UTE EDAR PATERNA	85.00
UTE EDIFICIO 4 WTC	56.25
UTE EDIFICIO 6-7-8 WTC	36.00
UTE EDIFICIO DE LAS CORTES	65.00
UTE EDIFICIO IDI 5 TERCERA FASE CPI	75.00
UTE EDIFICIO IMETISA	70.00
UTE EDIFICIO TERMINAL	40.00
UTE EDIFICIOS TÉCNICOS CIUDEN	80.00
UTE EIX BERGUEDÀ	34.00
UTE EIX DEL LLOBREGAT	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 SON DURETA	50.00
UTE ELECTRIFICACIÓN BURGOS	33.33
UTE ELECTRIFICACIÓN CUATRO VIENTOS	50.00
UTE ELECTRIFICACIÓN GRANOLLERS	20.00
UTE ELECTRIFICACIÓN TRANVÍA DE MURCIA	55.00
UTE EMISARIO MOMPAS	89.80
UTE ENCAUZAMIENTO BARRANCO DE FRAGA	60.00
UTE ERRENTERIA	24.50
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 ESTABILIZACIÓ VIDRERES	50.00
UTE ESTABILIZADO VIC-RIPOLL	50.00
UTE ESTACIÓN AVE ZARAGOZA	50.00
UTE ESTACIÓN CORNELLÁ RIERA	50.00
UTE ESTACIÓN FGV MERCADO – ALICANTE	60.00
UTE ESTACIÓN LUCERO ALICANTE	33.33

CONSOLIDATED FINANCIAL STATEMENTS

	Consolidation percentage at 31.12.2010
UTE ESTACIÓN METRO SERRERÍA	50.00
UTE ESTACIONS AEROPORT L9	49.00
UTE ESTACIONS LÍNEA 9	33.00
UTE ESTEPONA	25.00
UTE F.I.F. GNL FB 301/2	35.96
UTE F.I.F. GNL TK-3.002/3	39.06
UTE F.I.F. LNG TK – 3001	34.00
UTE F.I.F. TANQUE FB – 241 GNL	38.00
UTE F.I.F. TANQUES GNL	34.00
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 FIRA P-5	65.00
UTE FUENTE LUCHA	77.00
UTE GANGUREN	11.03
UTE GASODUCTO MAGREB – EUROPA	50.00
UTE GAVELEC	50.00
UTE GC – 1 PUERTO DE RICO – MOGÁN	40.00
UTE GEDERIAGA	24.50
UTE GIJÓN – VILLAVICIOSA	50.00
UTE GIRONA NORTE	70.00
UTE GIRONA NORTE II	70.00
UTE GOIAN	70.00
UTE GOIERRIALDEA	55.00
UTE GOIERRIALDEA 2010	55.00
UTE GRAN VÍA HOSPITALET	50.00
UTE GRAN VÍA NORTE	50.00
UTE GRAN VÍA SURESTE	33.33
UTE GRAU DE LA SABATA	90.00
UTE GUADARRAMA 3	33.33
UTE GUADARRAMA 4	33.33
UTE GUAREÑA I	50.00
UTE GUICYCSA TORDESILLAS	60.00
UTE HABILITACIÓN ED. C. COMUNICACIONES	50.00

	Consolidation percentage at 31.12.2010
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 SALAMANCA	40.00
UTE HOSPITAL DEL SUR	80.00
UTE HOSPITAL FCC – VVO	80.00
UTE HOSPITAL MARQUÉS VALDECILLA FASE III	33.33
UTE HOSPITAL NAVALMORAL	50.00
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 INSTALACIONES C – 17 VIC – RIPOLL	33.30
UTE INSTALACIONES METRO MÁLAGA	54.00
UTE INSTALACIONES PLATAFORMA SUR	50.00
UTE IRO	80.00
UTE JAÉN – MANCHA REAL	80.00
UTE JEREZ FERROVIARIA	80.00
UTE JEREZ – LA BARCA	80.00
JUTE JONCADELLA	34.00
UTE JUAN GRANDE	50.00
UTE L9 HOSPITALET	50.00
UTE LA ALDEA	35.00
UTE LA CARPETANIA	50.00
UTE LA LOTETA	80.00
UTE LADERA ENCISO	50.00
UTE LAKUA 796	24.50
UTE LAS ROSAS I – 7	33.33
UTE LASGARRE	50.00
UTE LAUDIO	24.50

CONSOLIDATED FINANCIAL STATEMENTS

	Consolidation percentage at 31.12.2010
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 LUKO	45.00
UTE M-407	50.00
UTE M-30 TÚNEL SUR	50.00
UTE M-407 GESTION	50.00
UTE MÁLAGA COCHERAS	50.00
UTE MALLABIA	14.70
UTE MANTENIMENT RONDES II	70.00
UTE MANTENIMIENTO VÍA ARANJUEZ	50.00
UTE MANTENIMIENTO VÍA SEVILLA	50.00
UTE MANZANAL	50.00
UTE MATADERO	57.50
UTE MATERNIDAD	50.00
UTE MEDINACELI	22.40
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 MONTSERRAT 2025	50.00
UTE MORA	30.00
UTE MORALEDA	66.00
UTE MOTRIL	75.00
UTE MUELLE BOUZAS	70.00
UTE MUELLE COMERCIAL VILAGARCÍA	70.00
UTE MUELLES COMERCIALES	60.00
UTE MUELLE MUNGUIA	13.72
UTE N.O.M.	63.00
UTE NACIMIENTO	54.00
UTE NANCLARES	95.00
UTE NOU PONT DE FUSTA	50.00
UTE NOVOA SANTOS	60.00

	Consolidation percentage at 31.12.2010
UTE NUDO DE MOLLET	50.00
UTE NUEVA SEDE JUDICIAL LAS PALMAS G.C.	70.00
UTE NUEVO ESTADIO VCF	49.00
UTE NUEVO HOSPITAL DE CÁCERES	33.33
UTE NUEVO PUERTO DE IGOUMENITZA	50.00
UTE NUEVO TRAZADO CARRETERA TF-812	85.00
UTE OFICINAS HOSPITALET	50.00
UTE OLAVETRAN	14.70
UTE OLOT MONTAGUT	45.00
UTE OPERACIÓN TRANVÍA DE MURCIA	50.00
UTE ORDIZIA	90.00
UTE ORENSE – MELÓN	50.00
UTE OSEBE	50.00
UTE PABELLÓN REYNO DE NAVARRA	50.00
UTE PADRÓN	50.00
UTE PAGO DE EN MEDIO	80.00
UTE PALACIO DE LOS DEPORTES	50.00
UTE PALAMÓS-PALAFRUGELL	50.00
UTE PALAU	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 PASEO PARQUE RIBALTA CASTELLÓN	65.00
UTE PAU LAS TABLAS	50.00
UTE PAU MONTE CARMELO	50.00
UTE PAVONES VIVIENDAS	50.00
UTE PERI AR.8 LA MADRAZA	99.00
UTE PIEDRAFITA	66.67
UTE PINO MONTANO P 5	50.00
UTE PLANTA BARAJAS MELO	50.00
UTE PLANTA DE RESIDUOS	50.00
UTE PLASENCIA	50.00
UTE PLATAFORMA SATÉLITE	26.00
UTE PLATAFORMA TRANSPORTE UJI DE CASTELL	65.00

CONSOLIDATED FINANCIAL STATEMENTS

	Consolidation percentage at 31.12.2010
UTE PLATAFORMA TTE.PUB. TRAMO I COLUMBRETES	55.00
UTE PLISAN	70.00
UTE POBLA TORNESA	50.00
UTE POLIDEPORTIVO MIERES	70.00
UTE POLÍGONO BOBES	50.00
UTE POLÍGONO DE TANOS	50.00
UTE POLÍGONO LLOREDA	70.00
UTE POLÍGONO VICÁLVARO	80.00
UTE PONT DEL 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 PROLONGACIÓN DIQUE REINA SOFÍA	40.00
UTE PROSER – ARDANUY	70.00
UTE PROSER – GEOCONTROL	60.00
UTE PROSER – GEOCONTROL II	62.00
UTE PROSER – I.P.D.	65.00
UTE PROSER – NARVAL	60.00
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 PROSER – BATLLE I ROIG	50.00
UTE PROSIBE II	50.00
UTE PROSIBE III	50.00
UTE PSIR CASTRO URDIALES	50.00
UTE PT ADRIÁTICO	30.00
UTE PUENTE RÍO OZAMA (DFC-COCIMAR)	35.00
UTE PUENTE DE LA SERNA	65.00
UTE PUENTE DE PONFERRADA	55.00
UTE PUENTE DEL REY	33.33
UTE PUENTE Ma – 1110	33.00

	Consolidation percentage at 31.12.2010
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 PUIG-REIG	50.00
UTE RADIALES	35.00
UTE RAMPAS ERMUA	50.00
UTE RANILLA CONSTRUCCIÓN	85.00
UTE RECINTOS FERIALES	50.00
UTE RECUPERACIÓN DEL GUINIGUADA	50.00
UTE REFORMA HOSPITAL V SALUD (TOLEDO)	60.00
UTE RELLENOS PETROLEROS PUERTO GIJÓN	80.00
UTE REVLON	60.00
UTE RIALB	65.00
UTE RIALB II	65.00
UTE RIAÑO SAMA II	70.00
UTE RIBERAS DEL EBRO U-12	80.00
UTE RINCÓN DE LA VICTORIA	50.00
UTE RÍO LLOBREGAT	55.00
UTE ROCKÓDROMO	50.00
UTE ROCKÓDROMO 2	40.00
UTE ROCKÓDROMO FASE 3	40.00
UTE ROCKÓDROMO PC 3	45.00
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 S.A.I.H. VALENCIA	50.00
UTE SAGRA TORRIJOS	50.00
UTE SAGUNTO	60.00
UTE SAGUNTO PARCELA M17-3	50.00
UTE SAIPEM - FCC BALEARES DOS	50.00
UTE SAIPEM - FCC BALEARES UNO	11.41
UTE SAJA	50.00
UTE SAN PEDRO	24.50
UTE SAN VICENTE	43.00

CONSOLIDATED FINANCIAL STATEMENTS

	Consolidation percentage at 31.12.2010
UTE SANEAMIENTO ARCO SUR	56.50
UTE SANTA BRÍGIDA	25.00
UTE SANTA COLOMA DE FARNERS	50.00
UTE SANTIAGO – PADRÓN	50.00
UTE SANTO DOMINGO	70.00
UTE SECTOR II ZARAGOZA	65.00
UTE SEGUNDA FASE DELICIAS ZARAGOZA	50.00
UTE SELLA	50.00
UTE SEMINARIO P3-2	99.00
UTE SERVEIS AFECTATS CASTELLÓ D'AMPÚRIES	50.00
UTE SEVILLA SUR	65.00
UTE SIETE AGUAS – BUÑOL	66.66
UTE SISTEMA INTEGRAL ALICANTI SUR	66.67
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 PAJARES	50.00
UTE SUBESTACIÓN SERANTES	50.00
UTE TALLERES METRO	80.00
UTE TARRAGONA LITORAL	70.00
UTE TARRAGONA SUR	70.00
UTE TECAIR ROCKÓDROMO	50.00
UTE TELENEO	50.00
UTE TEMPLO Y C. ECUM. EL SALVADOR F1	65.00
UTE TERMINAL BARAJAS T-4	50.00
UTE TERMINAL DE BARAJAS	22.50
UTE TERMINAL GRANELES PUERTO CASTELLÓN	60.00
UTE TERMINAL SUR MUELLE LEÓN Y CASTILLO	35.00
UTE TERMOSOLAR GUZMÁN	67.50
UTE TF-5 2ª FASE	70.00
UTE TINDAYA	50.00
UTE TORO ZAMORA	70.00
UTE TORQUEMADA	50.00
UTE TORRE 1 FCC DRAGADOS	60.00

	Consolidation percentage at 31.12.2010
UTE TORRE DON JIMENO	50.00
UTE TORREBLANCA	50.00
UTE TORRIJOS	80.00
UTE TRAGSA – FCC A.P.	50.00
UTE TRAIDA AGUAS PARC SAGUNT	50.00
UTE TRAMBESÒS	50.00
UTE TRAMMET	50.00
UTE TRAMO DE NUEVA CONSTRUCCIÓN JÚCAR-VINALOPO	70.00
UTE TRAMVIA DIAGONAL	25.00
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 TRES CANTOS GESTIÓN	50.00
UTE TRIANGLE LÍNEA 9	33.00
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 PROVISIONAL ESTACIÓN ATOCHA	42.00
UTE TÚNEL SANT JUST	60.00
UTE TÚNEL TERRASSA	36.00
UTE TUNELADORA METRO	33.00
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 UE 2 VALLECAS	25.00
UTE UE 5 VALLECAS	33.33
UTE UE 6 VALLECAS	33.33
UTE UNIVERSIDAD DE MÁLAGA	65.00
UTE UNIVERSIDAD DE TUDELA	60.00

CONSOLIDATED FINANCIAL STATEMENTS

	Consolidation percentage at 31.12.2010
UTE UNQUERA – PENDUELES	80.00
UTE URBANIZACIÓN PARC SAGUNT	50.00
UTE URBANIZACIÓN PARQUE DEL AGUA	60.00
UTE URBANIZACIÓN SOMOSAGUAS	50.00
UTE VAGUADA MADRID – 2	50.00
UTE VALDEVIVIENDAS II	33.33
UTE VALLE INFERIOR	80.00
UTE VARIANTE DE MONZÓN	70.00
UTE VARIANTE INCA	70.00
UTE VARIANTE MACHA REAL	67.00
UTE VEGAS ALTAS	40.00
UTE VELA BCN	33.33
UTE VELÓDROMO	60.00
UTE VERTEDERO CASTAÑEDA	62.50
UTE VÍAS COLECTORAS LA CARPETANIA	50.00
UTE VIC - RIPOLL	34.00
UTE VIDRERES	34.00
UTE VIES SANT BOI	50.00
UTE VIGO-DAS MACEIRAS	50.00
UTE VILLAR – PLASENCIA	70.00
UTE VULLPALLERES	65.00
UTE WTC ELECTRICIDAD	50.00
UTE XILE – COLLBLANC	50.00
UTE YELTES	75.00
UTE YESA	33.33
UTE ZELAI	50.00
UTE ZONAS VERDES ENSANCHE DE VALLECAS	33.33
UTE ZUBALBURU XXI	16.66
CEMENT	
UTE A-27 VALLS-MONTBLANC	26.26
UTE AVE GIRONA	26.26
UTE BCN SUD	7.88
UTE GROUPEMENT EUROBETON	23.12
UTE LAV SAGRERA	17.51
UTE NUEVA ÁREA TERMINAL	26.26
UTE OLÉRDOLA	31.52
UTE ULLÁ	26.26

MANAGEMENT REPORT

CONSOLIDATED GROUP

MANAGEMENT

MANAGEMENT REPORT

01. HIGHLIGHTS

FCC Construction obtains more than 3,100 million euro in railway contracts

In the international area, in October a consortium including FCC was awarded the contract to build Line 1 of the Panama City Metro, valued at more than 1,000 million euro. In May, a consortium led by FCC was awarded the contract to build a railway line in northern Algeria, valued at 935 million euro. The execution period is 54 months. In December, Alpine in consortium obtained a contract from Crossrail to build tunnels in London for 250 million pounds. The company also obtained a contract in February for the construction of a city railway tunnel in Karlsruhe (Germany) for 310 million euro.

In Spain the group continues in the expansion of high speed railway construction after obtaining in November a conract valued at 129 million euro to connect the Mediterranean Corridor with the Madrid-France line. The company was awarded with two projects in September worth 122 million euro for different sections of the Madrid-Lisbon line and the North-Northwest railway line in Palencia. Previously, the group obtained a contract in Guipúzcoa for a section of the new railway network in the Basque Region, valued at more than 106 million euro, and construction of railway station accesses in Sagrera, Barcelona, valued at 223 million euro.

Aqualia expands its backlog to almost 13,000 million euro, 5% more than previous year.

Aqualia, Spain's leading integral water management company reached a new record backlog due to various contracts awarded in 2010 which total more than 1,000 million euro in future revenues. It obtained two integral water management contracts in Portugal, one for 35 years in Cartaxo worth more than 277 million euro and another in Fundao for 30 years, valued at over 190 million euro. In December, the company obtained its first contract in Chile, worth 17 million euro, to build a desalination plant.

In Spain, Aqualia obtained new contracts in Andalucía, for over 426 million euro, and in Castilla y León and Castilla-La Mancha, valued at 127 million euro.

FCC strengthens its presence in municipal solid waste (MSW) management

FCC Services will manage the collection of municipal solid waste, street cleaning, recycling centres, and beach cleaning in Castellón de la Plana under a 15-year contract for 210 million euro. Additionally its UK subsidiary, Waste Recycling Group (WRG), was awarded with a contract to manage municipal solid waste collection in Thurrock and subsequent treatment in Energy from Waste (EfW) plants

FCC Energía signs a development agreement with Mitsui group

In November, FCC and Japanese company Mitsui & Co, Ltd signed an agreement for the joint development of solar thermal energy projects in Spain. The agreement will begin with the start-up of a 50 MW plant in Córdoba.

FCC agrees to the sale of non-core assets worth 300 million euro

The company's policy for the active management of non-core assets led to the sale of its vehicle-testing business and underground car parks, neither of which coincide with its strategic growth areas (infrastructure, environmental services and energy). In June, FCC reached an agreement to sell 31 underground car parks (4 of which are under construction) for 120 million euro. In December, the company reached an agreement to sell its vehicle testing business for 180 million euro; the deal was formalised in the final days of 2010.

FCC extends syndicated loan worth 1,287 million euro to 2014

In September 2010, FCC reached an agreement with 14 financial institutions from Spain and other countries to extend the Group's largest syndicated loan (1,287 million euro). The maturity date was extended from May 2011 to spring 2014. The agreement extends the loan maturity by three years and implies the recognition by the market of the Group's solvency.

02. EXECUTIVE SUMMARY

- Net attributable profit amounted to 301.3 million euro, 1.8% higher than in 2009.
- EBITDA reached 1,434.6 million euro, and the EBITDA margin improved 0.1 percentage points to 11.8%, attributable to improvements in operating efficiency
- EBITDA in Services and Energy increased 11.3% and represents 60.0% of the total
- The backlog expanded 2.2% to 35.309 billion euro; projects outside Spain increased 7.0%
- Revenues from outside Spain accounted for 45.9% of the total
- The group maintained its solvency, with debt on par with 2009 levels

Earnings in 2010 reflect the positive performance of the more recurring businesses such as Services and Energy, where EBITDA expanded a notable 11.3%, broadly offsetting the impact of the decline in activity in Spain in the Construction and Cement areas and contributing to a net profit attributable to the parent company of 301.3 million euro.

Despite the difficult scenario, the EBITDA margin improved to 11.8%, due in large part to the efficiency measures adopted and to the focus on activities with greater added value, enhancing the Group's competitive profile going forward. In this sense, it worths to be mentioned that the three strategy growth areas (environmental services, energy and construction) increased their weight in EBITDA, accounting for more than 75% of the figure in 2010.

The sharp growth in order flow outside Spain in 2010 is visible in the increase in the international backlog: 7% with respect to December 2009. This provides an approch to the consecution of the goal of increasing the Group's international operations, which accounted for 45.9% of total revenues in 2010.

KEY FIGURES

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Net sales	12,114.2	12,699.6	-4.6%
EBITDA	1,434.6	1,484.9	-3.4%
EBIT DA margin	11.8%	11.7%	0.1 p.p.
EBIT	773.7	789.5	-2.0%
EBIT margin	6.4%	6.2%	0.2 p.p.
Earnings before taxes (EBT) from continuing activities	393.6	439.0	-10.3%
Income attributable to equity holders of parent company	301.3	296.0	1.8%
Operating cash flow from operating activities	1,011.1	1,602.1	-36.9%
Investing cash flow from investment activities	(576.6)	(843.1)	-31.6%
(million euro)	Dec. 10	Dec. 09	Chg. (%)
Equity (excl. minority interests)	2,562.9	2,444.9	4.8%
Financial Net Debt	(7,748.7)	(7,655.2)	1.2%
Backlog	35,309.0	34,547.5	2.2%

MANAGEMENT REPORT

03. SUMMARY BY BUSINESS AREA

Area	Dec. 10	Dec. 09	Chg. (%)	% of 2010 total	% of 2009 total
(million euro)					
REVENUES					
Environmental services	3,672.2	3,601.7	2.0%	30.3%	28.4%
Construction	6,693.6	7,201.2	-7.0%	55.3%	56.7%
Cement	886.7	1,035.4	-14.4%	7.3%	8.2%
Versia	846.3	820.0	3.2%	7.0%	6.5%
Energy	86.3	81.9	5.4%	0.7%	0.6%
Others*	(70.9)	(40.6)	74.7%	-0.6%	-0.3%
Total	**12,114.2**	**12,699.6**	**-4.6%**	**100.0%**	**100.0%**
REVENUES IN SPAIN					
Environmental services	2,361.0	2,346.3	0.6%	36.0%	33.2%
Construction	3,022.3	3,386.6	-10.8%	46.1%	47.9%
Cement	592.6	740.2	-19.9%	9.0%	10.5%
Versia	564.7	559.6	0.9%	8.6%	7.9%
Energy	82.6	81.9	0.9%	1.3%	1.2%
Others*	(71.0)	(40.5)	75.2%	-1.1%	-0.6%
Total	**6,552.2**	**7,074.1**	**-7.4%**	**100.0%**	**100.0%**
INTERNATIONAL REVENUES					
Environmental services	1,311.3	1,255.4	4.5%	23.6%	22.3%
Construction	3,671.3	3,814.6	-3.8%	66.0%	67.8%
Cement	294.1	295.2	-0.4%	5.3%	5.2%
Versia	281.7	260.4	8.2%	5.1%	4.6%
Energy	3.6	0.0	N.S.	0.1%	0.0%
Others*	0.0	(0.1)	N.S.	N.S.	N.S.
Total	**5,562.0**	**5,625.5**	**-1.1%**	**100.0%**	**100.0%**

Área	Dic. 10	Dic. 09	Var. (%)	% s/ 10 total	% s/ 09 total
(million euro)					
EBITDA					
Environmental services	657.7	610.1	7.8%	45.8%	41.1%
Construction	355.5	406.1	-12.5%	24.8%	27.3%
Cement	219.7	289.0	-24.0%	15.3%	19.5%
Versia	139.0	98.9	40.5%	9.7%	6.7%
Energy	65.5	65.8	-0.5%	4.6%	4.4%
Others*	(2.8)	15.0	-118.7%	-0.2%	1.0%
Total	**1,434.6**	**1,484.9**	**-3.4%**	**100.0%**	**100.0%**
EBIT					
Environmental services	323.5	297.4	8.8%	41.8%	37.7%
Construction	241.6	282.1	-14.4%	31.2%	35.7%
Cement	67.0	128.6	-47.9%	8.7%	16.3%
Versia	192.9	6.5	N.S.	24.9%	0.8%
Energy	19.7	23.2	-15.1%	2.5%	2.9%
Others*	(71.0)	51.7	-237.3%	-9.2%	6.6%
Total	**773.7**	**789.5**	**-2.0%**	**100.0%**	**100.0%**
NET DEBT					
Environmental services	4,352.6	4,192.4	3.8%	56.2%	54.8%
Construction	519.6	413.7	25.6%	6.7%	5.4%
Cement	1,287.5	1,419.3	-9.3%	16.6%	18.5%
Versia	290.8	459.4	-36.7%	3.8%	6.0%
Energy	924.0	905.4	2.1%	11.9%	11.8%
Others*	374.2	265.0	41.2%	4.8%	3.5%
Total	**7,748.7**	**7,655.2**	**1.2%**	**100.0%**	**100.0%**
BACKLOG					
Environmental services	25,325.0	23,691.2	6.9%	71.7%	68.6%
Construction	9,984.0	10,856.3	-8.0%	28.3%	31.4%
Total	**35,309.0**	**34,547.5**	**2.2%**	**100.0%**	**100.0%**

* Others includes Central Services and Torre Picasso

Change in accounting criteria in Versia contracts.

In 2010 fiscal year and according to IAS 8, for comparison purposes with 2009, FCC has changed the accounting policy regarding the operating licences of those contracts which require the operator to make specific minimum payments, primarily in the urban furniture business performed by Versia.

The new approach led FCC to book the present value of the committed flow of minimum payments as an intangible asset, representing the operating right, with the counterparty in a liability representing payment obligations incurred. The application of this criteria led the company to book an expense regarding the amortisation of intangible assets and a financial expense for the discounted liabilities. The impact of this modification on FCC Group's equity and earnings in the restated 2009 accounts is visible in the following table

(million euro)	2009 Restated	2009	Chg. (M€)
Intangible assets	5,009.3	4,462.3	546.9
Deferred tax assets	604.0	599.2	4.8
Other assets	16,199.2	16,199.2	—
Total assets	**21,812.5**	**21,260.7**	**551.8**
Equity attributable to equity holders of the parent company before earnings	2,148.9	2,176.6	(27.9)
Earnings attributable to the parent company	296.0	307.2	(11.2)
Other non-current financial liabilities	741.0	182.1	558.9
Other current financial liabilities	190.3	158.5	31.8
Other liabilities	18,436.3	18,436.3	—
Total liabilities	**21,812.5**	**21,260.7**	**551.8**

04. INCOME STATEMENT

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Turnover	12,114.2	12,699.6	-4.6%
EBITDA	1,434.6	1,484.9	-3.4%
EBITDA margin	11.8%	11.7%	0.1 p.p.
Depreciation and amortisation	(732.1)	(752.4)	-2.7%
Other operating income	71.3	57.0	25.1%
EBIT	773.7	789.5	-2.0%
EBIT margin	6.4%	6.2%	0.2 p.p.
Financial income	(382.3)	(311.5)	22.7%
Equity-accounted companies	16.8	18.4	-8.7%
Other financial results	(14.6)	(57.3)	-74.5%
Earnings before taxes (EBT) from continuing activities	393.6	439.0	-10.3%
Corporate income tax expense	(80.0)	(115.2)	-30.6%
Minority interest	(12.3)	(27.8)	-55.8%
Income attributable to equity holders of the parent company	301.3	296.0	1.8%

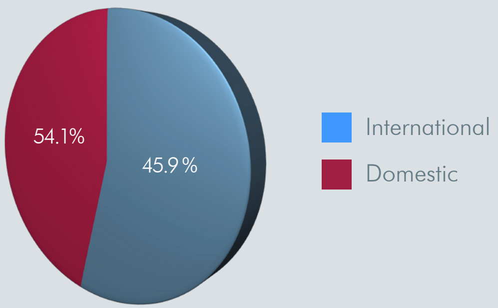
4.1 Turnover

Consolidated revenues amounted to 12,114.2 million euro in 2010, down a 4,6% less than the previous year. This performance reflects a combination of sustained growth in the Environmental Services, Urban Services and Energy divisions in 2010 together with a slight weakness in the Construction and Cement areas, which is more visible in Spain than in international markets.

By geografic segments, revenues in domestic market declined by 7.4%, while revenues outside Spain (which account for 45.9% of the Group total) fell by just 1.1%.

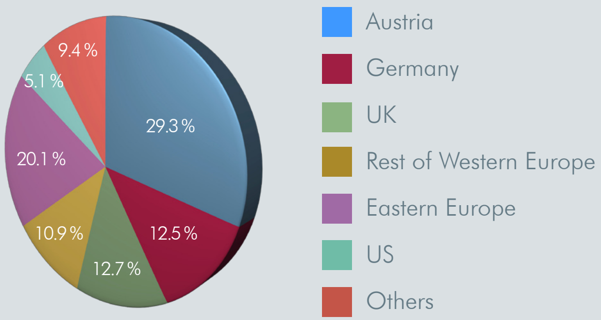
MANAGEMENT REPORT

% Revenues by Region



Europe (other than Spain), where FCC has a strong presence in infrastructure and environmental services, accounts for 85.5% of total foreign revenues. The "Others" caption of the following chart reflects the group's selective activity in the fast-growing economies of Latin America, North Africa and Southeast Asia (China, India and Singapore).

International Revenue Breakdown

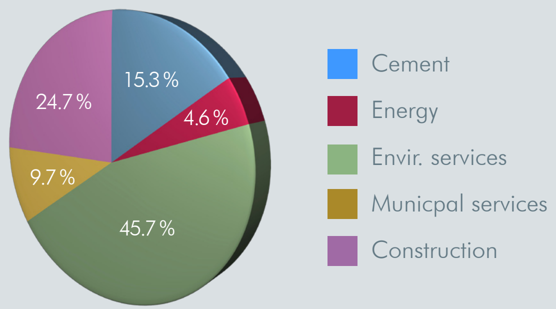


4.2 EBITDA

EBITDA amounted to 1,434.6 million euro in the year, i.e. a 3.4% decline compared with 2009, but the EBITDA margin improved by 0.1 percentage points to 11.8%.

EBITDA in the most recurring businesses, Services and Energy, expanded by 11.3% and accounts for 60% of the consolidated total, while the Construction and Cement divisions were affected by a decline in activity in the domestic market.

EBITDA* by business area



4.3 EBIT

During 2010 a provision for amortisation of fixed assets has been charged in 732,1 million euro, a 2.7% less than in 2009. This figure includes 87.6 million euro corresponding to the amortisation of the higher value assigned to several assets when consolidated in FCC Group.

"Other operating income", amounting to 71.3 million euro, includes gains on the sale of subsidiaries and fixed assets. In 2010, the company sold its vehicle testing business and 19 underground car parks; this contrasts with 2009, when this item amounted to 57 million euro, primarily reflecting the sale of FCC Global Insurance Services. The divestment of the underground car park business is expected to be completed with the sale of another 7 in 2011

EBIT in 2010 totalled 773.7 million euro, i.e. down 2.0% with respect to 2009

4.4 Earnings before taxes from continuing activities (EBT)

EBT amounted to 393.6 million euro in the period, down 10.3% compared with the previous year, after including the following items in EBIT:

4.4.1 Financial income

A net financial expense and other financial results amounting to 396.9 million euro, up 7.6% higher than 2009.

4.4.2 Equity-accounted affiliates. Participation in the results of equity consolidated companies.

The participation in the result of equity method consolidated companies provided 16.8 million euros in comparison with the 18.4 million euros in 2009. This item in 2009 included the result of the sale of companies in the Construction area totalling 24.5 million euro, primarily related to the transfer of companies to Global Vía (owned 50% by FCC). Excluding these results recorded in 2009, associated companies improved by 16.4 million euro, due basically to the improvement of net profit from Realia in 2010.

4.5 Profit attributable to equity holders of the parent company

Net attributable profit amounted to 301.3 million euro in 2010, i.e. 1.8% higher than in 2009.

4.5.1 Corporate income tax expense

The corporate income tax expense amounted to 80 million euro, and the tax rate (adjusted for the contribution from equity-accounted affiliates) was 21.2%. The reduction in the tax cost is the result of the application in 2010 of tax credits for foreign investments

4.5.2 Minority interest

Income attributable to minority interests fell by 15.5 million euro in the year to 12.3 million euro, due primarily to a decline in earnings in the Cement area.

5. BALANCE SHEET

(million euro)	Dec. 10	Dec. 09	Chg. (M€)
Intangible assets	5,063.7	5,009.3	54.4
Property, plant and equipment	6,092.8	6,221.6	(128.8)
Equity-accounted affiliates (income from associated companies)	1,222.9	1,145.8	77.1
Non-current financial assets	415.8	404.0	11.8
Deferred tax assets and other non-current assets	598.6	604.0	(5.4)
Non-current assets	**13,393.7**	**13,384.7**	**9.0**
Inventories	1,138.4	1,103.3	35.1
Trade and other accounts receivable	5,542.6	5,439.2	103.4
Other current financial assets	225.8	231.0	(5.2)
Cash and cash equivalents	1,678.7	1,654.5	24.2
Current assets	**8,585.4**	**8,427.9**	**157.5**
TOTAL ASSETS	**21,979.1**	**21,812.5**	**166.6**
Equity attributable to equity holders of parent company	2,562.9	2,444.9	118.0
Minority interest	643.4	652.7	(9.3)
Equity	**3,206.3**	**3,097.6**	**108.7**
Subsidies	104.7	85.7	19.0
Non-current provisions	1,047.8	906.5	141.3
Long-term interest-bearing debt	7,877.4	8,211.5	(334.2)
Other non-current financial liabilities	751.6	741.0	10.7
Deferred tax liabilities and other non-current liabilities	1,181.0	1,234.2	(53.2)
Non-current liabilities	**10,962.5**	**11,178.9**	**(216.4)**
Current provisions	143.2	110.8	32.4
Short-term interest-bearing debt	1,775.8	1,329.1	446.7
Other current financial liabilities	212.4	190.3	22.1
Trade and other accounts payable	5,678.8	5,905.9	(227.1)
Current liabilities	**7,810.3**	**7,536.0**	**274.3**
TOTAL LIABILITIES	**21,979.1**	**21,812.5**	**166.6**

MANAGEMENT REPORT

5.1 Equity-accounted affiliates (Investment in associated companies)

The investment in associated companies accounted for by equity method (1,222.9 million euro) comprises mainly the following:

1) 484.2 million euro corresponding to the 50% stake in Global Vía (GVI - infrastructure concessions).

2) 145.3 million euro related to the 30% stake in Realia (real estate).

3) 86.3 million euro attributable to concession companies not contributed to Global Vía.

4) 44.1 million euro corresponding to the 50% stake in the Proactiva group (Environmental Services).

The carrying value of FCC's shares in infrastructure concessions amounted to 613.5 million euro at the end of 2010. That figure includes the value attributable to FCC for its 50% stake in GVI (484.2 million euro) and the value of its shares in other concession companies, both accounted for by equity method (86.3 million euro) and fully consolidated (43.0 million euro)

The book value of stakes in transport infrastructure concessions is gradually being adjusted to the earnings they generate. As they are in an early stage of activity (construction and ramp-up), their contribution is negative, which temporarily decreases the value of the investment but which will reverse during the course of their long average lifetime (more than 30 years)

5.2 Equity

Equity attributable to the parent company amounted to 2,562.9 million euro at the end of 2010, an increase of 118 million euro with respect to 2009 year-end. This increase is primarily attributable to the allocation of consolidated income for the year (301.3 million euro) adjusted for dividends distribution during 2010 (201.2 million euro). The rest is due to the combined effect of the purchase of own shares, exchange rate fluctuations, and changes in the fair value of interest rate hedges.

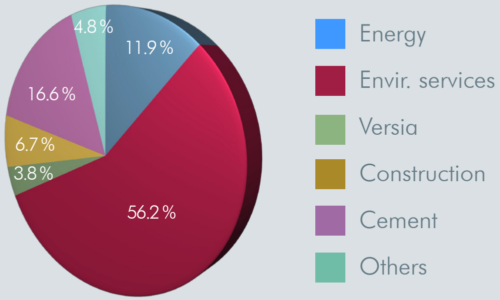
5.3 Net interest-bearing debt

(million euro)	Dec. 10	Dec. 09	Chg. (M€)
Bank debt	8,524.8	8,517.4	7.4
With recourse	6,083.7	5,970.4	113.3
Without recourse	2,441.1	2,547.0	(105.9)
Debt instruments and other loans	680.6	563.3	117.3
Accounts payable due to financial leases	154.1	171.6	(17.5)
Derivatives and other financial liabilities	293.6	288.3	5.3
Gross interest-bearing debt	**9,653.1**	**9,540.6**	**112.5**
Cash and other financial assets	(1,904.4)	(1,885.4)	(19.0)
With recourse	(1,689.9)	(1,701.8)	11.9
Non recourse	(214.5)	(183.6)	(30.9)
Net interest-bearing debt	**7,748.7**	**7,655.2**	**93.5**
With recourse	4,988.2	4,773.4	214.8
Non recourse	2,760.5	2,881.8	(121.3)

At the end of December 2010, net interest-bearing debt amounted to 7,748.7 million euro, i.e. just 1.2% higher than at the end of December 2009. Free cash flow from operations after net investments and interest payments totalled 137.5 million euro. A total of 201.2 million euro were distributed in dividends in the year, and net investment in equity instruments totalled 64.8 million euro. Apart from anything else exchange rate adjustments and the change in value of derivatives reduced the debt by 35.0 million euro.

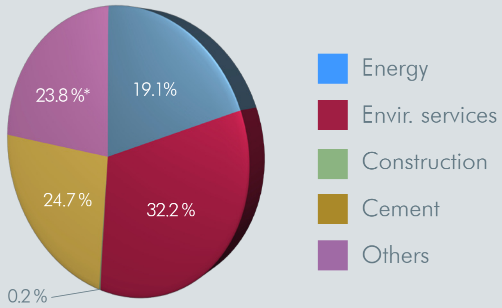
The breakdown of debt by business area reflects their nature, cash flow, and asset volume. Services and Energy together account for 71.9% of net debt, connected to the generation of regulated long-term public utility contracts. Cement, a business which accounts for a large proportion of fixed assets on the balance sheet and is strongly free cash-flow generative, accounts for 16.6% of total net debt. Construction accounts for 6.7%, and the Corporate area for 4.8%.

Net debt by Area



Moreover, 2,760.5 million euro of net debt (35.6% of the total) are without recourse.

Net debt without recourse, by Area



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

5.4 Other current and non-current financial liabilities

The balance of other current and non-current financial liabilities amounted to 964.0 million euro and includes other financial liabilities not classified financial debt, such as those linked to suppliers of property, plant and equipment (operation permits for urban furniture at Versia), pledges and guarantees received, interim dividends and derived from put options.

06. CASH FLOW

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Funds from operations	1,501.5	1,562.6	-3.9%
(Increase)/decrease in working capital	(447.9)	138.9	-422.5%
Other items (taxes, dividends, etc.)	(42.5)	(99.4)	-57.2%
Operating cash flow	1,011.1	1,602.1	-36.9%
Investing cash flow	(576.6)	(843.1)	-31.6%
Cash flow from business operations	434.5	759.0	-42.8%
Financing cash flow	(587.3)	(862.2)	-31.9%
Other cash flow (exchange differences, change in consolidation scope, etc.)	59.2	(658.9)	91.0%
(Increase)/decrease in net interest-bearing debt	(93.6)	(762.1)	-87.7%

6.1 Operating cash flow

Funds from operations in 2010 amounted to 1,501.5 million euro, slightly less than the previous year. Operating cash flow totalled 1,011.1 million euro in 2010, 36.9% less than in 2009 due mainly to the performance of working capital, which increased in the Construction and Environmental Services areas in Spain. Both areas were affected by financial adjustments at certain clients in the year. This investment in working capital should tend to reverse in the coming years, in line with financial consolidation of certain clients in the aforementioned areas.

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

(million euro)	2010
Construction	(362.3)
Environmental services	(155.2)
Versia	18.3
Cement	53.3
Energy and adjustments	(2.0)
Total (Increase)/ decrease in working capital	**(447.9)**

MANAGEMENT REPORT

The seasonality of this component of operating cash flow was notable, as it expanded during most of the year and declined considerably in the last quarter. Compared with the third quarter, during october-december period working capital declined by 529 million euro reaching 447.9 million euros as of last december.

6.2 Investing cash flow

Net investments amounted to 576.6 million euro in 2010, i.e. 31.6% less than in 2009, which included 215.4 million euro in equity for the acquisition of 14 wind farms by the Energy area.

This item also includes divestments in 2010, such as the sale of the vehicle inspection business for 180.0 million euro and of 19 underground car parks for 72.2 million euro, both included in Versia.

As growing investments it worths to be mentioned, 175 million euro in various transport infrastructure concessions in different stages of development in the Construction area, and 42.5 million euro in the construction of one of the two solar thermal energy plants in the Energy area's project pipeline.

6.3 Financing cash flow

Cash outflow due to financing transactions was 587.3 million euro. In addition to debt servicing, this item includes 201.2 million euro in dividend payments to shareholders of Group companies, and 64.8 million euro for the net variation of equity instruments.

6.4 Other cash flow

This item, amounting to 59.2 million euro, mainly reflects adjustments in 2010 for the foreign exchange effect over the foreign exchange debt, and by changes in the value of financial instruments (derivatives)

In 2009, this item included the financial debt on the wind assets acquired in January 2009, amounting to 569 million euro.

07. BUSINESS PERFORMANCE

7.1 Environmental services

7.1.1 Earnings

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Revenues	3,672.2	3,601.7	2.0%
Spain	2,361.0	2,346.3	0.6%
International	1,311.3	1,255.4	4.5%
EBITDA	657.7	610.1	7.8%
EBITDA margin	17.9%	16.9%	1.0 p.p.
EBIT	323.5	297.4	8.8%
EBIT margin	8.8%	8.3%	0.6 p.p.

The evolution of FCC Group's main activity, focused on Environmental Services and Water, registered a moderate growth in sales and a notable increase in operating profitability. The Industrial waste area continued to recover. In total, revenues expanded by 2% in the year, to 3,672.2 million euro.

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Domestic Revenues	2,361.0	2,346.3	0.6%
Environment	1,501.1	1,489.0	0.8%
Water	694.8	710.8	-2.3%
Industrial Waste	165.1	146.5	12.7%
International Revenues	1,311.3	1,255.4	4.5%
Environment	1,022.2	1,002.1	2.0%
Water	173.2	161.2	7.4%
Industrial Waste	115.9	92.0	26.0%

MANAGEMENT REPORT

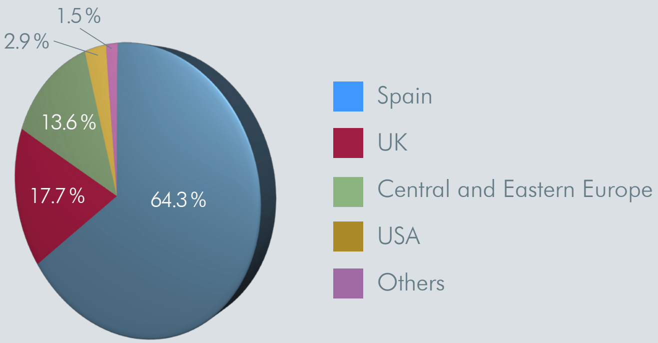
Together with the moderated but positive behaviour of the activity in Spain it should be added the strong development of the international business which shows a 4.5 % increase of revenues.

In Spain, the Environmental Services area was stable (with a 0.8% increase), focused on municipal waste management, and Water revenues declined slightly (due to a lower execution volume of water infrastructure, although the integral water distribution business performed well). FCC's Industrial Waste area in Spain continues to recover strongly, due to the rising price of materials (particularly paper and cardboard) and the stabilisation of demand.

The Environmental Services division in Spain extended its municipal services contract in Barcelona and some new contracts entered into service, such as pneumatic waste collection in Pamplona and waste management and street cleaning in Telde and Orense

International revenues expanded by 2% in the Environmental Services area, due to contributions from new contracts in Central Europe and to the commissioning of the integral waste treatment plant in Zistersdorf (Austria) in the second half of 2009. Besides revenues from the Water area increased 7.4%, supported by the ramp-up of new concessions in Italy and the Czech Republic and the execution of desalination projects in Algeria. Lastly, Industrial Waste shows an excelent behaviour due to the recovery by the oil and hydrocarbon treatment business in the US, together with contributions from new treatment and recovery plants in Portugal.

Revenue breakdown by area



This division's international activity reached a record high in 2010: 35.7% of total revenues. The main foreign markets were: the UK (municipal solid waste treatment and abatement); Central and Eastern Europe, primarily the Czech Republic and Austria (municipal solid waste and end-to-end water management); and the US (industrial waste).

EBITDA amounted to 657.7 million euro, and the EBITDA margin was 17.9%, compared with 16,9% the previous year. All activities contributed to this improvement in operations, particularly the international industrial waste and environment businesses, due to a more favourable price situation and the contribution from value-added waste treatment activities.

The division's backlog also performed well both in Spain and other countries, and had expanded by 6.9% at 31 December 2010. The international backlog expanded by 13.2%, which boosted the overall backlog to 25.325 billion euro. Therefore, the average backlog hedge period rises nearly 7 years.

Backlog breakdown by region

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Spain	17,324.7	16,623.2	4.2%
International	8,000.3	7,068.0	13.2%
Total	**25,325.0**	**23,691.2**	**6.9%**

7.1.2 Proactiva

Proactiva, the leading municipal waste and integral water management company in Latin America, operates in the main countries of that region (Brazil, Argentina, Chile, Mexico, Colombia, etc.). The group is owned 50% by FCC and is consolidated under equity method, in line with FCC accounting policy.

Overall revenues in 2010 amounted to 419.8 million euro, 4.3% more than in 2009, despite the negative impact of the exchange rate in Venezuela. EBITDA amounted to 78.5 million euro, and the EBITDA margin rose to 18.7%. Net interest-bearing debt amounted to 77.3 million euro at 31 December.

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7.1.3 Cash flow

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Funds from operations	695.6	649.0	7.2%
(Increase) / decrease in working capital	(155.2)	43.4	-457.6%
Other items (taxes, dividends, etc.)	(50.8)	(9.7)	423.7%
Operating cash flow	489.6	682.7	-28.3%
Investing cash flow	(356.2)	(406.3)	-12.3%
Cash flow from business operations	133.4	276.4	-51.7%
Financing cash flow	(232.4)	(267.4)	-13.1%
Other cash flow (exchange differences, change in consolidation scope, etc.)	(61.3)	(132.5)	-53.7%
(Increase) / decrease in financial net debt	(160.3)	(123.5)	29.8%
(million euro)	Dec. 10	Dec. 09	Chg. (M€)
Financial net debt	4,352.6	4,192.4	160.2
Recourse	3,464.4	3,289.2	175.2
Non recourse	888.2	903.2	(15.0)

Funds from operations increased by 7.2% to 695.6 million euro. Working capital increased by 155.2 million euro, after a 47.5 million euro decline in the fourth quarter, with the result that operating cash flow totalled 489.6 million euro.

Net capital expenditure, which declined by 356.2 million euro, was used mainly for the maintenance purposes, although 17.7 million euro were invested in new contracts by a number of Group companies.

After counting financing cash flow, the division's net debt amounted to 4,352.6 million euro at 31 December 2010, an increase of 160.2 million euro year-on-year, of which 60.5 million euro are due to variations in exchange rates and fair value changes in interest rate hedges.

7.2 Construction

7.2.1 Earningss

(million of euros)	Dec. 10	Dec. 09	Chg. (%)
Revenues	6,693.6	7,201.2	-7.0%
Spain	3,022.3	3,386.6	-10.8%
International	3,671.3	3,814.6	-3.8%
EBITDA	355.5	406.1	-12.5%
EBITDA margin	5.3%	5.6%	-0.3 p.p.
EBIT	241.6	282.1	-14.4%
EBIT margin	3.6%	3.9%	-0.3 p.p.

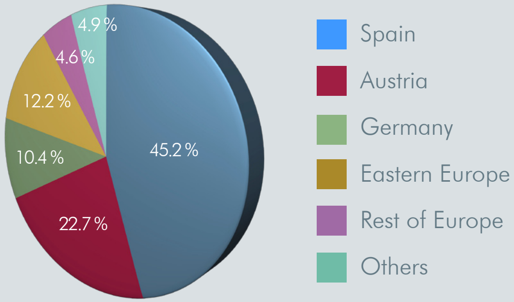
The Construction area obtained 6,693.6 million euro in revenues in 2010. The reduction in activity in the year was due to the combination of a sharper decline in Spain (-10.8%) than in other local markets such as Austria, included in the International area, whose revenues fell by 3.8% overall.

The International area predominates in this division, accounting for 3,671.3 million euro in revenues in 2010 (54.8% of the total). Additionally, order flow in the second half of 2010, when major contracts were obtained that have not yet been interested and were not included in the backlog at year-end, suggest that the international area will increase steadily as a proportion of the total; it already represents a major part of revenues, due to a combination of markets where the Group has an established local presence (e.g. Austria, Germany, and some countries of Eastern Europe and the EU) and new countries such as Algeria, Canada, Panama and the UK.

The decline in revenues in Spain is due to adjusting the pace of execution to customers' ability to invest and obtain finance. Nevertheless, business was dynamic, and a considerable volume of value-added contracts (e.g. railway infrastructure) were obtained during the year, which enables us to maintain our operating margins and strong competitive position despite demand contraction

MANAGEMENT REPORT

Revenue breakdown by region



The international area accounted for almost 55% of revenues and proved to be very stable in the Central European countries of the euro area, which accounted for 64.5% of the international area (via locally established subsidiaries). FCC has notable position in Austria (41.4% of international revenues) and Germany (18.9%). Other notable contributors among the EU's emerging countries are Poland (5%), Romania (5%) and Bulgaria (3.4%). As for other regions, Latin America accounted for 5.5% and Asia (China, India and Singapore) for 2.7%.

By activity sements, civil engineering, which is more selective and has greater added value, accounted for 71.3% of revenues and 75.9% of the total backlog at 31 December 2010.

Revenue breakdown by project type

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Civil engineering	4,769.9	4,936.6	-3.4%
Non-residential building	1,467.1	1,603.2	-8.5%
Residential building	456.6	661.4	-31.0%
Total	**6,693.6**	**7,201.2**	**-7.0%**

The considerable exposure to large civil engineering projects coupled with optimisation of procurement costs enabled the division to attain an EBITDA margin of 5.3%, compared with 5.6% in 2009.

The backlog stood at 9,984 million euro at 2010 year-end. The International area, which accounts for the bulk of revenues, did not decline as much as Spain.

Nevertheless, it is important to note that the backlog at 31 December 2010 does not include a number of major international contracts that have not yet commenced and amount to over 1 billion euro, mainly in Panama and Algeria. Accordingly, the international backlog can be expected to increase in 2011.

Backlog breakdown by region

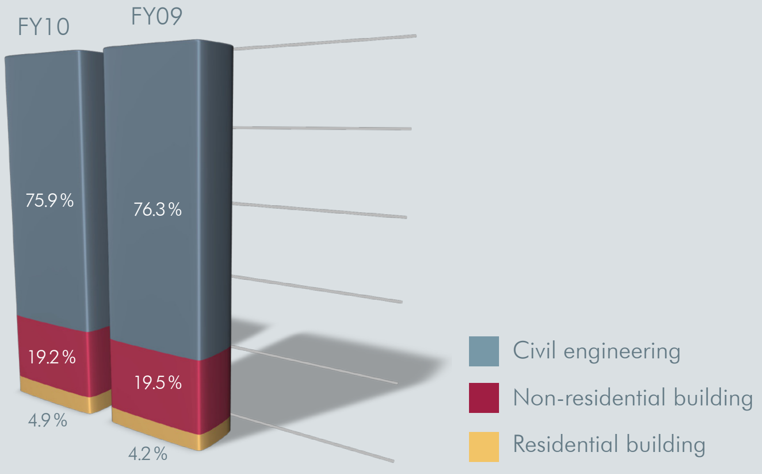
(million euro)	Dec. 10	Dec. 09	Chg. (%)
Spain	5,512.0	6,280.0	-12.2%
International	4,472.0	4,577.0	-2.3%
Total	**9,984.0**	**10,856.4**	**-8.0%**

Backlog breakdown by project type

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Civil engineering	7,576.5	8,278.2	-8.5%
Non-residential building	1,919.9	2,114.7	-9.2%
Residential building	487.6	463.5	5.2%
Total	**9,984.0**	**10,856.4**	**-8.0%**

MANAGEMENT REPORT

Backlog breakdown by project type



7.2.2 Alpine

Alpine, which heads this area in domestic markets in Central Europe (Austria, Germany and other significant countries in the Eastern EU), attained 3,201.1 million euro in revenues, i.e. 87.2% of the international area's total.

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Revenues	3,201.1	3,364.9	-4.9%
EBITDA	97.6	138.7	-29.6%
EBITDA margin	3.0%	4.1%	-1.1 p.p.
EBIT	44.2	65.9	-32.9%
EBIT margin	1.4%	2.0%	-0.6 p.p.

The decline in activity during the year is the result of the temporary deceleration in demand in the main regions where the division operates (principally Austria and Germany, which together account for 69.2% of total revenues). Nevertheless, performance in the year reveals a steady recovery in revenues that promises to continue, based on improvements in fundamentals at the main customers and in the main regions of interest.

The backlog at year-end amounted to 3,323 million euro, very similar to the figure at 2009 year-end.

7.2.3 Cash flow

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Funds from operations	380.2	431.4	-11.9%
(Increase) / decrease in working capital	(362.3)	(206.9)	75.1%
Other items (taxes, dividends, etc.)	19.4	(78.0)	124.9%
Operating cash flow	37.3	146.5	-74.5%
Investing cash flow	(288.5)	263.3	-209.6%
Cash flow from business operations	(251.2)	409.8	-161.3%
Financing cash flow	62.1	(239.8)	-125.9%
Other cash flow (exchange differences, change in consolidation scope, etc.)	83.2	84.1	-1.1%
(Increase) / decrease in net interest-bearing debt	(105.9)	254.1	-141.7%
(million euro)	**Dec. 10**	**Dec. 09**	**Chg. (M€)**
Net interest-bearing debt	519.6	413.7	105.9
With recourse	513.6	407.6	106.0
Without recourse	6.0	6.1	(0.1)

Funds from operations amounted to 380.2 million euro; combined with the 362.3 million euro increase in working capital, this resulted in 37.3 million euro of operating cash flow. Working capital continued to improve in the fourth quarter, as it had in the previous quarters, falling by 398 million euro between October and December.

Net investing cash flow amounted to 288.5 million euro in the period, contrasting with a positive balance of 263.3 million euro in 2009. This was the result of two facts in both years. On one hand in 2010, the division invested 175 million euro in capital and funding for a number of infrastructure concessions that are at various stages of development, including notably the Murcia tramway, the Cuenca highway, and Barcelona Metro line 9. In contrast, during 2009 the division recognised the transfer of GVI's shares amounting to 507.9 million euro to the FCC Group parent company, a transaction that had no impact at consolidated Group level.

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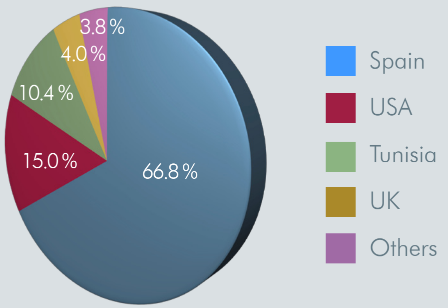
7.3 Cement

7.3.1 Results

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Revenues	886.7	1,035.4	-14.4%
Spain	592.6	740.2	-19.9%
International	294.1	295.2	-0.4%
EBITDA	219.7	289.0	-24.0%
EBITDA margin	24.8%	27.9%	-3.1 p.p.
EBIT	67.0	128.6	-47.9%
EBIT margin	7.6%	12.4%	-4.9 p.p.

Revenue breakdown by region



Cement revenues amounted to 886.7 million euro in 2010. Sales in Spain fell more sharply in the first half of 2010, while the situation stabilised in the second half. Revenue performance in Spain overall was the combination of an 11.5% contraction in volume and the knock-on effect of a smaller adjustment in prices in the second half of 2009.

In 2010, international revenues performed very similarly to 2009, falling by just 0.4% to 294.1 million euro. There was a slight improvement in the US, though it came later than expected, leading to a -1.4% variation in sales; the recovery that began in the second half of 2010 should gain in strength in 2011, in terms of both prices and volumes, in line with the expectations of economic recovery. Tunisia maintained the sustained growth trend, with revenues rising 3.5%. Finally, exports increased by 0.5% overall, focused mainly on the UK, which accounted for 4% of total revenues.

EBITDA amounted to 219.7 million euro, and the EBITDA margin was 24.8%, reflecting the decline in sales in Spain. Overall, efficiency and operating cost saving measures broadly mitigated the impact of lower business volume in 2010

The area continues to increase the rate of energy-from-waste (EfW) production through higher use of alternative fuels at Spanish plants. The level of substitution attained in 2010 ranged from 11% to 32% and the goal of a 30% average is being maintained for 2013, which will significantly reduce CO2 emissions and fossil fuel consumption savings.

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7.3.2 Cash flow

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Funds from operations	225.9	298.9	-24.4%
(Increase) / decrease in working capital	53.3	96.4	-44.7%
Other items (taxes, dividends, etc.)	(28.3)	(35.0)	-19.1%
Operating cash flow	250.9	360.3	-30.4%
Investing cash flow	(13.1)	79.2	-116.5%
Cash flow from business operations	237.8	439.5	-45.9%
Financing cash flow	(114.9)	(101.2)	13.5%
Other cash flow (exchange differences, change in consolidation scope, etc.)	8.9	4.7	89.4%
(Increase) / decrease in net interest-bearing debt	131.8	343.0	-61.6%
(million euro)	Dic. 10	Dic. 09	Var. (M€)
Net interest-bearing debt	1,287.5	1,419.3	-131.8
With recourse	606.5	660.6	-54.1
Without recourse	681.0	758.7	-77.7

Funds from operations amounted to 225.9 million euro, coupled with a 53.3 million euro reduction in working capital, resulted in 250.9 million euro of operating cash flow.

The slower pace of activity was matched by a curtailment of capital expenditure to maintenance needs, amounting to 34.4 million euro. Several divestment of financial assets not associated with operations amounting to 21.3 million euro led to net investing cash flow of only 13.1 million euro in 2010, contrasting with 79.2 million euro in 2009 (which included 170.9 million euro to acquire 8.3% of Corporación Uniland).

After deducting debt-servicing costs and despite the impact of the economic cycle on operating cash flow, the division reduced net interest-bearing debt by 9.3% (i.e. 131.8 million euro) to 1,287.5 million euro at 31 December 2010.

7.4 Versia

7.4.1 Earnings

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Revenues	846.3	820.0	3.2%
Spain	564.7	559.6	0.9%
International	281.7	260.4	8.2%
EBITDA	139.0	98.9	40.5%
EBITDA margin	16.4%	12.1%	4.3 p.p.
EBIT	192.9	6.5	N.S.
EBIT margin	22.8%	0.8%	22.0 p.p.

Revenues from Urban Services (Versia) rose 3.2% to 846.3 million euro; in particular, revenue from the Urban Furniture business increased by 19.7%. As for the two businesses with the greatest revenue, Airport Services (Handling) and logistics experienced a steady recovery in demand (+7.2%), while Logistics managed to progressively stabilise, resulting in a 1.6% reduction in revenues in 2010 as a whole, compared with the 10.6% decline in 2009.

In 2010, it was decided to divest a number of Versia's business units that are not part of the FCC Group's strategic growth areas. In the last week of December 2010, it sold the vehicle inspection business and some underground car parks; consequently, for reasons of materiality, their entire contribution to revenues in 2010 is included. It is important to note that FCC will continue to operate in the on-street parking business. The vehicle inspection business and the 19 underground car parks that were sold generated combined revenues of 66 million euro in 2010.

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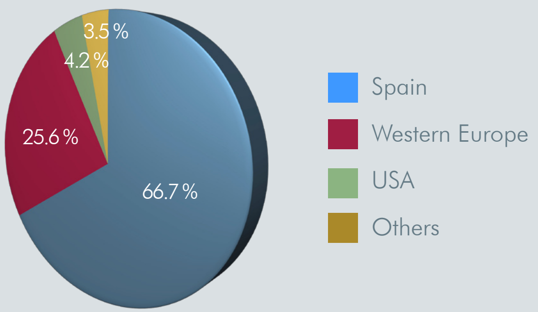
Breakdown of revenues by business

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Logistics	284.9	289.6	-1.6%
Handling	244.4	228.1	7.2%
Urban Furniture	129.4	108.1	19.7%
Car Parks	76.8	77.2	-0.6%
Vehicle Testing	55.8	51.7	7.9%
Others*	55.1	65.3	-15.6%
Total	**846.3**	**820.0**	**3.2%**

*Incl. SVAT and Maintenance-Systems

By geografical area, international revenues account for 33.3% of the total. The international presence is particularly important in Handling (69.6% of revenues) and Urban Furniture (54.4%).

Revenue breakdown by region



EBITDA amounted to 139.0 million euro, a 40.5% increase with respect to the previous year, consolidating the trend observed since the beginning of this year. As a result, the EBITDA margin increased from 12,1% to 16.4%. This impressive recovery in the margin is attributable to the Urban Furniture and Handling businesses. The rebound by Urban Furniture is due to revived demand for advertising space and to optimisation of operating expenses. Handling managed to contain operating expenses while air traffic increased, and performed a number of special winter maintenance operations at a number of airports in December 2010.

There was a change in the accounting method in 2010 which affects the comparison with 2009: Urban Furniture concessions are now recognised as intangible assets for the value of the payments to be made, with a corresponding contra-item in liabilities. Consequently, the annual expense is recognised as period amortisation along with a financial expense due to discounting the liability; previously, this was recognised as an operating expense. The change in accounting method has no impact on the area's cash flow or debt

7.4.2 Cash flow

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Funds from operations	146.4	108.0	35.6%
(Increase) / decrease in working capital	18.3	17.5	4.6%
Other items (taxes, dividends, etc.)	(8.5)	12.8	-166.4%
Operating cash flow	156.2	138.3	12.9%
Investing cash flow	31.9	(67.1)	147.5%
Cash flow from business operations	188.1	71.2	164.2%
Financing cash flow	(110.8)	(14.7)	653.7%
Other cash flow (exchange differences, change in consolidation scope, etc.)	91.3	(6.5)	-1.504.6%
(Increase) / decrease in net interest-bearing debt	168.6	50.0	237.2%
(million euro)	**Dec. 10**	**Dec. 09**	**Chg. (M€)**
Net interest-bearing debt	290.8	459.4	-168.6
With recourse	290.8	459.4	-168.6
Without recourse	0.0	0.0	0.0

The increase in revenues and margins is reflected in the 35.6% growth in funds from operations to 146.4 million euro in 2010. The reduction in working capital enabled operating cash flow to reach 156,2 million euros, 12,9% higher than in 2009.

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Investing cash flow reflects the impact of the sale in December 2010 of the vehicle inspection business (for 180 million euro) and a number of underground car parks (for 72.7 million euro). The remainder are expected to be sold in 2011.

The main component of the finance cash flow is the 91.2 million euro in dividends paid to the Group parent company.

Good operating performance plus the aforementioned divestments enabled this division to reduce debt considerably: by 36.7% with respect to 2009 year-end, to 290.8 million euro.

7.5 Energy

7.5.1 Results

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Revenues	86.3	81.9	5.4%
Spain	82.6	81.9	0.9%
International	3.6	0.0	N.S.
EBITDA	65.5	65.8	-0.5%
EBITDA margin	75.9%	80.3%	-4.4 p.p.
EBIT	19.7	23.2	-15.1%
EBIT margin	22.8%	28.3%	-5.5 p.p.

The Energy area increased revenues by 5.4% to 86.3 million euro. This increase is attributable to wind power: a combination of higher production volume and a slight increase in prices. Solar photovoltaic revenues decline slightly since the guaranteed fixed tariff was kept stable and insolation was lower than last year.

Thus, wind energy accounted for 83.9% of sales, with a load factor of 24.2% (22.4% in 2009). The remaining 16.1% of revenues came from photovoltaic solar energy, where the average load factor was 16.5%.

The decline in the margin to 75.9% was the result of wind survey and bidding costs, and new project commissioning costs (particularly two new solar thermal plants).

7.5.2 Cash flow

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Funds from operations	58.4	65.8	-11.2%
(Increase) / decrease in working capital	(7.8)	11.8	-166.1%
Other items (taxes, dividends, etc.)	2.0	(5.9)	133.9%
Operating cash flow	52.6	71.7	-26.6%
Investing cash flow	(50.8)	(208.0)	75.6%
Cash flow from business operations	1.8	(136.3)	101.3%
Financing cash flow	(2.4)	(29.7)	-91.9%
Other cash flow (change in consolidation scope, etc.)	(18.0)	(586.1)	-96.9%
(million euro)	Dec. 10	Dec. 09	Chg. (M€)
Net interest-bearing debt	924.0	905.4	18.6
With recourse	396.5	355.1	41.4
Without recourse	527.5	550.3	-22.8

Funds from operations amounted to 58.4 million euro in 2010, compared with 65.8 million euro the year before, because of expenditure on new projects development and assets. Since working capital increased by 7.8 million euro, operating cash flow amounted to 52.6 million euro.

The 50.8-million-euro cash flow in investments is made up mainly of investments in solar thermal power plant development, while in 2009 it included changes in other cash flows due to changes in the perimeter of consolidation plus the impact of 784 million euro applied to acquire 14 wind farms.

Indebtedness was maintained on a par with 2009, and the slight increase was due to commissioning the aforementioned investments.

7.6 Torre Picasso

7.6.1 Results

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Revenues	25.4	26.1	-2.9%
EBITDA	21.9	22.7	-3.5%
EBITDA margin	86.3%	86.9%	-0.5 p.p.
EBIT	17.9	18.9	-4.9%
EBIT margin	70.7%	72.2%	-1.5 p.p.

Torre Picasso's revenues declined slightly, by 0.7 million euro, with respect to 2009 as a result of the slight adjustment in rents that were revised in the period. Offices, which account for the bulk of the building, maintained occupancy close to 99%.

08. ACQUISITION OF TREASURY SHARES

At the end of 2010, Fomento de Construcciones y Contratas, S.A. held 3,182,582 shares of treasury stock representing 2.50% of the share capital valued at EUR 89,130 thousand.

In any case, at year-end, Asesoría Financiera y de Gestión, S.A. (Afigesa), a wholly-owned subsidiary of Fomento de Construcciones y Contratas, S.A. possessed 9,432,369 shares of Fomento de Construcciones y Contratas, S.A., which represented 7.4% of the registered share capital with a net carrying value of EUR 194,766 thousand.

According to article 148, part 4 of the revised text of the Spanish Companies Act, the changes in the number of shares held during the year are detailed below.

	FCC, S.A.	Asesoria financiera y de Gestión, S.A.	FCC Group
At 31 December 2009	3,182,582	6,131,961	9,314,543
Purchases or additions	—	3,302,013	3,302,013
Sales or disposals	—	(1,605)	(1,605)
At 31 December 2010	3,182,582	9,432,369	12,614,951

09. RESEARCH AND DEVELOPMENT

The FCC Group is an active participant in research, development and technological innovation activities. The Group's R&D+i activities extend to those aspects which are directly or indirectly related to the Group's business activities.

In the **Services** area, and more specifically **environmental services**, work continued on a number of research products that had begun years before. For example, in the field of waste elimination, progress was made in the development of alternative fuels obtained from waste which are now being used in a number of processing plants (Salamanca, Vitoria); in the machinery sector, work continued on the development of a new collecting-compacting vehicle with a low forward cab, dual side loading and dual elevator, with independent press operation for the collection of recyclable waste.

However new projects were also undertaken in different fields of research. As far as new machinery was concerned, work continued on three projects related to urban sanitation vehicles:

- Design and creation of a new 5.2 tn self-propelled chassis with a maximum width of 2 metre for hard-to-reach places, with a side loading mechanism for up to 3 containers, electrically propelled by an asynchronous AC engine current and special batteries.

The following projects were undertaken in the area of waste treatment:

- Bio+ Project: Although originally scheduled to begin in 2009, work did not actually begin on this project until 2010, which strives to optimize the eco-efficiency of the urban waste treatment process through the development of a model that makes it possible to monitor the different biomethanisation technologies on an industrial scale in addition to conducting a pilot test on thermal hydrolysis prior to anaerobic digestion.
- Project for the development of liquid fuel using a procedure that transforms waste containing organic carbon for applications in waste treatment plants. The waste is transformed using a low pressure catalytic conversion to obtain four types of liquid fuel (biodiesel, kerosene, naphtha and fuel oil) and a combustible gas similar to biogas.

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In the **Water** sector in 2010, in keeping with the Company's strategic plans, the research and development to obtain sustainable technologies focused on the following objectives:

- Quality (drinking water supply, re-use of wastewater, desalination and metering)
- Sustainability (reduced energy usage, use of sludge as a resource and alternative treatments)
- Comprehensive management (management systems, collection of resources and communications)

The most notable developments in the pursuit of these objectives were as follows:

- Work in progress
  - Technology for a membrane reactor (MBR) in Vigo. In collaboration with the University of Santiago de Compostela, 3R and the "Centro Superior de Investigaciones Científicas" (CSIC).
  - Hybrid Bacilus System (HYBACS)/Moving Bed Biofilm Reactor (MBBR) technology for nutrient elimination (Ávila). In collaboration with Bluewater Bio.
  - Anaerobic Ammonium Oxidation technology (ANAMMOX) in Vigo. In collaboration with the Universities of Vigo and Santiago de Compostela.
  - Advanced Sludge Digestion (Loiola - San Sebastián). In collaboration with the "Centro de Estudios e Investigaciones Técnicas de Guipúzcoa" (CEIT) and Aguas del Añarbe.
  - Microalgae pilot plant (Arcos de la Frontera). In collaboration with the University of Cádiz, Iberdrola and Bio-Oil.
  - Sustainable sludge recovery (Salamanca). In collaboration with the Centro de Estudios e Investigaciones Técnicas de Guipúzcoa (CEIT) and the Universities of Valladolid and Salamanca.
  - Balanced Score Card (BSC) solution for customer management (Madrid).
  - Billing-CRM (Customer Relationship Management) solution in Madrid.
- UNE 166.002:2006 Certification (Unification of Spanish Standards). After successfully being audited by AENOR (Asociación Española de Normalización y Certificación), in the month of December Aqualia received certification for its "Project Management System of R+D+i".
- Aqualia R+D+i Forum. In the month of November, Aqualia's Marketing and Communications Department organised this event to review the company's activities in the field of technological innovation and increase the level of communications with different public and private agents in relation to these activities. This forum was attended by representatives of Canal de Isabel II, Empresa Metropolitana de Abastecimiento y Saneamiento de Aguas de Sevilla (EMASESA), Asociación Tecnológica para el Tratamiento del Agua (ATTA), Universidad de Valladolid, Instituto Madrileño de Estudios Avanzados (IMDEA), and ITT (leading manufacturer of submersible pumps) as well as the Director of FCC's Innovation Management and members of Aqualia's R+D+i Work Group.

New projects

In 2010, work got underway on two large-scale technological innovation projects focusing on the use of microalgae in wastewater treatment processes:

"Algae to Biofuel" Project presented to the European Union's Framework Programme 7 (FP7).

"Cenit Vida" Project presented as part of the National Strategic Consortia in Technical Research of the Centre for Industrial and Technical Development (CITC).

Two new R+D+i projects also got underway in the field of **industrial waste**:

The first one is the "Marine-Fuel Research Project" in collaboration with the Azti-Tecnalia Technology Centre which will focus on conducting experimental tests with alternative fuels obtained from recycled oil for use by fishing fleets.

The other project which is being carried out in collaboration with the Technological Research Centre of the Innovarcilla Foundation seeks to determine the viability of reusing different types of waste in ceramic paste.

Versia continued to work on the **urban furniture** projects that had begun in previous years before:

TEC-MUSA (Technologies for Sustainable and Accessible Urban Mobility) has undertaken the development of a series of technologies for incorporation into passenger and cargo vehicles in city settings with low or no emissions and advanced conditions of accessibility and communication with clients through a multidisciplinary consortium of businesses, association and research groups. In 2010, the following milestones were achieved in accordance with the plan submitted to the Ministry of Science and Innovation:

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- Formation of the work groups for each one of the sub-projects.
- Preparation of technical reports.
- Justification, audit and presentation to the Ministry the expenses incurred in 2009.
- Receipt of the grant for 2009.
- Detailed definition of the plans for each one of the sub-projects.
- Analysis of needs and definition of specifications.

The Ministry announced the end of the Singular and Strategic Projects which means that the project will cease to be subsidized before it has concluded, although an extension has been granted to March 2011 to complete the tasks budgeted in 2010.

EPISOL (Electric vehicles powered by fuel cell and solar energy): project to develop a light urban vehicle featuring hybrid electric propulsion which, in the first phase, will be equipped with a heat engine and, in a subsequent phase, will have a highly-efficient and low-cost fuel cell, using solar power in both cases. Each model of the vehicle has a system that enables it to be connected to the electricity mains in order to recharge the battery. Thus, at the start of each journey the batteries are fully charged and the demands placed on the heat engine and/or fuel cell are greatly reduced.

The project is broken down into the following phases:

- PHASE 1. Bi-hybrid vehicles, standard configuration with MEP engine (gasoline combustion engine) + solar power: the thermal engine activates a generator that charges the batteries which supply power to the electric engine in charge of transmitting power to the drive shaft. Solar panels are included as an additional energy source and regenerative brake.
- PHASE 2. Tri-hybrid vehicle, standard configuration: in this model, the vehicle has a thermal engine (MEP) and a generator plus a hydrogen fuel cell that keeps the batteries charged, meaning that the thermal engine needs to be started less frequently. This model also includes the solar panels as an additional energy source and the regenerative brake.
- PHASE 3. Tri-hybrid vehicle, standard configuration: in this model, the MEP engine is replaced with a H2 (hydrogen) combustion engine. The rest of the components and functions remain the same as in phase 2.
- PHASE 4. Bi-hybrid vehicle, standard configuration: in the final version of this vehicle, the H2 combustion engine is eliminated and the fuel cell is replaced with a more powerful one. The fuel cell provides power to the batteries and the electric traction engine. This model also includes the solar panels as an additional energy source and the regenerative brake.

In 2010 CEMUSA continued to collaborate with UIAR (University Institute for Automotive Research at the Universidad Politécnica de Madrid), conducting optimisation tests of the tri-hybrid energy management system and gathering data on actual usage conditions, obtaining satisfactory results on the approval tests which are currently awaiting administrative approval. This work has been certified as an R+D project.

The prototype was presented at the International Ecological Automobile and Sustainable Mobility Show.

Forthcoming objectives include increasing battery capacity and moving forward with the subsequent phases defined in the project plan.

C-CYCLES: Development of an unattended bicycle hire system. The system functions with smart cards and features payment by credit card. Internet connection. The project responds to the need for sustainable urban mobility promoting multi-modal transport. The following milestones were achieved in 2010:

- Conclusion of the basis development of the system:
  - Management programme and database
  - Control units for derbi and terminal. Software and communications
- Solar-powered light station
- Beginning of pilot testing

Pilot testing will be completed in 2011 at which time the final plans will be launched. Work is ongoing on other features: power bikes, solar energy.

LED ILLUMINATION PROJECTS: The LED illumination projects which aim to reduce energy consumption and, therefore, greenhouse gas emissions. Parallel to the LED illumination projects, studies are being performed relating to the reduction of light pollution. Having achieved the first objective of using just 28% of the energy of fluorescent lighting, we are now working to reduce that usage to 16%.

PHOTOVOLTAIC SOLAR ENERGY PROJECTS: Development of a photovoltaic solar power system that includes the development of a solar photovoltaic system which, together with illumination using LEDs, will allow greenhouse gas emissions to be reduced to zero and in certain cases to reduce network connection costs. The following works were completed in 2010:

- Poste bus prototypes and development of bus stop hoardings with semi-translucent solar panels and electronics

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- Conclusion of NY bus hoarding project
- Development of light station for solar bikes.

Research continues into flexible cells with the idea of making the system more efficient.

DIGITAL ADVERTISING PROJECTS: The aim is to implement a digital advertising system incorporating LCD screens and the technology required for them to be viewed properly outdoors. Must be equipped with an effective heat evacuation system. The following work was done in 2010:

- Installation and commissioning of LCD screens for a project to digitalise the rear and sides of 8 newsstands in NYC.
- Definition of a project to digitalise the rear and crowns of newsstands on Las Ramblas in Barcelona using LED screens.

The following projects were carried out in 2010 in the Logistics sector:

VOICE PICKING: New voice recognition technology for order preparation. The development phase is over. The technology has been tested with satisfactory results and is now being used.

PLV: A computer tool for covering the new market channel of promotional materials for pharmaceutical laboratories. The tool was successfully implemented in 2010.

CONTROL PANEL: Development of a software tool for extracting statistical data which improves the management and productivity of the Consumer Unit. The tool was 80% operation in 2010 and is expected to be fully operational in the first half of 2011.

APPOINTMENT SCHEDULING: A customised software programme developed to manage the new customs activity, "Customs Inspection Point". The tool is intended to support Customs Officials in the container inspection process. It has been fully operational since July 2010.

In the **Conservation and Systems**, the Company focused its efforts on the development of the AVANZA technology platform, to which a number of services were added for the shadow toll highways and tunnels projects. The most important milestones achieved in relation to the AVANZA software included:

- Multi-tunnel user interface.
- Advanced integrated DAI services
- Integration of dynamic weighing subsystem.
- Video verification software.
- Advanced incident management.
- Advanced management of the tunnel operation manual.

In field equipment, both functional features and electronics have been improved.

The **Airport Handling** sector focused on the development of the Groundstar tool to optimise process planning and control in the aeronautics sector which will replaced the current "handlnet" system. This new system is much more versatile, can communicate with other systems and adds resources management tools which the previous system did not have.

It includes the following modules:

- Flight programming manager (Seasonal FIP)
- Human resources planning
- Shift management
- Billing modules that includes the CRM module (contracts, control of services rendered and billing) and SAP interface

In 2010, plans were devised to implement the same project in Belgium.

For the year 2011 there are plans to begin the implementation in the first half of 2011 and a second phase that will begin in October 2011 and end in May 2012.

During the first phase, the current system, Handnet, will be replaced and the rest of the modules will be implemented in the second phase.

FCC Construcción, S.A. and its subsidiaries, aware of just how important activities of this kind are to maintaining a competitive edge in the market and to continuously improving the quality of their work, have implemented policies that actively promote research, development and technological innovation.

In this sense, FCC Construcción, S.A. participates in the European Construction Technology Platform, the E2B Association (Energy Efficient Buildings), the ENCORD Group (European network of construction companies which promotes research and development efforts) and the Spanish Construction Technology Platform. The aim of these organisations is to bring research centres, universities and industry together to work side-by-side on research, development and technological innovation projects.

Noteworthy among the projects carried out in 2010 are the following:

ARFRISOL, for the development of bioclimatic architecture and solar energy.

OLIN, which studies the qualities and treatment of embankment and subgrade materials for the construction of sustainable linear works.

URBAN TUNNELS, a project that researches new methodologies for analysing, designing and building tunnels in urban areas.

CLEAM, which focuses on clean, efficient and environmentally-friendly construction.

EXPLOSIVES, which investigates the conditions for designing and building terminal parking garages at risk of terrorist attack.

DAMAGES TO BRIDGES, which conducts low-cost dynamic tests for maintaining bridges subjected to uncontrolled environmental loads using wireless sensors.

CEMESFERAS, which researches vitreous spherical microparticles with cementing properties.

BALI, which focuses on acoustically efficient and health buildings.

RS which researches sustainable building renovation.

DEPOSITS, which is designing a system for the storage of bitumen modified with unused tyres for plants that make hot asphalt mix.

ECORASA, which researches new ways to reuse construction and demolition debris on the same construction site as filling material for sewer trenches.

VITRASO, which diagnoses the sound transmission paths in construction.

In 2010, the management of the **Cementos Portland Valderrivas** Group continued to promote the research of new products with enhanced added value and/or new markets. As a result, eight new cements have been developed with highly competitive advantages such as shorter hardening times, resistance to adverse external conditions, lower impact of the production process on the the environment and the ability to neutralise certain pollutants.

In 2010, the Group's R+D+i Department received public grants for eight research projects, most focusing on the development of new materials. The number of projects which competed for and received public financing broke was record-setting for CPV in terms of both, the quantity and quality of the financing obtained.

The benchmarking for cement factories which began in 2009 continued in 2010 with the analysis of technical and management aspects which need to be monitored continuously by the company in order to make improvements.

Corporate Engineering and the Operations Department have brought about significant fuel savings in most of the cement factories by replacing petcoke with fuels derived from waste.

The Innovation Management Department was created in 2010 with the mission of coordinating the innovation function within the **FCC Group** and optimising the public funding available for this.

Agreements have been signed with a number of public and private research centres to reinforce FCC's commitment to innovation.

In 2010, AENOR certified the FCC Group's activities according to UNE 166002.

10. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

Financial risk refers to changes in the value of financial instruments contracted by the Group due to political, market and other factors, and the effect of such changes on the consolidated balance sheet. The FCC Group's risk management philosophy is consistent with its business strategy, as it strives for maximum solvency and efficiency at all times. In that regard, the Group has set out stringent financial risk management and control criteria for identifying, measuring, analysing and controlling the risks faced in the course of FCC's operations. This risk policy is correctly integrated into the Group's organisational structure. In keeping with the risk control policy, hedging transactions arranged by the FCC Group are not speculative but, rather, aim to cover the transaction risks.

In order to adopt the optimal position for the Group's interests, it implements an active risk management policy; it constantly monitors the market and adopts positions depending mainly on the asset being 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. Even so, the FCC Group performed interest rate hedging transactions, ending the year

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with various hedging instruments of varying maturities. In compliance 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 pay a fixed interest rate and receive a floating rate.

As a result of the FCC Group's positioning in international markets, it is exposed to exchange rate risks in its net foreign currency positions with respect to both the euro and other foreign currencies when the investment and financing of an activity cannot be arranged 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 exchange risk can have on both the balance sheet and the income statement.

The Group actively manages its foreign exchange risk by arranging financial transactions in the same currency as that in which the related asset is denominated. In that regard, the Group strives always to finance its activities in the local currency as this creates a natural hedge between cash flows and financing. However, this is occasionally not possible where the currency of the country of origin of the investment is weak and long-term financing cannot be obtained in that currency. In these cases, financing is obtained either in the currency of the consolidated Group or in the most closely-related foreign currency.

The FCC Group operates in various markets in order to obtain the financing it needs, thereby mitigating liquidity risk. Despite the adverse situation reigning in the financial markets throughout 2010, the FCC Group has remained extremely well positioned and has anticipated any potential adversity by paying close attention to trends in those factors that may help to resolve liquidity shortfalls in the future and to the various sources of financing and their characteristics.

11. OUTLOOK FOR 2011

Set forth below are the prospects for 2011 for the various lines of business composing the FCC Group. The construction and services backlog at 2010 year-end, which amounted to EUR 35,309 million, guarantees the continuation of a high level of activity over the coming years.

Generally speaking, the **Services** area will see almost all of its economic and financial variables affected in 2011 by the general economic crisis, particularly in Spain. On the contrary, the outlook for the International area calls for a significant upturn starting in 2012.

Strict cost reduction policies continued in 2010 and will continue in future periods.

In the **Environmental** sector, despite the current stagnation, the group expects a level of activity in 2011 similar to that seen in 2010 which will allow it to maintain its current market share with investments levels that are expected to be similar to those of the previous year.

The main objective is to maintain the most significant contracts already in place, which will entail certain renewals and extensions in an attempt to grow in the field of solid urban waste treatment and elimination.

As mentioned above, in the **International** arena, business is expected to pick up starting in 2012.

In the United Kingdom – where the Group has been operating in the waste collection and urban sanitation sector through Focsa Services UK since 1989 – with the acquisition of WRG in 2006 the Group has become one of the leading operators in the sector. Significant growth is expected in new, complementary activities, particularly PFIs (Private Financing Initiatives). The portfolio of contracts of this kind is expected to growth throughout 2011.

The Allington incinerator is in the process of resolving certain technical problems which will improve the plant's performance and bring it to full operating capacity in 2011.

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In the **Industrial Waste** sector, the downward trend of recovery material prices continues albeit with a certain improvement in the volumes processed. Therefore, the positive evolution seen in the final months of 2010 is expected to continue and to become even more significant at the end of 2011 or early 2012.

An important contract got underway in Spain in 2010 which involves the decontimination of soil in at the Flix reservoir in Tarragona. Noteworthy on the international front is the remediation of contaminated soil in Siracusa (Italy). All of this has resulted in significant growth in this sector compared to the year before.

The group's presence in the US in the business of waste derived from the gas and oil industry is expected to grow in 2011 through the companies FCC Environmental, International Petroleum Corp. and Apex. Work will also begin in 2011 on a new project for refining used oil in oil-based lubricants.

In Italy, the work that began in the month of December to decontaminate polluted soil in Syracuse will continue next year.

In Portugal, more than 80,000 tn of contaminated soil will be cleaned up through the subsidiary Ecodeal thanks to a recently awarded contract.

In Spain, work will commence on four new projects:

- Treatment of unused tyres on the Canary Islands
- Recovery of foundry waste and conversion into iron and steelwork aggregate for Arcelor Mittal in Guipúzcoa
- Conclusion of the construction and operation of a new controlled dump for non-hazardous industrial waste in Cantabria through the subsidiary Iacan
- Finally, towards the 4th quarter of the year, implementation of a plant in Cataluña for waste recovery plant and conversion into alternative fuel for the Corporación Uniland cement company.

In the **Water Sector**, Aqualia continues to be the leading full-service water operator in the Spanish market. At the same time, Aqualia has continued to reinforce its international presence through a geographical diversification strategy that was first implemented four years ago.

In 2011, given the generalised economic crisis in Spain, household water consumption is expected to remain flat while industrial consumption and new business will see a decline. On the other hand, the company's presence in consolidated regions of the international market has and will continue to allow it to minimise the impact of the Spanish crisis by getting a foothold in new markets as they gradually open up and allows companies with expertise to resolve their historical problems with the management of this resource.

Throughout 2010, the Company was awarded a number of lucrative international contracts, including one for the construction of an aqueduct and water supply system in San Luís de Potosí (Mexico) and another for the construction and operation of a treatment plant with a capacity of 250,000m3/day in Cairo (Egypt). Another notable international achievement was the agreement reached with the European Bank for Reconstruction and Development (EBRD) to form a joint investment vehicle with Aqualia in order to bid on projects related to the water cycle in countries falling within the catchment area of the EBRD and to jointly evaluated potential investments in the companies that currently manage the water systems in those countries.

In the domestic market, the company has been awarded a number of new contracts and renewed or extended others with different municipalities; moreover, in keeping with its diversification policy, the company has begun providing related services to athletic facilities such as: Reception and customer care services, cleaning, maintenance, consulting and management of indoor swimming pools in Vendrell, (Tarragona) and management of sporting activities with the construction of the Water and Health Centre in San Lorenzo de El Escorial (Madrid). The Company has also entered into or renewed service agreements with irrigation associations such as: Contract for the supply of irrigation water and maintenance of irrigation facilities for the Vingalis Irrigation Association (Tarragona) and renewal of the operation, conservation and maintenance agreement with the Garrigues Irrigation Association (Lérida).

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In the international market, the Company was awarded two new contracts in Portugal: A water supply, sanitation and water treatment contract in Cartaxo and a water supply and sanitation contract in Fundao. Aqualia Infraestructuras was a awarded a contract to modernise the filtering system at the Los Berros water treatment plant in Cutzamala (Mexico) and a contract to build Candelaria water treatment plant in Chile.

At the beginning of 2011, the order book for the Service Area totalled EUR 25,325 million which is equivalent to almost seven years of production.

For 2011, **Versia** foresees a slight decline in earnings as a result of the sale in December 2010 of the companies pertaining to the Vehicle Inspection business and the assets associated with the underground parking business in, both part of the asset rotation policy defined by the FCC Group. This decline in earnings will be attenuated to a large extent by expected increases in: **Urban Furniture** in both the domestic and international markets thanks to the recovery taking place in the sector and the increases in advertising spaces installed in New York; and in the **Conservation and Systems** sector thanks primarily to new sewer maintenance contracts.

Profit margins will suffer the effects of the sale of the assets mentioned above, since the profit margins they contributed were higher than average for the Area, despite a significant increase in the profits generated in the **Urban Furniture** area due to increase sales and in the **Logistics** area due to the cost-containment policies implemented in recent years and new lines of business.

In the **Construction** area, the turnover in 2011 from domestic business will be lower than in 2010 due to the stagnation of residential construction caused by the real estate crisis and budget restrictions in the public sector that will affect civil engineering work.

To offset the weakness of the domestic markets, companies are focusing heavily on international business, as a result of which the revenues obtained from international business are expected to be higher in 2011 than they were in 2010.

The company's international business is handled primarily through the Alpine group of companies based in Austria which operates in numerous Central and Eastern European countries and is supplemented with the American market business which is handled through investee companies operating primarily in Central America and Mexico.

The order book in the construction area at the beginning of 2011 was EUR 9,984 million.

In the **Cement** area, the world economy is clearly in the recovery stages, albeit with different geographical areas and countries recovering at different rates, following the economic crisis that began at the end of 2008. As far as the situation and specific problems of western economies and emerging countries are concerned, it is believed that the US could take a bit longer to achieve stable growth, but because of the flexibility of its economy it is likely to once again play a leading role in the recovery of world economic growth.

Europe in general and the European Union in particular are also in the process of consolidating their economic growth, albeit with sharper differences between countries. The problems with sovereign debt and their implications for the stability of the euro are going to condition and limit these economies' ability to grow.

Overall, the evolution of the world economy in general and that of the European Union in particular will enable the Spanish economy to grow more than originally expected due to the strong performance of foreign demand.

With this outlook for 2011, the sales forecast for the Cement area will depend to a large extent on the economic recovery in the United Stated and Spain. Both the North American and Spanish cement markets are at historical minimums, although the deceleration process began to see some relief towards the end of last year. Renewed market stability will result in a stabilisation of prices, with upward pressure due to rising costs. These forecasts are in line with what both Oficemen and the Portland Cement Association (PCA) of the United States are saying.

Once the political situation in Tunisia is stabilized the good results obtained in 2010 can be maintained.

As a continuation of the Plan 100+, which saw stated objectives achieved a year in advance, the Area will now launch the 2011 Excellence Plan focused in increasing EBITDA and generating cash. To do so, the area will continue the policy of reducing recurring costs but with greater emphasis on new sources of corporate revenue with the development of new types of cements with higher margins, among other initiatives. Investments in the different business areas will remain at 2010 levels, with priority being placed on the investments in energy recovery technology (CO2-energy costs) and occupational safety.

Following the acquisitions in 2008 and 2009 in the photovoltaic (20 MW in production), wind (420.7 MW in production) and thermosolar (49.9 MW under construction) areas, in 2010 FCC Energía continued to implement the FCC Group's strategic plan through 2010 (Plan 10), which has materialised as follows:

- Construction and operation of a 49.9 MW thermosolar power plant in the province of Córdoba which is scheduled to be completed in the first quarter of 2011.
- Award of 99 MW in the wind power public tender sponsored by the Autonomous Community of Cataluña which is currently in the initial stages.
- Award of 48 MW in the wind power public tender sponsored by the Autonomous Community of Galicia which is currently in the initial stages.
- Presentation of proposal for "zone C" 155 MW in the wind power public tender sponsored by the Autonomous Community Aragón; currently awaiting final decision.

In 2011, the immediate objectives of FCC Energía are:

- Presentation of offers for zones D and E in the wind power public tender in Aragón, competing for 79.2 and 100 MW of power, respectively.
- As part of Phase E of the aforementioned public tender, the company is also seeking authorisation to install 9.30 MW of power at the Valdeconejos plant owned by S.E. ABADÍA.
- Beginning of energy efficiency activities.
- Continuation of the activities to develop the MWs awarded in the Cataluña and Galicia public tenders in addition to any MWs awarded in Aragón.

It is the intention of FCC Energía to analyse opportunities for growth in the renewable energy sector as they arise, either by taking part in new projects or by presenting bids for new power contracts in Spain, Eastern European EU member countries and the United States. All of these geographical areas have two common denominators: they offer the legal safeguards necessary to commit to medium term investments and their governments have expressed a political will to promote the development of renewal energies.

AUDIT REPORT

AUDIT

AUDIT REPORT

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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. 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. AND SUBSIDIARIES, which comprise the consolidated balance sheet at 31 December 2010 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 to the accompanying consolidated financial statements, the 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. Our work did not include an examination of the 2010 financial statements of certain subsidiaries and associates, whose assets, sales and net results, in absolute terms, represent 21%, 28% and 35%, respectively, of the related consolidated totals. The financial statements of these companies were audited by other auditors (see Appendices I, II and III to the notes to the consolidated financial statements). Our opinion as expressed in this report on the consolidated financial statements of Fomento de Construcciones y Contratas, S.A. and Subsidiaries is based, with respect to these companies, on the reports of the other auditors.
2. In our opinion, based on our audit and on the reports of the other auditors mentioned in the preceding paragraph, the accompanying consolidated financial statements for 2010 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 2010, 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. The accompanying consolidated directors' report for 2010 contains the explanations which the Directors of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. 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 2010. 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

Miguel Laserna Niño
28 February 2011

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
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FINANCIAL STATEMENTS

FOMENTO DE CONSTRUCCIONES Y CONTRATAS S.A.

FINANCE

BALANCE SHEET FOR THE YEAR ENDED AT 31 DECEMBER 2010 (in thousands of euros)

Fomento de Construcciones y Contratas, S.A.

ASSETS	31-12-2010		31-12-2009	
NON-CURRENT ASSETS		**5,169,058**		**4,285,179**
Intangible assets (Note 5)		32,390		26,604
Concessions	7,367		7,468	
Software	13,426		11,358	
Other intangible assets	11,597		7,778	
Property, plant and equipment (Note 6)		552,922		537,512
Land and buildings	85,481		69,656	
Plant and other Property, Plant and Equipment	414,658		405,950	
Property, Plant and Equipment under construction and advanced payments	52,783		61,906	
Investment Property (Note 7)		226,964		230,512
Non-Current investment in group companies and associates (Notes 10.a and 21.b)		4,184,580		3,342,122
Equity instruments	2,247,074		1,993,416	
Loans to companies	1,937,506		1,348,706	
Non-Current financial investments (Note 9.a)		76,012		76,250
Equity instruments	9,268		7,328	
Loans to third parties	27,609		24,974	
Derivatives (Note 12)	15,024		37,048	
Other financial assets	24,111		6,900	
Deferred tax assets (Note 18)		92,873		68,296
Deferred borrowing cost relating to concession financing		3,317		3,883

FINANCIAL STATEMENTS

At 31 DECEMBER 2010 (in thousands of euros)

ASSETS	31-12-2010		31-12-2009	
CURRENT ASSETS		**2,102,598**		**2,614,542**
Inventories		22,570		6,146
Finished goods	16,281		—	
Raw materials and other supplies	5,794		5,803	
Advance payments to suppliers	495		343	
Trade and other receivables		727,274		756,797
Trade receivables for sales and services (Note 11)	652,289		645,416	
Receivables from group and associated companies (Note 21.b)	57,743		71,465	
Sundry accounts receivables	11,520		7,831	
Employee receivables	945		1,471	
Current tax assets (Note 18)	747		23,530	
Other accounts receivable from public Authorities (Note 18)	4,030		7,084	
Current investments in group companies and associates		1,168,062		1,772,712
Loans to companies (Note 10.b and 21.b)	1,137,417		1,767,533	
Other financial assets	30,645		5,179	
Current financial investments (Note 9.b)		12,018		30,866
Loans to companies	6,622		20,510	
Debt securities	2,887		5,643	
Other financial assets	2,509		4,713	
Current advance payments and accrued income		2,584		1,827
Cash and cash equivalents		170,090		46,194
TOTAL ASSETS		**7,271,656**		**6,899,721**

The accompanying Notes 1 to 23 an Appendices I to IV are integred part of the financial statement and, together with the latter, make up the statutory financial statements for 2010.

FINANCIAL STATEMENTS

At 31 DECEMBER 2010 (in thousands of euros)

EQUITY AND LIABILITIES	31-12-2010		31-12-2009	
EQUITY (Note 13)		**1,272,436**		**1,253,585**
Shareholders' equity		1,295,249		1,272,707
Share capital		127,303		127,303
Registered share capital	127,303		127,303	
Share premium		242,133		242,133
Reserves		867,741		790,355
Legal and bylaw reserves	26,114		26,114	
Other reserves	841,627		764,241	
Treasury shares		(89,130)		(89,130)
Profit for the year		200,034		254,878
Interim dividend		(88,746)		(88,746)
Other equity instruments		35,914		35,914
Valuation adjustments		(25,072)		(21,724)
Available-for-sale financial assets	7,932		5,991	
Hedges (Note12)	(33,004)		(27,715)	
Grants, donations and legacies received		2,259		2,602
NON-CURRENT LIABILITIES		**4,469,114**		**4,552,262**
Non-current provisions (Note 15)		314,455		207,927
Provisions for third party liabilities	118,994		119,428	
Other provisions	195,461		88,499	
Non-current payables (Note 16)		4,027,085		4,215,095
Debt instruments and other marketable securities	422,204		421,213	
Bank borrowings	3,470,167		3,683,390	
Obligations under finance leases	27,936		27,491	
Derivatives (Note 12)	99,293		75,897	
Other financial liabilities	7,485		7,104	
Deferred tax liabilities (Note 18)		127,574		129,240

FINANCIAL STATEMENTS

At 31 DECEMBER 2010 (in thousands of euros)

EQUITY AND LIABILITIES	31-12-2010		31-12-2009	
CURRENT LIABILITIES		**1,530,106**		**1,093,874**
Current provisions		1,517		1,316
Non-currnet payables (Note 16)		610,420		283,646
Debt instruments and other marketable securities	4,888			
Bank borrowings	456,425		135,310	
Obligations under finance leases	38,697		36,412	
Other financial liabilities	110,410		111,924	
Current payables to group companies and associates (Note 10.c and 21.b)		498,357		464,564
Trade and other payables (Note 23.c)		419,529		343,977
Payables to suppliers	89,571		107,928	
Payable to group and associated companies (Note 21.b)	17,388		15,540	
Sundry accounts payable	89,150		109,154	
Accrued wages and salaries	43,305		35,398	
Current tax liabilities (Note 18)	80,042		—	
Other accounts payable to public authorities (Note 18)	40,198		45,005	
Advance payments from customers (Note 11)	59,875		30,952	
Current accruals and deferred income		283		371
TOTAL EQUITY AND LIABILITIES		**7,271,656**		**6,899,721**

The accompanying Notes 1 to 23 an Appendices I to IV are integred part of the financial statement and, together with the latter, make up the statutory financial statements for 2010.

FINANCIAL STATEMENTS

INCOME STATEMENT FOR THE YEAR ENDED AT 31 DECEMBER 2010
(in thousands of euros)

	31-12-2010	31-12-2009
CONTINUING OPERATIONS		
Revenue (Note 20)	1,680,978	1,557,944
Sales and services	1,325,333	1,296,802
Income from investments in group companies and associates (Notes 20 and 21.a)	256,984	176,448
Financial income from marketable securities and other financial instruments in group companies and associates (Notes 10, 20 and 21.a)	98,661	84,694
In house work on non-current assets	2,126	1,914
Supplies	(197,720)	(197,633)
Cost of goods purchased	(2,163)	(1,039)
Cost of raw materials and other consumables materials	(101,688)	(100,666)
Work performed by other companies	(93,869)	(95,928)
Other operating income	74,143	77,528
Non-core and other current operating income	71,990	75,769
Income related to operating grants	2,153	1,759
Staff costs	(823,240)	(788,543)
Wages, salaries and other similar costs	(624,912)	(600,232)
Employee benefit cost	(198,328)	(188,311)
Other operating expenses	(240,096)	(192,027)
External services	(158,521)	(167,804)
Other taxes than income tax	(7,321)	(7,742)
Loss on impairment and changes in allowances for trade receivables	(685)	(1,924)
Other current operating expenses (Note 20)	(73,569)	(14,557)
Depreciation amortisation charge (Notes 5, 6 and 7)	(89,594)	(83,912)
Allocation to the income statement of grants related to non-financial, non-current assets and other grants (Note 13.h)	512	355
Excessive provisions (Note 15)	1,380	23,120
Impairment and gain/(loss) on disposals of non-current assets	946	(1,616)
Gains or on disposals losses	946	(1,616)

FINANCIAL STATEMENTS

	31-12-2010	31-12-2009
OPERATING PROFIT/(LOSS)	**409,435**	**397,130**
Financial income	2,519	6,286
From marketable securities and other third party financial instruments	2,519	6,286
Financial cost	(160,962)	(117,040)
On debts to group companies and associates (Note 21.a)	(7,255)	(8,794)
On debts to third parties	(149,705)	(103,946)
Interest cost related to provisions	(4,002)	(4,300)
Change in fair value of financial instruments (Note 12)	(30,500)	9,421
Held - for trading financial assets/liabilities and other	(30,500)	9,421
Foreign exchange differences	(5,993)	(7,268)
Impairment and gains or losses on disposals of financial instruments	(3,454)	(8,025)
Impairment and other losses (Note 9.a)	3,658	(19,282)
Gain/(loss) on disposals (Note 10.a)	(7,112)	11,257
FINANCIAL LOSS	**(198,390)**	**(116,626)**
PROFIT BEFORE INCOME TAXATION	**211,045**	**280,504**
INCOME TAX (Note 18)	**(11,011)**	**(25,626)**
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	**200,034**	**254,878**
PROFIT/(LOSS) FOR THE YEAR	**200,034**	**254,878**

The accompanying Notes 1 to 23 an Appendices I to IV are integred part of the financial statement and, together with the latter, make up the statutory financial statements for 2010.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED AT 31 DECEMBER 2010
(in thousands of euros)

A) Statement of comprehensive income

	31-12-2010	31-12-2009
Profit/(loss)	**200,034**	**254,878**
Income and expense taken directly to equity		
Arising from available-for-sale financial assets	1,940	—
Arising from cash-flow hedges	(34,977)	(13,976)
Grants, donations and legacies received	40	—
Tax on items taken directly to equity	10,486	4,193
Income and expense recognised directly in equity	**(22,511)**	**(9,783)**
Transfers to the income statement		
Arising from cash-flow hedges	27,422	20,856
Grants, donations and received legacies	(512)	(355)
Tax effect	(8,090)	(6,161)
Total transfers to the profit or loss account	**18,820**	**14,340**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**196,343**	**259,435**

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B) Statement of changes in equity

	Share capital (Note 13.a)	Share premium (Note 13.b)	Reserves (Note 13.c and d)	Treasury shares (Note 13.e)	Profit/(loss) for year	Interim dividend (Note 3)	Other equity instruments (Note 13 f)	Valuation adjustments (Notes 9.a and 13.g)	Grants (Note 13.h)	Equity
Equity at 31 December 2008	127,303	242,133	644,817		342,906	(99,933)		(26,540)	2,861	1,233,547
Total income/(expense) for the year					254,878			4,816	(259)	259,435
Transaction with shareholders and owners			145,538	(89,130)	(342,906)	11,187				(275,311)
Dividends paid			145,538		(342,906)	11,187				(186,181)
Treasury share transaction (net)				(89,130)						(89,130)
Other changes in equity							35,914			35,914
Convertible bond issue							35,914			35,914
Equity at 31 December 2009	127,303	242,133	790,355	(89,130)	254,878	(88,746)	35,914	(21,724)	2,602	1,253,585
Total comprehensive income/(expense)					200,034			(3,348)	(343)	196,343
Transactions with shareholders and owners			77,386		(254,878)					(177,492)
Dividends paid			77,386		(254,878)					(177,492)
Equity at 31 December 2010	127,303	242,133	867,741	(89,130)	200,034	(88,746)	35,914	(25,072)	2,259	1,272,436

The accompanying Notes 1 to 23 an Appendices I to IV are integred part of the financial statement and, together with the latter, make up the statutory financial statements for 2010.

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED AT 31 DECEMBER 2010
(in thousands of euros)

	31-12-2010		31-12-2009	
Profit/(loss) for the year before taxation		211,045		280,504
Adjustments for		10,041		(61,959)
Depreciation and amortisation (Notes 5, 6 and 7)	89,594		83,912	
Value adjustments for impairment	(3,664)		19,282	
Changes in provisions (Note 15)	79,161		(2,616)	
Recognition of grants on the income statement	(512)		(355)	
Gains/(losses) on derecognition and disposal of non-current assets	(940)		1,616	
Gains/(losses) on derecognition and disposal of financial instruments (Note 10)	7,112		(11,257)	
Finance income (Note 20)	(358,164)		(267,428)	
Finance expense	160,961		117,040	
Foreign exchange differences	5,993		7,268	
Change in fair value of financial instruments (Note 12)	30,500		(9,421)	
Changes in working capital		(28,246)		(35,115)
Inventories	(200)			989
Debtors and other accounts receivable	(20,357)			(51,449)
Other current assets	(757)			(27)
Trade and other accounts payable	(4,639)			27,149
Other current liabilities	(2,293)			(11,777)
Other cash flows from operating activities		195,026		140,819
Interests paid	(109,301)			(111,397)
Dividends received	233,960			177,506
Interest received	64,966			86,602
Income tax recovered (paid)	8,611			(11,892)
Other amounts received (paid)	(3,210)			—
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		**387,866**		**324,249**

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	31-12-2010		31-12-2009	
Payments due to investment		(425,856)		(1,462,242)
Group companies and associates (Note 10.a)	(296,390)		(1,275,522)	
Intangible assets (Note 5)	(6,521)		(4,109)	
Property, plant and equipment (Note 6)	(102,510)		(168,070)	
Investment property (Note 7)	(1,287)		(2,223)	
Other financial assets	(19,148)		(12,318)	
Proceeds from disposal of		216,763		93,160
Group and associated companies (Note 10.b)	205,199		22,079	
Intangible assets (Note 5)	210		5	
Property, plant and equipment (Note 6)	2,933		12,424	
Other financial assets	8,421		58,652	
TOTAL CASH FLOWS FROM INVESTING ACTIVITIES		**(209,093)**		**(1,369,082)**
Proceeds and payments related to equity instruments		40		(53,216)
Issue of equity instruments	—		35,914	
Purchase of treasury shares	—		(89,130)	
Grants, donations and legacies received	40		—	
Proceeds and payments related to financial liability instruments (Note 16)		122,576		1,261,764
Issue of:				
Debt instruments and other marketable securities	—		421,213	
Bank borrowings	747,142		1,203,825	
Borrowings from Group companies and associates	29,360		192	
Other borrowings	2,910		—	
Repayment of:				
Bank borrowings	(653,695)		(255,702)	
Amounts owed to Group companies and associates	(2,931)		(102,664)	
Other borrowings	(210)		(5,100)	
Dividends and returns on other equity instruments		(177,493)		(195,090)
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES		**(54,877)**		**1,013,458**
NET INCREASE/(DECREASE) IN CASH OR CASH EQUIVALENTS		**123,896**		**(31,375)**
Cash or cash equivalents at beginning of the year		46,194		77,569
Cash or cash equivalents at end of the year		170,090		46,194

The accompanying Notes 1 to 23 an Appendices I to IV are integred part of the financial statement and, together with the latter, make up the statutory financial statements for 2010.

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NOTES FORMING PART OF THE COMPANIES FINANCIAL STATEMENTS

Fomento de Construcciones y Contratas, S.A. at 31 december 2010

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01 ABOUT THE COMPANY

Fomento de Construcciones y Contratas, S.A. is a company founded in Spain under the Capital Companies Act whose core business is to provide citizen services, which include mainly the collection and treatment of solid waste, the cleaning of public streets and sewer systems, the maintenance of green areas and buildings, water treatment and distribution and other complementary services. The Company's registered offices are at c/ Balmes, 36 in Barcelona and its business is mainly conducted in Spain.

Fomento de Construcciones y Contratas, S.A. is the Parent of FCC Group, which comprises a broad spectrum of Spanish and foreign subsidiaries and associates that engage in activities such as construction, urban sanitation, integrated watercycle services, street furniture, passenger transport, passenger and aircraft ground handling, logistics, cement, real estate, energy, infrastructure management, etc.

02. BASIS OF PRESENTATION OF THE ANNUAL ACCOUNTS

The financial statements were obtained from the accounting records of Fomento de Construcciones y Contratas, S.A. and the joint ventures ("UTEs") in which it holds ownership interests, in accordance with the Commerce Code, Legislative Royal Decree 1/2010 of 2 July which approved the Revised Text of the Capital Companies Act and Royal Decree 1514/2007 of 22 December which approved the Revised Text of the Spanish Generally Accepted Accounting Principales. All applicable accounting standards and principles contained in the regulatory amendments to Royal Decree 1159/2010 of 17 September, the sector plans as have the resolutions and recommendations of the Accounting and Auditing Institute (ICAC) so as to show a true image of the equity, financial situation, results of the Company's operations and cash flows for the year. Specifically, following the 2009 publication by the ICAC on how to account for the revenues of holding companies, the headings "income from interests in group companies and associates" and "financial income from negotiable securities and other financial instruments in group companies and associates" have been classified as "Revenue" on the enclosed income statement.

The enclosed Annual Accounts, which have been formulated by the Company's Directors, will be submitted to the General Assembly for approval and are expected to be approved without change. The 2009 Annual Accounts were approved by the General Assembly held on on 27 May 2010.

The balance sheets, income statement, statements of changes in equity, comprehensive income statement and cash flow statements for the joint ventures in which the Company participates have been incorporated by proportional consolidation based on the percentage of ownership in each one.

The joint ventures were included by making the required timing and measurement uniformity adjustments reconciliations and reclassifications by eliminating reciprocal asset and liablity balances and income and expenses. The detail of any meterial amounts related to the joint ventures is included in these notes to the financial statments.

On the enclosed balance sheet and income statement, the ownership percentage in joint ventures are included from each one of the joint ventures as shown below:

	2010	2009
Revenue	203,896	188,746
Operating result	23,577	21,676
Non-current assets	127,028	119,668
Current assets	233,461	199,461
Non-current liabilities	26,099	14,141
Current liabilities	295,531	264,345

Appendix II lists the joint ventures and indicates the percentage share of their results.

The Company owns 99% of the Torre Picasso building and the remaining 1% is held by Fedemés, S.L., a wholly-owned subsidiary of Fomento de Construcciones y Contratas, S.A. Hence, Torre Picasso is wholly-owned by the FCC Group. This building is being operated through a community association arrangement and, consequently, these financial statements include the assets, liabilities, income and expenses in proportion to the Company's percentage of ownership (Note 7).

The financial statements are expressed in thousands of euros.

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. These 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 2010, prepared by the directors, will also be submitted for approval by the shareholders at the Annual General Assembly.

The consolidated financial statements of Fomento de Construcciones y Contratas, S.A. prepared in conformity with International Financial Reporting Standards (IFRS) present total assets of EUR 21,979 million (EUR 21,813 million at 31 December 2009) and equity attributable to the Company's shareholders of EUR 2,563 million (EUR 2,445 million at 31 December 2009). Consolidated sales and Result attributed to the Parent amount to EUR 12,114 million and EUR 301 million, respectively (EUR 12,700 and EUR 296 million at 31 December 2009).

03. ALLOCATION OF PROFIT (LOSS)

The proposed distribution of the profit of Fomento de Construcciones y Contratas, S.A. that will be submitted for approval by the shareholders at the Ordinary General Assembly is as follows:

	2010
Profit for the year, before distribution (in thousands of euros)	200.034
Distribution:	
Interim dividend (euros per share)	EUR 0.715 per share
Supplementary dividend (euros per share)	EUR 0.715 per share
To voluntary reserves:	
The corresponding amount will be appropriated after the interim and final dividends on outstanding shares carrying dividend rights at the date of payment that have been paid.	

On 16 December 2010, it was resolved to distribute to the shareholders of Fomento de Construcciones y Contratas, S.A. an interim dividend out of the profit for the year equal to 71.5% gross of the par value of the shares, i.e. EUR 0.715 per share. The total amount of this dividend, EUR 88,746 thousand, was paid on or after 4 January 2011 on the outstanding shares carrying dividend rights (Note 16.c).

The Board of Directors' report evidencing the existence of sufficient liquidity for the distribution of the aforementioned interim dividend is included as Appendix IV.

04. ACCOUNTING POLICIES

The valuation principles and criteria used by the Company to prepare the 2010 Annual Accounts in accordance with the Spanish Generally Accepted Accounting Principals were as follows:

a) Intangible assets

Intangible assets are registered initially at acquisition or production cost. They are subsequently measured at cost less the accumulated amortisation and accumulated impairment losses. If any at year-end, there was no indication that any of the Company's intangible assets had suffered an impairment loss. The Company does not own any assets with indefinite useful life.

The Company recognises under "Software" the costs incurred in the acquisition and development of computer programs, mainly the implementation of a new corporate management system ERP (SAP) .

Software maintenance costs are recognised in the income statement of the year in which they are incurred.

Intangible assets are generally amortised on a straight-line basis over their useful life, which is estimated to be five years in the case of computer software. Administrative concessions are amortised on a straight-line basis over the concession term, which ranges on average from 25 to 50 years.

b) Property, plant and equipment and investment property

Property, plant and equipment and investment property are registered at acquisition cost or at production cost if the Company has performed in-house work thereon and are subsequently reduced by the related accumulated amortisation and by any impairment losses. At year-end, there was no indication that any of the Company's property, plant and equipment items had suffered an impairment loss. Therefor the

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recoverable amount of the assets is higher than their carrying amount and, accordingly, no impairment losses were recognised on this respect.

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 increase capacity or efficiency or to a lengthening of the useful life of the assets are carried as an increase in cost of those assets.

For those assets that require a period of time longer than one year to be ready for use, the acquisition or production cost includes the financial expenses incurred before the asset becomes operational which have been charged by the supplier or pertain to loans or other external financing, specific or generic, and are directly attributable to the acquisition, production or construction of the asset.

The Company has entered into concession agreements that provide for dismantling and restoration obligations. On initial recognition of property, plant and equipment items, the Company estimates the present value of the future obligations for the dismantling and removal thereof, and other obligations associated with the assets, such as the cost of restoring the site on which they are located. This present value is added to the cost of the related assets and a provision is recognised which is increased in the periods following that in which it is recognised to reflect the related interest cost. The asset recognised is depreciated systematically using the same method as that applied to the asset related to the obligation.

In-house work on non-current assets is measured at accumulated cost that result of adding to the external costs plus in-house costs, determined on the basis of in-house materials consumption, direct labour and general manufacturing costs.

The Company amortizes its property, plant and equipment and investment property by the straight-line method at annual rates based on the years of estimated useful life of the assets, the detail being as follows:

	Estimated years of useful life
Investment properties	75
Buildings and other structures	25 – 50
Plant and machinery	5 – 15
Fixtures, fittings, tools and equipment	8 – 12
Other PPE	4 – 10

However, there may occasionally be contracts with terms that are shorter than the useful life of the assets regulated therein, in which case the assets are depreciated over the term of the agreement.

c) Impairment of intangible assets and property, plant and equipment

Whenever there are indications of impairment of intangible assets with a finite useful life (according to this qualification all the Company's intangible assets and property, plant and equipment and investment property), 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.

The recoverable amount is the fair value less the cost of the sale or the value-in-use, whichever is greater. To determine the recoverable amount of the assets tested for impairment, an estimate was made of the present value of the net cash flows arising from the cash-generating units (CGUs) to which the assets belong. To actualize the cash flows a discount rate before taxation which is taken to be the weighted average cost of capital and specific risk of each cash generating unit.

When an impairment loss is subsequently reversed, the carrying value of the asset or the cash-generating unit is increased to the revised estimate of the recoverable amount but in such a way that the carrying value when increased does not exceed the carrying value that would have been existed had no impairment loss been recognised for the asset or cash-generating unit in prior years. The reversal of an 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 inherent to ownership of the leased asset to the lessee. Other leases are clasified as operating leases.

d.1) Financial 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 will be 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 there are no reasonable doubts that it will be exercised. The minimum lease payments do not include contingent quotes, costs for services and taxes to be paid by and reimbursed to the lessor. The total finance charge is apportioned over the lease term and taken to the income statement in the period of accrual, using the effective interest method. Contingent quote is recognised as an expense for the period in which it is incurred.

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At the end of the financial lease, the Company exercises the purchase option. The contracts do not establish any restrictions on exercising purchase options. The contracts contain no restrictions on the exercise of the purchase options and there are no clauses to extend the term of the contracts or price adjustments.

The assets recognised for transactions of this nature are depreciated on the basis of their nature and useful life 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

If the Company acts as the lessee, costs arising under operating leases are allocated to the income statement for the year in which they are incurred.

If the Company acts as the lessor, income and costs arising under operating leases are allocated to the income statement for the year in which they are incurred. The acquisition cost of the leased asset is presented in the balance sheet according to the nature of the asset, increased by the costs directly attributable to the lease, which are recognised as an expense over the lease term, applying the same method as that used to recognise lease income.

Any collection or payment that might be made when arranging an operating lease will be treated as a prepaid lease collection or advanced payment which will be allocated income statement over the lease term in accordance with the advanced time pattern in which the benefits of the leased asset are provided or received.

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 provision of services in the course of the company's normal operations and non-derivative financial assets whose collection is fixed or determinable and which are not traded on an active market.
- **Held-to-maturity investments:** Debt securities with fixed or determinable maturities which are traded on active markets and which the company has the intention of and the ability to hold to the date of maturity.
- **Held-for-trading financial assets:** The assets acquired for the purpose of being sold in the short term or those which are part of a portfolio for which there is evidence of recent activity with that objective in mind. This category also includes financial derivatives that are not financial guarantee contracts and have not been designated as hedging instruments.
- **Equity investments in group and jointly-controlled companies and associates:** Group enterprises are those related to the Company by a relationship of control and associates are those over which the Company has a significant influence. In addition, jointly controlled entities include companies over which the Company exercises joint control with one or more other investors by virtue of an agreement.
- **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

Financial assets are initially recognised at the fair value of the consideration paid plus the costs directly attributable to the transaction, except for controlling interests in Group companies, the cost of which is carried directly to 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 income statement.
- Investments in Group companies and associates and interests in jointly controlled entities are measured at cost, net of any accumulated impairment losses. These corrections are calculated as the difference between the carrying value and the recoverable value, this being understood as fair value less the cost of the sale or the current value of the future cash flows derived from the investment, whichever is higher. Unless there is better evidence of the recoverable value, when estimating the impairment of these investments the net equity of the investee company corrected by the tacit surpluses existing on the valuation date is taken into account including goodwill, if any.
- Available-for-sale financial assets are measured at fair value and the net 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 permanently impaired, at which time the cumulative gains or losses previously recognised in equity are recognised in the income statement.

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At least at each reporting date the Company tests financial assets not measured at fair value through profit or loss for impairment. Objective evidence of impairment is considered to exist when the recoverable amount of the financial asset is lower than its carrying amount. When this occurs, 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 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 or any kind of guarantee or assume any other kind of risk. These transactions are subject to market interest rates, with the assignor assuming the risk of insolvency and late payment by the debtor. Fomento de Construcciones y Contratas, S.A. continues to manage collections.

e.2) Financial liabilities

Financial liabilities are the debits and balances payable by the Company originating from the goods purchases and the services received in the course of the Company's normal operations or those which, while not considered trade payables cannot be considered derivative financial instruments.

Debits and other payables are originally stated at the fair value of the consideration received, adjusted by the costs that are directly attributable to the transaction. These liabilities are subsequently measured at amortised cost.

The financial costs are recorded based on an accrual criterion on the income statement using the effective interest rate method and added to the carrying value of the instrument to the extent that they are not settled in the accrual period.

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 represents a residual interest in the assets of the Company after deducting all of its liabilities. Capital instruments issued by the Company 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 profit or loss.

The Company has a share-based payment plan for officers and directors which is explained in Note 14, "Share-based payments".

e.4) Financial derivatives

The company uses financial derivatives to cover the risks to which it is exposed due to its activities, operations and future cash flows. These risks basically include the risk of changes in market interest rates and exchange rates affecting certain financial instruments. The Company contracts hedging instruments within the framework of its operations (Note 12).

In order for these financial instruments to be classified as accounting hedges, they are initially designated as such, documenting the hedging relationship. Furthermore, the Company initially and then periodically over the life of the instrument checks to ensure that the hedging relationship is effective, i.e., that it can reasonably be expected that the changes in fair value or cash flows of the hedged item (attributable to the covered risk) will be compensated almost entirely by those of the hedging instrument and that, retrospectively, the results of the hedge will have fluctuated between 80% and 125% with respect to the results of the hedged item.

The Company uses hedges of the following types, which are accounted for as described below:

- Fair value hedge: 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 hedge: With this type of hedging instrument, the part of the gains or losses on the hedging instrument determined as effective hedging is temporarily recognised in equity, charged to the profit and loss account in the same period during which the hedged item has an effect on profits, except when the hedge refers to a scheduled transaction that concludes with the recognition of a non-financial asset or liability, in which case the amounts recorded in equity are included in the cost of the asset or liability when it is acquired or assumed.

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- Hedge of a net investment in a foreign operation: 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 accounted for in the same way as fair value hedges.

Hedge accounting is interrupted when the hedging instrument expires, is sold, concluded or exercised or when the conditions for hedge accounting are no longer met. At that time, any cumulative profit or loss on the hedging instrument that was recorded in equity remains in equity until the schedule transaction takes place. When the transaction that is being hedged is not expected to take place, the cumulative net profit or loss recognised in equity is transferred to the net profit (loss) for the year.

Although certain hedging instruments are recognised as speculative, 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. When this does not occur, the changes in value of the instruments classified as speculative are recognised in profit or loss together with the transaction.

The financial derivatives are measured by experts on the subject using generally accepted methods and techniques. These experts were independent from the Group and the entities financing it.

f) Inventories

Inventories are measured at the lower of cost and net realisable value. Trade discounts, rebates, 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 or net realisable value.

Production cost includes the costs of direct materials and, where applicable, direct labour and production overheads.

The net realizable value represents the estimated sale price less all estimated termination costs and the marketing, sales and distribution costs that will be incurred.

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 operating currency is the euro. Consequently, transactions in currencies other than the euro are considered to be denominated in foreign currency and are recorded at the exchange rate on the day 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 taxation, increased or decreased, as appropriate, by the permanent differences between taxable profit and accounting profit. The corresponding tax rate based on the legislation applicable to each company is applied to this adjusted accounting profit. The tax relief and tax credits earned in the year are deducted and the positive or negative differences between the estimated tax charge calculated for the prior year's accounting close and the subsequent tax settlement at the payment date are added to or deducted from the resulting tax charge.

The Company 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.

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 be reversed.

i) Income and expense

Income and expenses are recorded based on the accrual principle, i.e., when the real movement of the goods and services they represent takes place, regardless of when the monetary or financial exchange associated with them occurs. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

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The Company follows the procedure of recognising 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 the company follows the procedure of recognising, late-payment interests as income when they are 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". Additionally, Pre-billings for various items are recognised under "Current Liabilities – Trade and Other Payables – Customer Advances".

Interests income from financial assets are recognised using the effective interest method and dividends income is recognised when the shareholder's right to receive payment has been established. Any case. The interest and dividends on financial assets accrued after acquisition are recognised as income in the income statement.

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,even they are not sure, 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 a finance cost on the income statement.

The provisions for dismantling, removing or restoring assets and those of an environmental nature are recognised as an increase in the current value of the expenses incurred when the asset is removed from service. The income statement is impacted when the asset in question is amortised as previously described in this note.

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.

In relation to contingent liabilities, the possible obligations that arise from past events and whose existence 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 annual accounts since the probability that such obligations will actually materialise is remote.

k) Environmental equity

As indicated in Note 1, the Company engages mainly in service 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 life of the assets. 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 contingencies relating to environmental protection and improvement at 31 December 2010 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 commitments

The Company has not set up any pension plans to supplement Social Security pensions. In accordance with the amended text of the Pension Plans and Pension Funds Act, the company has outsourced its employee pension obligations.

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 indemnity are those that entail the extinction 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 each year 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-repayable grants

Non-refundable grants are measured at the fair value of the amount or 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 or owners, which are recognised directly in equity.

m.2) Operating grants

Recorded as income on the year in which they are granted, except when they are used to finance operating deficits in which case they are recorded in the year of the deficit. If grants are received to finance specific expenses, they are allocated to income as the related expenses are incurred.

n) Estimates made

When preparing the enclosed Annual Accounts, the company used certain estimated to assess the value of some assets, liabilities, income, expenses and commitments. These estimates basically refer to:

- The evaluation of possible losses due to the impairment of certain assets (Note 4.c).
- The assumptions used in the calculation of the fair value of share-based payments (see Note 14).
- The useful life of the property, plant and equipment and intangible assets (see Notes 4-a and 4-b).
- The fair value of certain financial instruments (Note 12)
- The calculation of certain provisions (Notes 4j and 15).

Whilst these estimates were made based on the best information available at 31 December 2010, it is possible that they may have to be modified in future fiscal years due to events that may take place in the future, which would be done in a prospective manner.

o) Related-party transactions

All of the Company’s related party transactions are arm’s length.

Transactions which the company conducts with directors, significant shareholders, shareholders with board representation or other persons related thereto are detailed in Note 21 “Third party transactions and balances”.

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05. INTANGIBLE ASSETS

Movements in this balance sheet heading in 2010 and 2009 were as follows:

	Concessions	Software	Other Intangible assets	Accumulated amortisation	Total
Balance at 31.12.08	**23,917**	**13,074**	**12,066**	**(21,845)**	**27,212**
Additions or allocations	353	2,026	1,730	(4,684)	(575)
Removals, write-offs, reductions	(456)	(1)	(28)	452	(33)
Balance at 31.12.09	**23,814**	**15,099**	**13,768**	**(26,077)**	**26,604**
Additions or allocations	667	5,197	657	(5,118)	1,403
Removals, write-offs, reductions	—	—	(210)	—	(210)
Transfers	—	—	4,593	—	4,593
Balance at 31.12.10	**24,481**	**20,296**	**18,808**	**(31,195)**	**32,390**

"Concessions" relates mainly to operations undertaken through joint ventures and includes the amounts paid to obtain concessions for, inter alia, water supply services.

"Computer Software" relates mainly to the cost of implementing and developing the new System of corporate management information (SAP).

The detail of the intangible assets and of the related accumulated amortisation at 31 December 2010 and 2009 is as follows:

	Amortised	Amortisation accumulated	Net
2010			
Concessions	24,481	(17,114)	7,367
Computer software	20,296	(6,870)	13,426
Other intangible assets	18,808	(7,211)	11,597
	63,585	**(31,195)**	**32,390**
2009			
Concessions	23,814	(16,346)	7,468
Computer software	15,099	(3,741)	11,358
Other intangible assets	13,768	(5,990)	7,778
	52,681	**(26,077)**	**26,604**

At the end of 2010 the Company did not have any material fully amortized intangible assets still in use.

At 31 December 2010, the Company did not have any intangible assets located outside Spain. There were no assets subject to guarantees.

06. PROPERTY, PLANT AND EQUIPMENT

Movements in this balance sheet heading in 2010 and 2009 were as follows:

	Land and buildings	Plant and other Property plant and equipment	Work in progress and advance payments	Accumulated amortisation	Total
Balance at 31.12.08	**80,052**	**785,953**	**62,325**	**(468,654)**	**459,676**
Additions or allocations	9,827	109,849	48,394	(75,485)	92,585
Removals, write-offs, reductions	—	(15,112)	(10,715)	11,078	(14,749)
Transfers	6,377	30,526	(38,098)	1,195	—
Balance at 31.12.09	**96,256**	**911,216**	**61,906**	**(531,866)**	**537,512**
Additions or allocations	19,919	50,687	31,904	(80,572)	21,938
Removals, write-offs, reductions	(367)	(29,145)	(72)	27,597	(1,987)
Transfers	19	36,395	(40,955)	—	(4,541)
Balance at 31.12.10	**115,827**	**969,153**	**52,783**	**(584,841)**	**552,922**

The main changes in "Property, Plant and Equipment" relate to assets associated with the services and water concession agreements operated by the Company.

The value of the land and buildings, net of amortisation, owned by the Company at the end of the year was as follows:

	2010	2009
Land	32,020	18,950
Buildings	53,461	50,706
	85,481	**69,656**

The detail of the intangible assets and of the related accumulated amortisation at 31 December 2010 and 2009 is as follows:

	Cost	Accumulated amortisation	Net
2010			
Land and buildings	115,827	(30,346)	85,481
Plant and other Material	969,153	(554,495)	414,658
Work in progress and advance payments	52,783	—	52,783
	1,137,763	**(584,841)**	**552,922**
2009			
Land and buildings	96,256	(26,600)	69,656
Plant and other Material	911,216	(505,266)	405,950
Work in progress and advance payments	61,906	—	61,906
	1.069.378	**(531.866)**	**537.512**

Of the net amount of property, plant and equipment, EUR 85,730 relate to assets arising under a contract jointly operated though joint ventures (EUR 85,260 thousand at 31 December 2009).

In 2010 the Company did not capitalise any financial expenses in "Property, Plant and Equipment" (EUR 271 thousand capitalised at 31 December 2009)

At 2010 year-end the Company held various items of property, plant and equipment under finance leases (see Note 8).

All the property, plant and equipment were being used in production at year-end; however, EUR 272,619 thousand (EUR 245,550 thousand at 31 December 2009) of property, plant and equipment had been fully amortizated, EUR 10,201 thousand of which referred to buildings (EUR 9,392 thousand at 31 December 2009). The amounts relating to joint ventures were not significant.

FINANCIAL STATEMENTS

At 31 December 2010, the Company did not hold any investments in property, plant and equipment outside Spain. The Company did not have any firm commitments to purchase property, plant and equipment at the end of 2010.

The Group's mainly assets subject to restrictions on title relate to assets held under finance leases.

The Company's policy is to take out insurance policies to cover the risks to which the different property, plants and equipment asset items are exposed. At year-end, the Parent considered that these risks were adequately covered.

07. INVESTMENT PROPERTY

"Investment Property" in the accompanying balance sheet reflects the values of the land, buildings and other structures held either to earn rentals or, to obtain some benefit of it's sales as a conservence of the increase that may take place in the future of its market price. The main investment property refers to the 99% ownership interest in the Torre Picasso building, the remaining 1% of which is held by Fedemés, S.L., wholly-owned by Fomento de Construcciones y Contratas, S.A., signifying that Torre Picasso is wholly-owned by the FCC Group. The Torre Picasso building leases office space, commercial premises and parking spaces.

Movements in this balance sheet heading in 2010 and 2009 were as follows:

	Buildings	Accumulated depreciation	Total
Balance at 31.12.08	**284,102**	**(52,070)**	**232,032**
Additions or allocations	2,223	(3,743)	(1,520)
Balance at 31.12.09	**286,325**	**(55,813)**	**230,512**
Additions or allocations	1,287	(3,904)	(2,617)
Removals, write-offs, reductions	(879)	—	(879)
Transfers	(52)	—	(52)
Balance at 31.12.10	**286,681**	**(59,717)**	**226,964**

Torre Picasso has an average occupancy rate of 99% (same rate as at 31 December 2009).

The figures shown on the 2010 and 2009 income statement for Torre Picasso are as follows:

	2010	2009
Lease income	25,371	26,127
Transfer of costs to tenants	7,184	7,185
Operating profit net of taxes	12,572	13,202

The minimum future lease payments receivable by Torre Picasso at 31 December 2010 and 2009 under current leases, without taking future rents adjustments into account, were as follows:

	2010	2009
Up to one year	24,208	25,812
Between one and five years	57,821	69,832
More than five years	1,377	18,112
	83,406	**113,756**

The fair value of the Torre Picasso buildings is higher than the carrying value.

According to the obligations assumed in the financing agreement for EUR 250,000 thousand signed by the Company in 2009 as the owner of the Torre Picasso building (Note 16), the building was mortgaged and the collection rights to the rent payments under all current and future leases on the property were pledged for the next fifteen years. Furthermore, the Company assumed the obligation to make the necessary investments to keep the building in a proper state of repair so as to maintaining the current use preserving its conditions.

At the end of 2010 the Company did not have any firm commitments to purchase or invest in property nor any contractual obligations relating to repairs, maintenance or improvements except as indicated in the previous paragraph.

08. LEASES

a) Financial lease

The Company, as lessor, has recognised mainly assets leased under leases with a maximum term of two to five years with in general post-paid lease payments. Consequently, the present value of the payments does not differ significantly from their nominal value. The leased assets include the lorries and machinery used by the Company to render the waste collection and street cleaning services.

The characteristics of the finance leases in force at the end of 2010 and 2009 were as follows:

	2010	2009
Net carrying value	95,070	113,147
Accumulated depreciation	15,649	13,726
Cost of assets	110,719	126,873
Financial expense	5,193	4,588
Cost of capitalised assets	115,912	131,461
Instalments paid in the year	(35,370)	(43,915)
Lease payments in prior years	(10,618)	(21,791)
Lease payments outstanding, including purchase option	69,924	65,755
Unaccrued finance expenses	(3,291)	(1,852)
Current value of lease payments outstanding, including purchase option	66,633	63,903
Contract term (years)	2 - 5	2 - 5
Value of purchase option	1,034	1,268

The maturity dates of the accounts payable on outstanding lease instalments are explained in Note 16 of this document.

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, no expense was incurred in connection with contingent rent.

b) Operating leases

As lessee, the Company's operating leases referred primarily to the central services buildings and offices in Madrid and Barcelona which are property of Fedemés, S.L., a wholly-owned subsidiary of Fomento de Construcciones y Contratas, S.A., and the property used for office space, storage, dressing rooms and garages in connection with the Company's business activities.

The lease payments made in 2010 totalled EUR 31,891 thousand (EUR 29,482 thousand at 31 December 2009).

One of the most notable leases was the one signed by Fomento de Construcciones y Contratas, S.A. and Hewlett Packard Servicios España, S.L. on 19 November de 2010 to outsource the Group's information technology services in order to make them more efficient, more flexible and more competitive at the international level. The seven-year contract that will take effect in fiscal year 2011 with a total cost of EUR 21,227 thousand euros, basically explains the significant increase in the committed payments shown on the following table.

At year-end, the Company had non-cancellable future payment commitments in the amount of EUR 81,367 thousand (EUR 50,159 thousand in 2009). The details of the future minimum payments at 31 December 2010 and 2009 are as follows:

	2010	2009
Up to one year	18,383	10,890
Between one and five years	42,286	23,413
More than five years	20,698	15,856
	81,367	**50,159**

The Company acts as lessor in the operation of the Torre Picasso building as indicated in Note 7.

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09. CURRENT AND NON CURRENT FINANCIAL INVESTMENTS

a) Non-current financial investments

The detail of "Non-current financial investments" at the end of 2010 and 2009 is as follows:

	Equity instruments	Loans to third parties	Derivatives	Other	Total
2010					
Loans and receivables	—	27,609	—	24,111	51,720
Available-for-sale financial assets	9,268	—	—	—	9,268
Derivatives (Note 12)	—	—	15,024	—	15,024
	9,268	**27,609**	**15,024**	**24,111**	**76,012**
2009					
Loans and receivables	—	24,974	—	6,900	31,874
Available-for-sale financial assets	7,328	—	—	—	7,328
Derivatives (Note 12)	—	—	37,048	—	37,048
	7,328	**24,974**	**37,048**	**6,900**	**76,250**

The breakdown by maturity of the loans and receivables is as follows:

	2012	2013	2014	2015	2016 and thereafter	Total
Loans and receivables	10,589	3,941	3,509	3,579	30,102	51,720

Loans and receivables

The loans and receivables basically refers to the amounts extended to public entities for the construction of water infrastructure, mostly in joint ventures with other companies. These loans are subject to market interest rates. They also include non-current deposits as well as bonds and guarantees imposed by legal or contractual conditions in the course of the Company's business activities.

Available-for-sale financial assets

The detail at 31 December 2010 and 2009 is as follows:

	Effective ownership	Fair value
2010		
Shopnet Brokers, S.A.	14.88 %	—
Vertederos de Residuos, S.A.	16.03 %	8,998
Xfera Móviles, S.A.	3.44 %	—
Other		270
		9,268
2009		
Shopnet Brokers, S.A.	15.54 %	—
Vertederos de Residuos, S.A.	16.03 %	7,050
Xfera Móviles, S.A.	3.44 %	—
Other		278
		7,328

At 31 December 2010, the Company had also provided guarantees for Xfera Móviles, S.A. totalling EUR 3,995 thousand (the same as 31 December 2009). Fomento de Construcciones y Contratas, S.A. has a put option on the portfolio of Xfera Móviles, S.A. that is symmetrical to the call option held by Sonera Holding B.V. These rights can only be exercised on the maturity date in 2011, provided that certain terms and conditions are met, including most notably that Xfera Móviles, S.A. generates profit over two consecutive years prior to the aforementioned maturity date.

Changes to fair value

The changes due to impairment losses recognised in 2010 and 2009 were as follows:

Balance at 31.12.08	**21,127**
Impairment for the year	(13,799)
Balance at 31.12.09	**7,328**
Recovery of value	1,940
Balance at 31.12.10	**9,268**

The impairment shown on the table above for fiscal year 2009 refers to the Xfera Móviles, S.A. assets available for sale.

b) Current financial investments

The details of "Current financial investments" at the end of 2010 and 2009 is as follows:

	Loans to third parties	Otros	Total
2010			
Held-to-maturity investments	—	2,887	2,887
Loans and receivables	6,622	2,509	9,131
	6,622	**5,396**	**12,018**
2009			
Held-to-maturity investments	—	5,643	5,643
Loans and receivables	20,510	4,713	25,223
	20,510	**10,356**	**30,866**

In 2010 the Company did not recognise any impairment losses on current financial assets.

10. INVESTMENTS AND DEBT WITH GROUP COMPANIES AND ASSOCIATES

a) Non-curent investments in group companies and associates

The detail of the investments in group companies and associates at 31 December 2010 and 2009 is as follows:

	Cost	Accumulated impairment	Total
2010			
Equity instruments of group companies	1,590,260	(2,458)	1,587,802
Equity instruments of associates	735,809	(76,537)	659,272
Loans to group companies	1,878,135	—	1,878,135
Loans to associated enterprises	59,371	—	59,371
	4,263,575	**(78,995)**	**4,184,580**
2009			
Equity instruments of group companies	1,347,826	(10,569)	1,337,257
Equity instruments of associates	735,809	(79,650)	656,159
Loans to group companies	1,293,965	—	1,293,965
Loans to associated enterprises	54,741	—	54,741
	3,432,341	**(90,219)**	**3,342,122**

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The detail of the changes under these headings are as follows:

	Equity instruments group companies	Equity instruments associates	Loans to group companies	Loans to associated enterprises	Impairment	Total
Balance at 31.12.08	**1,223,560**	**201,874**	**1,282,076**	**5,962**	**(89,380)**	**2,624,092**
Additions or allocations	124,296	529,570	11,873	53,719	(839)	718,619
Removals or reversals	(30)	—	(1)	(558)	—	(589)
Transfers	—	4,365	17	(4,382)	—	—
Balance at 31.12.09	**1,347,826**	**735,809**	**1,293,965**	**54,741**	**(90,219)**	**3,342,122**
Additions or allocations	250,000	—	40,925	5,465	(1,064)	295,326
Removals or reversals	(7,566)	—	—	(440)	12,288	4,282
Transfers	—	—	543,245	(395)	—	542,850
Balance at 31.12.10	**1,590,260**	**735,809**	**1,878,135**	**59,371**	**(78,995)**	**4,184,580**

Equity instruments of group companies

The most significant changes on the table above are as follows:

- In December 2010, FCC Construcción, S.A., a wholly-owned subsidiary of Fomento de Construcciones y Contratas, S.A. increased its share capital by EUR 50,000 thousand with an issue premium of EUR 200,000 thousand. The entire capital increase was subscribed by the Company which required a cash outlay of EUR 250,000 thousand.
- During the year, the company Giza Environmental Services S.A.E., in which Fomento de Construcciones y Contratas, S.A. held a 70% stake, was liquidated. The Company removed the investment from the books along with a current loan in prior years (Note 10.b), generating a loss of EUR 7,114 thousand which is recorded under the heading of "Gains(losses) on disposals and others" on the enclosed income statement.
- In 2009, the investee company Cementos Portland Valderrivas, S.A. increased its capital in a proportion of 3 new shares for every 8 existing shares. Fomento de Construcciones y Contratas, S.A., as the majority shareholder, participated in the capital increase in proportion to its ownership percentage. The subscription of new shares required a cash outlay of EUR 122,685 thousand.

Equity instruments of associates

In 2009, the Company purchased 50% of Global Vía Infraestructuras, S.A., a joint venture with Caja de Madrid for EUR 529,570 thousand from the wholly-owned subsidiary, FCC Construcción, S.A. This company manages, promotes, develops and operates public infrastructures and most of the FCC Group's infrastructure concession business is channelled through it.

The details, by company, of the investments in Group companies and associates are presented in Appendixes I and II, 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 capital and reserves and other, profit or loss, dividends received, whether or not it is listed and the carrying amount of the ownership interest.

Non-current loans to companies

The most significant balances are as follows:

	2010	2009
Azincourt Investment, S.L.(Unipersonal)	1,100,728	1,081,187
FCC Construcción, S.A.	400,000	—
Aqualia Gestión Integral del Agua, S.A.	149,250	—
FCC Versia, S.A.	140,000	140,000
WRG PFI Holdings Ltd.	30,007	11,399
Dédalo Patrimonial,S.L.U.	23,949	27,768
Enviropower Investments, Ltd.	19,231	18,640
ASA Abfall Services AG	14,000	14,000
Other	970	971
	1,878,135	**1,293,965**

Notable items on the table above include:

- A participative loan in the amount of EUR 1,100,728 thousand (EUR 1,081,187 thousand at 31 December 2009) granted to Azincourt Investment, S.L., Unipersonal, a wholly-owned investee of Fomento de Construcciones y Contratas, S.A., the former being the holder of all the shares of Waste Recycling Group acquired in 2006. This loan has a single maturity in December 2013, like the bank loan with which it is associated (Note 16). The 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 year-end interest of EUR 32,931 thousand (EUR 32,769 thousand at 31 December 2009) had been earned on the participating loan, which was recognised under "Finance Income – From Marketable Securities and Other Financial Instruments" in the accompanying income statement.
- A non-current loan in the amount of EUR 400,000 thousand granted on 31 December 2010 to the subsidiary FCC Construcción, S.A. The loan is the result of converting the current portion of a current account balance maintained with the company to non-current (Note 10.b). The loan matures on 30 June 2012 and has an interest rate of Euribor 90 days plus 3%.
- A participative loan in the amount of EUR 149,250 thousand granted on 1 May 2010 to the subsidiary, Aqualia Gestión Integral del Agua, S.A. The loan is the result of combining three previously-existing non-current loans into one (Note 10.b). The loan matures on 1 May 2012 and is subject to interest based on different accounting indicators of the borrower. The participative loan accrued 4,821 euros of interest during the year.
- A non-current loan in the amount of EUR 140,000 thousand granted on 9 February 2007 to the investee company FCC Versia, S.A., with an original term of two years automatically renewable for successive two-year terms. The interest rate is based on the average 3M Euribor taken from the month before the adjustment date, plus 0.75%. At year end, the loan had accrued interest of EUR 2,094 thousand (EUR 3,499 thousand at 31 December 2009).

The other loans relate to amounts granted to Group companies that mature in more than one year and earn interest at market rates.

Non-current loans to associates

The most significant balance under this heading refers to a participative loan extended to Realia Business, S.A. in 2009. At 31 December 2010, the balance on this loan was EUR 52,531 thousand (EUR 50,654 thousand at 31 December 2009). During the year, the loan accrued interest of EUR 2,317 thousand (EUR 654 thousand at 31 December 2009).

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, plus the related interest at market rates.

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The most significant balances are as follows:

	2010	2009
FCC Construcción, S.A.	422,406	804,003
FCC Energía, S.A.	350,071	354,624
Azincourt Investment, S.L.(Unipersonal)	166,641	119,280
Aqualia Gestión Integral del Agua, S.A.	125,683	258,596
FCC Medio Ambiente, S.A.	22,738	167,577
FCC Versia, S.A.	16,753	24,043
Corporación Financiera Hispánica, S.A.	15,000	—
Asesoría Financiera y de Gestión, S.A.	8,768	—
Giza Environmental Services S.A.E.	—	7,114
Other	40,002	37,475
	1,168,062	**1,772,712**

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 loans bearing interest at market rates and trade accounts payable to these companies, are as follows:

	2010	2009
Corporación Financiera Hispánica, S.A.	194,238	189,790
FCC Versia, S.A.	108,564	—
Asesoría Financiera y de Gestión, S.A.	64,828	121,499
FCC Finance B.V.	55,291	54,888
Azincourt Investment, S.L.(Unipersonal)	18,155	9,930
Other	57,281	88,457
	498,357	**464,564**

11. TRADE RECEIVABLES FOR SALES AND SERVICES

The composition of this balance sheet item relates mainly to the amounts receivable for Company services.

	2010	2009
Production billed not yet collected	557,479	549,401
Unbilled production	94,810	96,015
Trade receivables	652,289	645,416
Advance payments from customers	(59,875)	(30,952)
Total trade receivables, net	**592,414**	**614,464**

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 legislation, 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 pending collection 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 transfers title to trade receivables to banks without recourse against Fomento de Construcciones y Contratas, S.A. in the event of non-payment. The amount deducted from the trade receivables balance at year-end in this connection amounted to EUR 300,492 thousand (EUR 107,777 thousand at 31 December 2009).

Of the net amount of property, plant and equipment, EUR 80,424 thousand (EUR 89,380 thousand at 31 December 2009) relate to the balances of contracts operated through joint ventures.

12. DERIVATIVE FINANCIAL INSTRUMENTS

The derivative assets and liabilities shown on the enclosed balance sheet and their impact on equity and the income statement are as follows:

	Fair value		Impact on equity	Impact on income statement
	Assets (Note 9)	Liabilities (Note 16)		
2010				
Hedging derivatives	3,919	42,894	(33,004)	—
Other derivatives	11,105	56,399	—	(30,500)
	15,024	**99,293**	**(33,004)**	**(30,500)**
2009				
Hedging derivatives	16,922	43,891	(27,715)	—
Other derivatives	20,126	32,006	—	9,421
	37,048	**75,897**	**(27,715)**	**9,421**

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Hedging derivatives

The hedging instruments contracted by the Company for 2010 and 2009, all cash flow hedges, are listed below, subdivided by transaction covered and with details on the type of derivative, contractual or notional amounts, maturity dates, fair value at year end and tax impact on equity.

2010

Hedged transaction	Type of derivative	Amount contracted	Maturity	Fair value		Impact on equity
				Assets	Liabilities	
Synidated loan (note 16.b.2)	IRS	148,023	30/12/2013	—	12,709	(8,897)
	IRS	13,539	30/12/2013	—	786	(550)
	IRS	113,389	30/12/2013	—	7,093	(4,965)
	IRS	172,622	30/12/2013	—	11,155	(7,809)
	IRS	96,465	30/12/2013	—	5,996	(4,197)
	BASIS SWAP	105,000	30/06/2011	—	(11)	8
	BASIS SWAP	245,000	30/06/2011	—	(43)	30
	BASIS SWAP	26,998	30/06/2011	—	(1)	1
	BASIS SWAP	46,016	30/06/2011	—	(8)	6
				—	**37,676**	**(26,373)**
Limited recourse borrowings (Note 16.b.1)	IRS	200,000	18/12/2024	—	5,218	(3,653)
	IRS	9,918	02/04/2024	166	—	117
	IRS	4,959	02/04/2024	53	—	37
	IRS	3,178	02/04/2024	83	—	58
	IRS	2,799	02/04/2024	47	—	33
				349	**5,218**	**(3,408)**
Stock option plan (Note 14)	CALL (1st Plan)	61,596	30/09/2013	1,065	—	(2,059)
	CALL (2nd Plan)	37,065	10/02/2014	2,505	—	(1,164)
				3,570		**(3,223)**
Total				**3,919**	**42,894**	**(33,004)**

2009

Hedged transaction	Type of derivative	Amount contracted	Maturity	Fair value Assets	Fair value Liabilities	Impact on equity
Syndicated loan (note 16.b.2)	IRS	162,842	30/12/2013	—	13,102	(9,171)
	IRS	15,385	30/12/2013	—	943	(660)
	IRS	128,849	30/12/2013	—	8,629	(6,040)
	IRS	196,159	30/12/2013	—	13,645	(9,552)
	IRS	109,618	30/12/2013	—	7,285	(5,100)
	BASIS SWAP	20,011	30/06/2010	—	13	(9)
	BASIS SWAP	100,000	30/06/2010	—	65	(46)
	BASIS SWAP	100,000	30/06/2010	—	62	(43)
	BASIS SWAP	100,000	30/06/2010	—	63	(44)
	BASIS SWAP	130,000	30/06/2010	—	84	(59)
				—	**43,891**	**(30,724)**
Stock option plan (Note 14)	CALL (1st Plan)	61,596	30/09/2013	6,983	—	300
	CALL (2nd Plan)	37,065	10/02/2014	9,939	—	2,709
				16,922	**—**	**3,009**
Total				**16,922**	**43,891**	**(27,715)**

The details, by maturity, of the notional amount of the hedging transactions arranged for the year ended at 31 December 2010 are as follows.

	Notional maturity 2011	2012	2013	2014	2015 and thereafter
IRS (Syndicated loan)	75,654	75,654	392,730	—	—
BASIS SWAP	423,014	—	—	—	—
IRS (Limited recourse borrowings)	—	6,893	8,046	8,918	196,997
CALL	—	—	61,596	37,065	—

Other derivatives

The hedging instruments contracted by the Company for 2010 and 2009 which are not considered accounting hedges are listed below, subdivided by transaction covered and with details on the type of derivative, contractual or notional amounts, maturity dates, fair value at year end and tax impact on equity:

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2010

	Type of derivative	Amount contracted	Maturity	Fair value Assets	Fair value Liabilities	Impact on income statement
Stock option plan (Note 14)	PUT (1st Plan)	61,596	30/09/2013	—	37,910	(15,921)
	PUT (2nd Plan)	37,065	10/02/2014	—	18,489	(8,471)
	IFE (1st Plan)	61,596	30/09/2013	4,336	—	395
	IFE (2nd Plan)	37,065	10/02/2014	5,014	—	(289)
				9,350	**56,399**	**(24,286)**
Convertible bonds (Note 13.f)	Trigger Call	450,000	31/01/2014	1,755	—	(6,214)
				1,755	**—**	**(6,214)**
				11,105	**56,399**	**(30,500)**

2009

	Type of derivative	Amount contracted	Maturity	Fair value Assets	Fair value Liabilities	Impact on income statement
Stock option plan (Note 14)	PUT (1st Plan)	61,596	30/09/2013	—	21,989	5,379
	PUT (2nd Plan)	37,065	10/02/2014	—	10,017	982
	IFE (1st Plan)	61,596	30/09/2013	5,624	—	1,227
	IFE (2nd Plan)	37,065	10/02/2014	6,534	—	734
				12,158	**32,006**	**8,322**
Convertible bonds (Note 13.f)	Trigger Call	450,000	31/01/2014	7,968	—	1,099
				7,968	**—**	**1,099**
				20,126	**32,006**	**9,421**

13. EQUITY

a) 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 slective Ibex 35 index. They 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 53.829% in the share capital.

The aforementioned company, B-1998, S.L., in which Esther Koplowitz Romero de Juseu, Simante, S.L., 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 obligations to its shareholders which are recorded and published by the Comisión Nacional del Mercado de Valores (CNMV) and in the FCC Group's Corporate Governance Report.

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

b) Share premium account

The Capital Companies Act expressly allows 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 Capital Companies Act, 10% of the year's net profit 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 may be used to increase capital in an amount equal to the portion of the balance that exceeds 10% of capital after the increase.

Otherwise, until it exceeds 20% of share capital and provided there are no sufficient available reserves, the legal reserve may only be used to offset losses.

At 31 December 2010, the legal reserve had reached the stipulated level.

d) Restricted reserves

The Company's "other reserves" include unavailable reserves in the amount of EUR 6,034 thousand which is equal to the par value of the treasury shares retired in 2002 and 2008, in accordance with Article 335 of the Capital Companies Act. The reserve for retired shares of EUR 6,034 thousand is restricted, unless the same requirements as those stipulated for capital reductions are met.

e) Treasury stock

At 31 December 2010, the Company held 3,182,582 shares of treasury stock which represents 2.50% of the share capital with a carrying value of EUR 89,130 thousand.

Also at 31 December 2010, the Company, through the aforementioned investee, Asesoría Financiera y de Gestión, S.A. (Afigesa), wholly-owned by Fomento de Construcciones y Contratas, S.A., held 9,432,369 shares of treasury stock (6,131,961 at 31 December 2009), which represents 7.41% of the share capital with a carrying value of EUR 194,766 thousand (EUR 129,986 thousand at 31 December 2009).

f) Other equity instruments

Pursuant to the terms of the 9th measurement standard of the General Accounting Plan, this caption contains the measurement of the equity component arising on the books associated with the convertible debentures issued by FCC which, along with the amount shown under the heading of "Debentures and other negotiable securities" on the enclosed balance sheet represents the total value of the bond issue in question.

In October 2009, Fomento de Construcciones y Contratas, S.A. issued debentures convertible into Company shares whose main features are as follows:

- The amount of the issue is EUR 450,000 thousand with a maturity date of 30 October 2014.
- The bonds were issued at par with a par value of EUR 50,000.
- The bonds accrue a fixed annual interest of 6.5% payable every six months.
- The price of converting the bonds into company shares is EUR 39.287 per share, which means that each bond will be convertibles into 1,272.68 ordinary shares.
- The conversion or cash redemption may take place at the discretion of the bondholder or Fomento de Construcciones y Contratas, S.A. The conditions for exercising the option are contained in the "Issue Agreement" and may take the form of newly issued shares or existing shares in the Company's possession.
- The issue was backed by the Company's equity and there are no other special third party guarantees.
- The issue was underwritten by financial institutions and is intended for qualified international investors.

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

I) In accordance with the terms of article 414 of the Capital Companies Act, approve an increase in the Company's capital stock by the amount required to attend to requests from the holders of the Bonds to convert them under the Terms and Conditions up to an initially envisaged maximum of twelve million euro, but subject to any amendments as provided in the "Terms and Conditions".

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II) To approve a buyback programme of shares of Fomento de Construcciones y Contratas, S.A. whose purpose is to enable the Company to fulfil the obligations derived from the issuance of exchangeable bonds and to reduce the Company's capital.

III) To approve a capital reduction by amortising the treasury stock acquired under the buyback programme mentioned, including the shares of treasury stock loaned to the insurers of the operation. The capital reduction is limited up to a nominal amount equivalent to the number of new shares issued by the Company to accommodate the conversion requests of bondholders.

At 31 December 2010, the number of loaned shares was 1,313,322 (4,150,880 shares at 31 December 2009).

This operation includes a trigger call option which allows the Company to recover the bonds under certain circumstances (Note 12).

g) Value adjustments

The details of this heading are contained in Note 12 "Derivative financial instruments" and Note 9 "Current and non-current financial investments".

h) Grants

The accompanying balance sheet includes grants received in the past amounting to EUR 6,594 thousand (EUR 6,566 thousand at 31 December 2009), after considering the related tax effect, of which EUR 4,335 thousand (EUR 3,964 thousand at 31 December 2009) were taken to income, of which EUR 512 thousand refer to fiscal year 2010 (EUR 355 thousand at 31 December 2009). The above amount relates mainly to grants received by the joint ventures through which the Company jointly performs contracts.

14. SHARE-BASED PAYMENT TRANSACTIONS

Pursuant to the decision of the Board of Directors of Fomento de Construcciones y Contratas, S.A. taken on 29 July 2008, there is a stock option plan for Directors and officers of the Company tied to the value of the Company's shares. Under this plan, the participants receive an amount equal to the difference between the value of the shares when the option is exercised and the value of reference established in the plan.

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

First tranche

- Start date: 1 October 2008
- Option exercise period: 1 October 2011 through 1 October 2013.
- Number of shares: 1,800,000 shares, 700,000 of which pertain to Directors and Officers (12 people) and the remaining 1,100,000 to other executives (43 people).
- The price of exercising the option is EUR 34.22 euros per share.

Second tranche

- Start date: 06 February 2009
- Option exercise period: 06 February 2012 through 05 February 2014.
- Number of shares: 1,500,000 shares, 147,500 of which pertain to Directors and Officers (12 people) and the remaining 1,352,500 to other executives (225 people).
- The price of exercising the option is EUR 24.71 euros per share.

Under applicable law, the Company estimates the current settlement value at the end of the plan, recognising a provision which is systematically set up with a balancing entry in staff costs over the term of the plan. At the end of each reporting term, the current value of the obligation is re-estimated and any difference between this period and the previously recognised carrying value is taken to profit and loss for the year.

At 31 December 2010, the Company had accrued, net of the hedges described in the next paragraph, EUR 2,323 thousand (EUR 1,824 thousand in 2009) in staff costs for the obligations to employees, while the provisions recognised in the enclosed financial statements total EUR 1,439 thousand (EUR 3,568 thousand in 2009).

In order to hedge the risk of an increase in the Company's share price, the Company arranged with several financial institutions a call option, a put option and an interest rate/ dividend swap with the same exercise price, nominal amount and maturity date for each one of the tranches. The treasury stock associated with the plan were delivered to the financial institutions in question. These shares were delivered by Asesoría Financiera y de Gestión, S.A. (Afigesa), a wholly-owned subsidiary of Fomento de Construcciones y Contratas, S.A.

Only the call option met the requirements to be considered a cash flow hedging instrument. Consequently, the change in fair value of the option is charged to equity under the heading of "Adjustment for change in value" on the enclosed balance sheet, while changes in the fair value of the put option and the interest rate/dividend swap, which cannot be considered accounting hedges, are carried to the income statement.

The impact of these financial derivatives on equity and on profit and loss at 31 December 2010 and 2009 is detailed in Note 12.

Provisions for liabilities and charges

This heading includes the provisions to cover the expenses arising from contractual and legal obligations of a non-environmental nature.

Other provisions

This heading includes the items not classified in the foregoing accounts, comprising most notably the provisions to cover environmental risks and those inherent to its international business (Note 20), as well as the Company's obligations in relation to share-based payments (note 14).

15. NON-CURRENT PROVISIONS

Movements during the year are as follows:

	Litigations	Guarantees and surety.	Other provisions	Total
Balance at 31.12.08	**74,037**	**40,674**	**92,835**	**207,546**
Additions	3,600	10,983	9,444	24,027
Application	—	—	(526)	(526)
Reversal	—	(20,653)	(2,467)	(23,120)
Transfers	(11,674)	13,535	(1,861)	—
Balance at 31.12.09	**65,963**	**44,539**	**97,425**	**207,927**
Additions	2,226	11,400	100,636	114,262
Application	(667)	(3,178)	(2,509)	(6,354)
Reversal	—	(1,345)	(35)	(1,380)
Transfers	—	56	(56)	—
Balance at 31.12.10	**67,522**	**51,472**	**195,461**	**314,455**

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.

16. CURRENT AND NON-CURRENT PAYABLES

The balance of "Non-Current Payables" and "Current Payables" at the end of 2009 is as follows:

	Long term	Short term
2010		
Debentures and other marketable securities	422,204	4,888
Bank borrowings:		
Limited recourse borrowings	225,543	10,271
Unlimited recourse borrowings	3,244,624	446,154
Finance lease liabilities	27,936	38,697
Derivatives (Note 12)	99,293	—
Other financial liabilities	7,485	110,410
	4,027,085	**610,420**

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	Long term	Short term
2009		
Debentures and other marketable securities	421,213	—
Bank borrowings:		
Limited recourse borrowings	240,534	427
Unlimited recourse borrowings	3,442,856	134,883
Finance lease liabilities	27,491	36,412
Derivatives (Note 12)	75,897	—
Other financial liabilities	7,104	111,924
	4,215,095	**283,646**

The detail, by maturity, of "Non-Current Payables" is as follows:

	Maturity				
	2012	2013	2014	2015	2016 and thereafter
Debentures and other marketable securities	—	—	422,204	—	—
Limited recourse borrowings	7,418	8,154	8,933	9,395	191,643
Unlimited recourse borrowings	1,475,539	1,159,811	606,415	2,859	—
Finance lease liabilities	21,244	3,780	1,481	1,431	—
Derivatives	—	75,586	18,489	—	5,218
Other financial liabilities	139	151	239	105	6,851
	1,504,340	**1,247,482**	**1,057,761**	**13,790**	**203,712**

a) Debentures and other marketable securities

On 30 October 2009, the Company issued EUR 450,000 thousand worth of subordinate convertible bonds. The issue was intended for international institutional investors. The purpose of the issue was to reinforce the balance sheet equity structure by making the bond subordinate to the Company's corporate borrowings and to diversify the Company's financing base by supplementing its bank financing.

According to accounting law, in addition to their financial component convertible debentures are recognised as equity in the terms described in Note 13.f) of this document. That note also describes the conditions for issuing such convertible debentures. At 31 December 2010, the carrying balance for this item under the heading of long and short term "Debentures and other negotiable securities" on the enclosed balance sheet is EUR 427,092 thousand (EUR 421,213 thousand at 31 December 2009).

b) Bank borrowings

b.1) Limited recourse borrowings

The balance shown for this item on the table above refers basically to the limited recourse financing agreement signed on 18 November 2009 by Banco Bilbao Vizcaya Argentaria (BBVA) and Fomento de Construcciones y Contratas, S.A. (99%) and the wholly-owned subsidiary Fedemés, S.L. (1%) in the amount of EUR 250,000 thousand. Torre Picasso was mortgaged, as explained in Note 7 of this document. At year end, the long and short-term balance under this heading was EUR 229,939 thousand (EUR 240,534 thousand at 31 December 2009).

The financing matures on 18 December 2024 with quarterly amortisations of approximately 1.20% of the outstanding balance, on average, from the first to the penultimate repayment date and a final payment of 30% of the balance. The interest rate is Euribor plus 2.50% through the eighth year and 3% from then until the maturity date of the loan. This financing has a financial derivative associated with it.

The remainder of the balance under this heading, EUR 5,875 thousand, refers to joint ventures.

b.2) Payable with limited recourse (lines of credit)

The limit on the current and non-current credit facilities extended to the Company in relation to the payables to credit institutions was EUR 4,115,893 thousand (EUR 4,273,445 thousand at 31 December 2009). At 31 December 2010, the available amount of that balance was EUR 425,1150 thousand (EUR 695,706 thousand at 31 December 2009).

The financing lines include most notably:

- A syndicated credit facility of EUR 800,000 thousand arranged by the Company on 19 July 2007 divided in two tranches: Tranche "A", a long-term loan totalling EUR 280,000 thousand, with partial maturities in July 2011 and July 2012 (50% at each maturity date); and Tranche "B", a credit facility of EUR 520,000 thousand, maturing in December 2012. The interest rate on both tranches in the current year in Euribor plus a spread determined on the basis of the change in the net financial debt/EBITDA ratio of the FCC Group, and was initially 0.325%. This spread will be adjusted each year. At 31 December 2010, the credit facility was completely drawn down.
- A syndicated loan arranged by the Company on 25 January 2007 to finance Azincourt Investment, S.L., Sole-Shareholder Company, a wholly-owned investee of Fomento de Construcciones y Contratas, S.A., in the acquisition of the UK company Waste Recycling Group Ltd. and its group of companies. 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 and are being repaid in half-yearly instalments amounting to 4.615% of the initial loan principal, and the remaining 40.005% of the loan is repaid at final maturity.

At year-end EUR 517,067 thousand of the tranche in euros (EUR 441,408 thousand at long term and the remainder at short term) and GBP 126,160 thousand of the tranche in sterling, which at the year-end euro/GBP exchange rate totalled EUR 145,262 thousand, (EUR 123,812 thousand at long term and the remainder at short term) had not yet been repaid. The interest rate on the tranche in euros is Euribor plus a spread based on the change in the net financial debt/ EBITDA ratio of the FCC Group, which was initially 0.375%. This spread will be adjusted each year. The interest rate applicable to the tranche in sterling is Libor and the spread is the same as that detailed for the tranche in euros. This syndicated loan has associated derivative instruments (Note 12).

Also, due to fluctuations in the euro/GBP exchange rate, the loan in sterling gave rise to exchange losses in the year of EUR 8,015 thousand, which were recognised as finance income in the accompanying income statement.

- On 29 April 2009, the parent company signed a syndicated loan in the amount of EUR 375,000 thousand with 12 participating financial institutions. Later, on 4 and 27 May, it was extended to EUR 451,000 thousand, in two tranches: a long-term loan of EUR 225,500 thousand and a long-term credit facility amounting to EUR 225,500 thousand. The syndicated loan was signed for a three-year term with a single maturity date on 28 April 2012. The interest rate is Euribor plus a differential based on the debt ratio each year shown on the FCC Group's financial statements. At 31 December 2010, the loan had been drawn down in full.
- On 23 October 2009, the parent company signed a long-term loan in the amount of EUR 175,000 thousand with the European Investment Bank (EIB) with a maturity date of 6 November 2012 which may be extended to 2015. The interest rate on the loan is Euribor 3 months plus a fixed differential. The loan was granted for the financing and development of environmental investments.
- On 30 July 2010, the Company renewed a syndicated loan for EUR 1,225,000 thousand that had been taken out in 2008 and matured on 8 May 2011 under a forward start arrangement. A total of 16 financial institutions participated in the operation (two of which joined the operation later, on 30 September and 21 December). The operation matures in 3 years (8 May 2014) with 50% to be repaid in 2013 and is divided into three tranches: a EUR 375 million loan, a EUR 490 million line of credit, both completely drawn down at the end of the fiscal year, and an new EUR 62 million line of credit that will be available on 1 January 2011. The total amount of the operation is therefore EUR 1,287 million.

With regard to the Group's financing, it should be noted that certain ratios must be met concerning coverage of financial expenses and levels of net debt in relation to EBITDA. The ratios established were being met at year-end.

c) Other current financial liabilities

The balance under this income statement heading at the end of 2010 was EUR 88,746 thousand (unchanged from 31 December 2009) as indicated in Note 3 of this report.

17. INFORMATION ON THE NATURE AND LEVEL OF RISK OF FINANCIAL INSTRUMENTS

The financial risk management of the Group of which Fomento de Construcciones y Contratas is the Parent is centralised in its Financial Department, which has established the mechanisms required to control exposure to interest rate and exchange rate fluctuations and credit and liquidity risk.

Financial risk refers to changes in the value of financial instruments contracted by the Company due to political, market and other factors, and the effect of such changes on the financial statements.

The FCC Group's risk management philosophy is consistent with its business strategy, as it strives for maximum solvency and efficiency at all times. In that regard, the Group

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has set out stringent financial risk management and control criteria for identifying, measuring, analysing and controlling the risks faced in the course of FCC's operations. This risk policy is correctly integrated into the Group's organisational structure.

In keeping with the risk control policy, hedging operations contracted by the FCC Group are not speculative but rather aim to cover the risk associated with each transaction.

The main financial risks affecting the Company are as follows:

Capital risk management

The Company manages its capital to ensure it will be able to continue to operate as a profitable business while maximising the return for shareholders.

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.

Aside from the habitual investment analysis objectives (yields, return period, risk assumed, strategic market assessment), the net debt/EBITDA ratio is monitored very closely to ensure that it remains at reasonable levels and within the range negotiated with banks.

The Financial Director, 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

In order to ensure a position that is in the FCC Group's best interest, an interest-rate risk management policy is actively implemented, constantly monitoring the market and assuming different positions depending on the financed asset.

Given the nature of the Company'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 Company's debt are partially tied to floating interest rates.

Even so, the Company performed interest rate hedging transactions, ending the year with various hedging instruments of varying maturities on 14.70% of the Company's total net debt.

Complying with the policy of classifying original instruments as hedges, the Company has arranged interest rate hedges, mainly swaps (IRSs) in which the Company pays a fixed rate and receives a floating rate.

Foreign exchange 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 Company'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 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, 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 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

The most relevant ratio for measuring solvency and repayment capacity is: the net debt / EBITDA ratio. The Company's ratios are reasonable and comply with the financing terms agreed with credit entities.

Liquidity risk

The Company is present in diverse markets in order to facilitate the securing of financing and to mitigate liquidity risk.

Despite the adverse situation that affected the financial markets throughout 2010, the FCC Group has remained extremely well positioned and has anticipated any potential adversity by paying close attention to the evolution of the factors that may help to resolve liquidity difficulties in the future and to the various sources of financing and their characteristics.

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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 a large number of Spanish and international banks.
- Markets: The Company operates mainly in the Spanish market so most of its debt is concentrated in euros.
- Products: The Company arranges a broad spectrum of financial products, including loans, credit facilities, debt instruments, syndicated transactions and discounting facilities.

Sensitivity test

With regard to the sensitivity test of derivatives and net debt, the table below shows the amounts obtained in thousand of euros in relation to the active derivatives at the end of the year with an impact on net equity. Given the instability of financial markets, the sensitivity test considered three scenarios which assumed a rise in the interest rate curve at 31 December 2010 of 100, 125 and 150 basis points and three scenarios which assumed a decline in the interest rate curve of 100, 75 and 50 basis points.

Derivatives	-100 bp	-75 bp	-50 bp	+100 bp	+125 bp	+150 bp
Impact on equity	(57,960)	(42,950)	(28,300)	52,820	65,300	77,490

The table below shows the effect which the upward or downward variations in the interest rate curve discussed above would have on net debt and on the Company's income statement, excluding the debt associated with hedging instruments.

Net debt	-100 bp	-75 bp	-50 bp	+100 bp	+125 bp	+150 bp
Impact on income statement	(34,800)	(26,100)	(17,400)	34,800	43,500	52,200

18. DEFERRED TAXES AND TAX SITUATION

a) Taxes and social security

The details assets and liabilities included under "Tax Receivables" and "Tax Payables", respectively, are as follows:

a.1) Taxes receivable

	2010	2009
Non-current		
Deferred tax assets	92,873	68,296
	92.873	**68.296**
Current		
Current tax assets	747	23,530
Other receivables with Public Administrations	4,030	7,084
	4,777	**30,614**

The deferred tax assets arise mainly as a result of the temporary differences between the charges to provisions and accounting expenses that will become deductible from the income tax base in future years, the deferment of the losses incurred by joint ventures included in the next year's taxable base and the temporary differences arising from the measurement of derivatives from derivatives from liabilities.

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a.2) Taxes payable

	2010	2009
Non-current		
Deferred tax liabilities	127,574	129,240
	127,574	**129,240**
Current		
Current tax liabilities	80,042	—
Other taxes payable		
Withholdings	9,510	8,193
VAT and other indirect taxes	8,043	12,529
Social Security tax	18,053	18,803
Other items	4,592	5,480
	120,240	**45,005**

Deferred tax liabilities include mainly:

- The deferment of the amortisation of fixed assets acquired under lease contracts.
- The accelerated depreciation of the Torre Picasso building which qualifies for the tax incentives provided for in Royal Decree-Law 2/1985 and the investments in property, plant and equipment which qualify for the amortisation benefits included in law 4/2008.
- The deferment of the profits generated by joint ventures included in the next year's taxable base.

b) Reconciliation of carrying results and taxable base

The reconciliation of the carrying result and the taxable base for corporate income tax purposes is as follows:

	2010			2009		
Results for the year before tax			211,045			280,504
	Increases	Decreases		Increases	Decreases	
Permanent differences	97	(1,697)	(1,600)	698	(936)	(238)
Adjusted carrying result			209,445			280,266
Temporary differences						
- Arising during the year	82,654	(55,675)	26,979	28,056	(166,049)	(137,993)
- Carryforwards years	45,797	(1,952)	43,845	26,856	(14,568)	12,288
Taxable base			**280,269**			**154,561**

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The changes in deferred tax assets and liabilities in 2010 and 2009 are as follows:

	Deferred tax assets	Deferred tax liabilities
Due to temporary taxable differences		
Balance at 31.12.08	**50,860**	**56,762**
arising during the year	8,417	49,815
arising in prior years	(4,370)	(8,057)
Other adjustments	(80)	4,805
Balance at 31.12.09	**54,827**	**103,325**
arising during the year	24,796	16,703
arising in prior years	(586)	(13,739)
Other adjustments	(1,445)	(4,044)
Balance at 31.12.10	**77,592**	**102,245**
Due to temporary balance sheet differences		
Balance at 31.12.08	**12,482**	**985**
arising during the year	987	24,930
Balance at 31.12.09	**13,469**	**25,915**
arising during the year	1,812	(586)
Balance at 31.12.10	**15,281**	**25,329**
Total balance at 31.12.10	**92,873**	**127,574**

c) Taxes recognised in equity

At 31 December 2009 the tax recognised in equity refers basically to the change in the value of the Company's hedging instruments in the amount of EUR 13,338 thousand (EUR 10,987 thousand at 31 December 2009).

d) Reconciliation of the carrying value and the corporate tax expense

The reconciliation of the carrying result and the corporate income tax is as follows:

	2010	2009
Adjusted accounting profit	209,445	280,266
Income tax charge (30%)	62,834	84,080
Double taxation deduction	(76,759)	(52,589)
Reinvestment deductions	(126)	(1,321)
Other deductions and discounts	(3,509)	(2,760)
Other adjustments	28,571	(1,784)
Corporate income tax expense	**11,011**	**25,626**

The corporate tax expense for the year refers entirely to taxes on continuing operations.

e) Tax loss carryforwards and deductions not yet taken

At year end, the Company had no tax loss carryforwards or tax deductions that had not been taken.

f) Fiscal years open for review and tax audit

Fomento de Construcciones y Contratas, S.A. is open to inspection for all taxes owed for all fiscal years that have not prescribed. 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. In relation to the years which have been reviewed, in certain cases the criteria applied by the tax authorities gave rise to tax assessments, which are currently being appealed against by the related Group companies. However, the Company's directors consider that the resulting liabilities will not have a significant effect on the Company's equity.

In compliance with the legal requirements, the Company has established the procedures necessary to support its transfer prices and the Directors do not believe there is any significant risk in this regard out of which considerable liabilities could arise in the future.

g) Other tax disclosures

Under authorisation 18/89, Fomento de Construcciones y Contratas, S.A. files consolidated income tax returns as part of a tax Group that meets the requirements established by tax legislation.

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19. THIRD PARTY GUARANTEES AND CONTINGENT LIABILITIES

At 31 December 2010, Fomento de Construcciones y Contratas, S.A. had provided EUR 478,613 thousand in third-party guarantees, mostly consisting of performance bonds provided to government agencies and private-sector customers as security for the performance of construction projects and urban cleaning contracts (31 December 2009: EUR 419,607 thousand).

Also at year end the Company had provided guarantees to third parties for Group companies in the amount of EUR 518,007 thousand (EUR 399,176 thousand at 31 December 2009).

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 15 and 4-j). Accordingly, any resulting liabilities would not have a significant effect on the Company's equity.

20) INCOME AND EXPENSES

In addition to the revenue from sales and services, the net turnover includes dividends and interest from the financing extended to investees. Substantially all revenue relates to servies provide in Spain.

Of the total turnover in 2010, EUR 203,352 thousand (EUR 187,957 thousand at 31 December 2009) came from contracts operated jointly through joint ventures.

The finance income comes from the financing extended to investee companies (Note 10), particularly EUR 33.748 thousand (EUR 26,298 thousand at 31 December 2009) to FCC Construcción, S.A.; EUR 32,931 thousand (EUR 32,768 thousand at 31 December 2009) to Azincourt Investment, S.L. and EUR 12,447 thousand (EUR 11,172 thousand at 31 December 2009) to FCC Energía, S.A.

The most significant operating income includes rental income and billings for costs charged to the tenants of the Torre Picasso building which, in proportion to the Company's percentage of ownership (see Note 7), amounted to EUR 7,184 thousand (EUR 7,185 thousand at 31 December 2009) and transactions with group companies and associates involving work performed and services rendered by the Company in the amount of EUR 65,705 thousand (EUR 63,238 thousand at 31 December 2009). This amount included mainly EUR 20,770 thousand (EUR 27,197 thousand at 31 December 2009) billed to FCC Construcción, S.A., a wholly-owned subsidiary of the company.

Notable under the heading of operating expenses is the sum of EUR 60,400 thousand shown under "Other current operating expenses" with a balancing entry for international expansion in non-current provisions (Note 15). The Company also acquired services and purchased consumable materials from Group companies and associates in the amount of EUR 29,060 thousand (EUR 31,462 thousand at 31 December 2009).

21. RELATED PARTY TRANSACTIONS

a) Related party transactions

The details of the transactions with related parties in 2010 and 2009 are as follows:

	Group Companies	Jointly-controlled entities	Associated Companies
2010			
Services rendered:	65,066	—	639
Services received:	28,542	161	357
Dividends	255,371	—	1,613
Financial expense	7,213	42	—
Financial income	96,305	2,356	—
2009			
Services rendered:	68,203	—	2,715
Services received:	31,156	171	135
Dividends	172,883	1,025	2,540
Financial expense	8,654	140	—
Financial income	83,795	827	72

b) Balances with related parties

The detail of the balances with related parties at year end are as follows:

	Group Companies	Jointly-controlled entities	Associated Companies
2010			
Current investments (Note 10)	1,163,464	758	3,840
Non-current investments (Note 10)	3,465,937	692,799	25,844
Short-term payables (Note 10)	481,086	17,270	1
Trade receivables	51,737	132	5,874
Trade payables	17,044	—	344
2009			
Current investments (Note 10)	1,765,718	2,646	4,348
Non-current investments (Note 10)	2,631,222	687,570	23,330
Short-term payables (Note 10)	447,191	17,228	145
Trade receivables	66,265	1	5,199
Trade payables	15,146	35	359

The detail of the current debit and credit balance with Group companies and associates are as follows:

	2010		2009	
Company	Receivable	Payable	Receivable	Payable
FCC Construcción, S.A.	13,864	1,250	23,541	1,551
Conservación y Sistemas, S.A.	8,656	1,196	7,723	1,186
Aqualia Gestión Integral del Agua, S.A.	10,241	1,306	12,347	1,092
FCC Medio Ambiente, S.A.	2,813	1,108	4,086	1,059
Limpieza e Higiene de Cartagena, S.A.	5,392	—	5,361	—
FCC Ámbito, S.A.	2,006	378	2,857	474
FCC Versia, S.A.	974	137	1,348	162
Sistemas y Vehículos de Alta Tecnología, S.A.	80	1,047	—	1,036
Tratamiento Industrial Aguas, S.A.	53	4,544	—	4,373
Tirme, S.A.	1,528	16	1,480	14
Empresa Mixta de Medio Ambiente de Rincón de la Victoria, S.A.	1,395	158	893	158
Ingeniería Urbana, S.A.	1,073	—	812	—
Per Gestora Inmobiliaria, S.L.	—	2,456	—	—
Other	9,668	3,792	11,017	4,435
	57,743	**17,388**	**71,465**	**15,540**

c) Remuneration of the Board of Directors and Senior executives

The remuneration earned by the Board of Directors of Fomento de Construcciones y Contratas, S.A. in 2010 has reached EUR 1,937 thousand (EUR 2,040 thousand at 31 December 2009).

The executive of Fomento de Construcciones y Contratas, S.A. received the following amounts in thousands of euros:

	2010	2009
Fixed	3,724	4,075
Variable	1,639	1,866
	5,363	**5,941**

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 of Fomento de Construcciones y Contratas, S.A. (Note 4.l). No insurance benefits of this kind were paid in fiscal year 2010 (EUR 5,942 thousand at 31 December 2009).

Except as indicated in the preceding paragraphs, no other other remuneration, advances, loans or guarantees were granted to the Board of Directors nor were any other obligations assumed for the payment of pensions or life insurance premiums for former or current members of the Board.

d) Details of investments in companies engaging in similar activities and of the performance, as independent professionals or as employees, of similar activities by the Directors.

Set forth below are the required disclosures in relation to the ownership interests held by the Directors of Fomento de Construcciones y Contratas, S.A. in the share capital of non-FCC Group companies; the activities (if any) performed by them, as independent professionals or as employees, that are identical, similar or complementary to the activity that constitutes the company purpose of the FCC Group; and the transactions (if any) conducted by them or by persons acting on their behalf with the Company or with any company in the same Group that are not part of the Company's normal business activities or are not conducted on an arm's length basis:

- They do not perform the same, analogous or supplementary activity to that which constitutes the Company's corporate object on their own behalf or on the behalf of any other person.

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- They do not hold any ownership interests in the share capital of any 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
- They have not participated in other operations falling outside the scope of the Company's ordinary business operations or under conditions other than arm's length, either with the Company or any other member company of the Group.

The exception to the above is the Director B-1998, which has reported that the director's representative, Esther Koplowitz Romero de Juseu, is also a member of the Board of Directors of Veolia Environnement, S.A. Henri Proglio is also a member of the Board of Directors of Veolia Environnement, S.A. and Chairman of Electricité de France (EDF).

The details of the directors holding positions in companies in which Fomento de Construcciones y Contratas, S.A. has a direct or indirect ownership interest are as follows:

Director name or business name	Group company	Position
Cartera Deva, S.A.	Cementos Portland Valderrivas, S.A.	Director
	Realia Business, S.A.	Director
Eac Inversiones Corporativas, S.L.	Cementos Portland Valderrivas, S.A.	Director
	FCC Construcción, S.A.	Director
	Realia Business, S.A.	Director
Don Fernando Falcó Fernández De Córdova	FCC Construcción, S.A.	Director
	Waste Recycling Group Limited	Director
	Realia Business, S.A.	Director
Don Rafael Montes Sánchez	FCC Construcción, S.A.	Director
	Cementos Portland Valderrivas, S.A.	Director
	Realia Business, S.A.	Director
Don Juan Castells Masana	Waste Recycling Group Limited	Director
	Cementos Portland Valderrivas, S.A.	Director
Don Baldomero Falcones Jaquotot	FCC Energía, S.A.	Chairman
Don Felipe B. García Pérez	FCC Energía, S.A.	Secretary
	FCC Environmental Llc.	Director
Don Javier Ribas	FCC Environmental Llc.	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.

22. ENVIRONMENTAL INFORMATION

As indicated in Note 1, by its very nature the Company's services line of business is 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 2010, the acquisition cost of the non-current assets assigned to production totalled EUR 1,071,384 thousand (EUR 987,655 thousand at 31 December 2009), with accumulated depreciation amounting to EUR 574,048 thousand (EUR 517,039 thousand at 31 December 2009).

Company management considers that any possible contingencies in relation to the protection and improvement of the environment at 31 December 2010 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, http://www.fcc.es, among other channels, and provides the reader with more representative information than that included in this Note.

23. OTHER INFORMATION

a) Personnel

The average number of employees at the Company, by professional category, in 2010 and 2009 was as follows:

	2010	2009
Managers and university graduates	418	363
Other qualified line personnel	323	295
Clerical and similar staff	911	856
Other salaried employees	25,866	25,568
	27,518	**27,082**

The average number of directors and officers, by gender and professional category, in 2010 and 2009, was as follows:

	Men	Women	Total
2010			
Directors	15	5	20
Senior managers	7	—	7
Managers and university graduates	309	115	424
Other qualified line personnel	266	63	329
Clerical and similar staff	443	470	913
Other salaried employees	19,301	5,569	24,870
	20,341	**6,222**	**26,563**
2009			
Directors	15	5	20
Senior managers	8	—	8
Managers and university graduates	265	85	350
Other qualified line personnel	244	48	292
Clerical and similar staff	421	442	863
Other salaried employees	18,869	6,144	25,013
	19,822	**6,724**	**26,546**

b) Fees paid to auditors

"External Services" in the accompanying income statement includes the fees for financial audit services provided to the Company, amounting to EUR 212 thousand (EUR 212 thousand at 31 December 2009).

c) Deferred payments to suppliers in commercial operations

According to the resolution of the Accounting and Audit Institute of 29 December 2010 which develops Law 15/2010 of 5 July, which in turn established measures to combat the recollection of commercial transaction and, in particular, in compliance with the Second Temporary Provision of the said resolution, it is noted that the outstanding balance shown under "Suppliers" at the end of 2010 which appears on the enclosed financial statements is EUR 89,571 thousand. In addition, it is noted that the aforementioned Law 15/2010 took effect on 5 July 2010 and therefore applies to contracts signed on or after that date. According to the period of time between the signing, delivery of the goods or services and the valid payment term during the transitory period of the Law, there is no deferment which exceeds the legally-established maximum limits.

d) Internal Financial Reporting Control System (SCIIF)

As a consequence of the foreseeable incorporation of the 4th EU Directive into Spanish law in 2011, publicly listed companies shall not be obliged to itemize the information relative to the description of their internal control systems for regulated financial information (hereinafter SCIIF). Furthermore, following the modification in 2010 of section 4 of the Eighteenth Additional Provision of the Stock Market Act in relation to the adaptation of the 8th EU Directive, there are new responsibilities for the Audit Committees of publicly listed companies relative to their organizations' internal control practices.

To assist these entities in complying with their new obligations, the CNMV asked the Expert Working Group to draft a report which could serve as a frame of reference and a guidance on internal control practices to ensure the reliability of financial information.

In this regard, in 2010 Fomento de Construcciones y Contratas, S.A. undertook a project to evaluate the current level of development of the SCIIF in relation to the good practices proposed in the report published by the CNMV and implement any measures which may be needed in this respect.

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APPENDIX I Group Companies

Company	Carrying amount		% shareholding	Dividends received	Capital	Reserves	Other equity items	2010 profit/(loss)	
	Assets	Impairment						Operation	Continuing operations
AEBA Ambiente y Ecología de Buenos Aires, S.A. Tucumán, 1321 – 3º - Buenos Aires - Argentina -Urban sanitation -	834	675	Direct 50.00 Indirect 2.50	—	1,000 (Pa)(*)	1,083 (Pa)(*)	—	86 (Pa)(*)	106 (Pa)(*)
Aqualia Gestión Integral del Agua, S.A. Federico Salmón, 13 - Madrid - Water management	254,768	—	Direct 99.99 Indirect 0.01	19,300	145,000	253,570	6,936	81,152	52,828
Armigesa, S.A. Pza. Constitución, s/n – Armilla (Granada) -Urban sanitation -	612	—	51.00	—	1,200	(8)	—	255	181
ASA Abfall Services AG Hans-Hruschka-Gasse, 9 - Himberg (Austria) -Urban sanitation -	226,784	—	Direct 99.98 Indirect 0.02	—	5,000	38,557	312	(7,374)	306
Asesoría Financiera y de Gestión, S.A. Federico Salmón, 13 - Madrid -Finance -	3,008	—	Direct 43.84 Indirect 56.16	8,768	6,843	408,749	—	19,037	12,166
Azincourt Investment, S.L. Unipersonal Federico Salmón, 13 - Madrid - Holding company	3	3	100.00	—	3	(286,098)	(25,218)	2,356	(39,757)
Cementos Portland Valderrivas, S.A. Estella, 6 – Pamplona -Cement	298,638	—	Direct 59.30 Indirect 12.16	7,116	56,896	1,140,108	(17,501)	79,874	37,085
Compañía Auxiliar de Agencia y Mediación, S.A. Unipersonal Federico Salmón, 13 - Madrid - Holding company	1,657	—	100.00	—	61	12,891	—	117	207
Compañía General de Servicios Empresariales, S.A. Unipersonal Federico Salmón, 13 - Madrid -Instrumental-	60	—	100.00	4	60	17	—	3	2
Corporación Española de Servicios S.A. Federico Salmón, 13 - Madrid -Instrumental-	44	—	Direct 99.99 Indirect 0.01	2	60	16	—	1	1

FINANCIAL STATEMENTS

Company	Carrying amount Assets	Carrying amount Impairment	% shareholding	Dividends received	Capital	Reserves	Other equity items	2010 profit/(loss) Operation	2010 profit/(loss) Continuing operations
Corporación Financiera Hispánica,S.A. Federico Salmón, 13 - Madrid - Holding company	69,818	—	Direct 99.99 Indirect 0.01	15,000	58,393	353,429	—	4,774	3,342
Dédalo Patrimonial, S.L. Unipersonal Federico Salmón, 13 - Madrid - Holding company	61	—	100.00	—	61	(3,859)	—	201	4,148
Ecoparque Mancomunidad del Este, S.A. Federico Salmón, 13 - Madrid -Urban sanitation -	12,602	—	Indirect 0.01 Direct 99.99	—	12,604	(1,039)	—	2,077	1,454
Egypt Environmental Services SAE Cairo-Egypt -Urban sanitation -	7,760	780	Direct 97.00 Indirect 3.00	1,096	36,400 (Leg)(*)	(140) (Leg)(*)	—	16,567 (Leg)(*)	12,851 (Leg)(*)
Empresa Comarcal de Serveis Mediambientals del Baix Penedés, ECOBP, S.L. Plaça del Centre, 3 - El Vendrell (Tarragona) -Urban sanitation -	240	—	80.00	66	301	275	—	237	130
Empresa Municipal de Desarrollo Sostenible Ambiental de Úbeda, S.L. Pza. Vázquez Molina, s/n – Úbeda (Jaén) -Urban sanitation -	720	—	90.00	117	800	234	—	407	216
Europea de Gestión, S.A. Unipersonal Federico Salmón, 13 - Madrid -Instrumental-	63	—	100.00	7	60	22	—	3	2
FCC Construcción, S,A. Balmes, 36 – Barcelona -Construction	525,551	—	Direct 99.99 Indirect 0.01	109,000	180,000	477,789	—	199,798	124,905
FCC Construcciones y Contratas Internacional, S.L. Unipersonal Federico Salmón, 13 - Madrid -Instrumental-	3	—	100.00	—	3	—	—	—	—

FINANCIAL STATEMENTS

Company	Carrying amount		% shareholding	Dividends received	Capital	Reserves	Other equity items	2010 profit/(loss)	
	Assets	Impairment						Operation	Continuing operations
FCC Energía, S.A. Federico Salmón, 13 - Madrid -Energy	1,000	1,000	Direct 99.99 Indirect 0.01	—	1,000	(2,651)	—	8,658	2,999
FCC Fomento de Obras y Construcciones, S.L. Unipersonal Federico Salmón, 13 - Madrid -Instrumental-	3	—	100.00	—	3	—	—	—	—
FCC Inmobiliaria Conycon, S.L. Unipersonal Federico Salmón, 13 - Madrid -Instrumental-	3	—	100.00	—	3	—	—	—	—
FCC International B.V. Amsteldijk 166 - Amsterdam (Holland) - Holding company	49,910	—	100.00	25	40,840	—	—	(28)	5
FCC Medio Ambiente, S.A. Federico Salmón, 13 - Madrid -Urban sanitation -	35,102	—	Direct 98.98 Indirect 1.02	—	43,272	128,965	390	35,562	25,076
FCC Versia, S.A. Federico Salmón, 13 - Madrid -Management company	62,625	—	Direct 99.99 Indirect 0.01	94,000	40,337	38,193	—	124,924	118,730
FCC 1, S.L. Unipersonal Federico Salmón, 13 - Madrid -Instrumental-	3	—	100.00	—	3	—	—	—	—
F.C. y CSL Unipersonal Federico Salmón, 13 - Madrid -Instrumental-	3	—	100.00	—	3	—	—	—	—
Fedemés, S.L. Federico Salmón, 13 - Madrid -Real estate	10,764	—	Direct 92.67 Indirect 7.33	—	10,301	15,892	—	1,837	1,243
Limpiezas Urbanas de Mallorca, S.A. Fusters, 18 – Manacor (Baleares) -Urban sanitation -	5,097	—	Direct 99.92 Indirect 0.08	—	308	2,698	—	(287)	(243)
Per Gestora Inmobiliaria, S.L. Pza. Pablo Ruiz Picasso, s/n – Madrid -Property Management and Administration -	69	—	Direct 99.00 Indirect 1.00	38	60	51	—	(31)	(22)

FINANCIAL STATEMENTS

Company	Carrying amount		% shareholding	Dividends received	Capital	Reserves	Other equity items	2010 profit/(loss)	
	Assets	Impairment						Operation	Continuing operations
Tratamientos y Recuperaciones Industriales, S.A. Anglí, 31 – Barcelona -Waste treatment	21,455	—	Direct 74.92 Indirect 0.08	832	72	7,490	—	951	874
Valoración y Tratamiento de Residuos Urbanos, S.A. Riu Magre, 6 – Pol. Ind. Patada del Cid –Quart de Poblet (Valencia)	1,000	—	80.00	—	1,250	—	—	(48)	(46)
-Waste treatment									
TOTAL	**1,590,260**	**2,458**		**255,371**					

(*) (Pa): Argentine pesos, (Leg): Egyptian pounds.

NOTE:

- Of the companies listed above, only Cementos Portland Valderrivas, S.A. is a publicly-traded company. The price of its shares at the balance sheet date was 12.15 euros. The average share price for the last quarter of the year was 13.62 euros.
- Pursuant to the terms of article 155 of the Revised Text of the Investment Companies Act, during the year the Company proceeded to notify the investee companies in which it had acquired a direct or indirect stake of more than 10%.

FINANCIAL STATEMENTS

APPENDIX II JOINT VENTURES

	% shareholding
ABASTECIMIENTO VILLALÓN	20.00
AGUAS TOMELLOSO	20.00
AIGÜES DE LLEIDA	50.00
ALMEDA	51.00
AMPLIACIÓ LIXIVITATS	20.00
AQUALBAL	20.00
AQUALIA – FCC – MYASA	20.00
AQUALIA – FCC – OVIEDO	5.00
AQUALIA – FCC SALAMANCA	5.00
AQUALIA – FCC – SAN VICENTE	20.00
AQUALIA – FCC VIGO	50.00
ARGÍ GUEÑES	70.00
AZUD VILLAGONZALO	20.00
BARRIO CARMELITAS	20.00
BILBOKO SANEAMENDU	50.00
BILBOKO SANEAMENDU B	50.00
BIOCOMPOST DE ÁLAVA	50.00
BOADILLA -	50.00
BOMBEO VALMOJADO	20.00
CAMÍ SA VORERA	20.00
CAN BOSSA	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

	% shareholding
CENTRO DEPORTIVO GRANADILLA DE ABONA	20.00
CENTRO DEPORTIVO VILLENA	80.00
CHIPIONA	50.00
CIUTAT VELLA	50.00
CN III	45.00
COLEGIOS SANT QUIRZE	50.00
COMPLEJO DP. CABEZO DE TORRES	20.00
CONSERVACIÓN ALCORCÓN	50.00
CONSERVACIÓN DE GALERÍAS	50.00
CONSERVACIÓN Y SISTEMAS	60.00
CONSORCIO LINEA UNO	45.00
CONTADORES BURGOS	100.00
CONTENEDORES MÓSTOLES	30.00
CTR DE L'ALT EMPORDÀ	45.00
CTR-VALLES	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 ELCHE	20.00
EDAR RANILLA	25.00
EDAR REINOSA	5.00
EDAR SAN VICENTE DE LA BARQUERA	5.00
ENERGÍA SOLAR ONDA	25.00

FINANCIAL STATEMENTS

	% shareholding
ESPAI AMBIENTAL DEL VEDAT	100.00
EXPL PL BIO LAS DEHESAS	50.00
F.L.F. LA PLANA	47.00
FANGOS IBIZA Y FORMENTERA	20.00
FCC – ACISA - AUDING	45.00
FCC - ANPE	80.00
FCC - ERS LOS PALACIOS	50.00
FCC – FCCMA ALCOY	20.00
FCC – FCCMA COLMENAR VIEJO	20.00
FCC – FCCMA L.V. PAMPLONA	20.00
FCC – FCCMA R.B.U. - L.V. JAVEA	20.00
FCC – FCCMA R.B.U TUDELA	20.00
FCC – FCCMA S.U. DENIA	20.00
FCC – FCCMA RBU SAN JAVIER	20.00
FCC – FCCMA SEGRIÀ	20.00
FCC – FIRA 2000	100.00
FCC – HIJOS DE MORENO, S.A.	50.00
FCC – ICS	80.00
FCC – LUMSA	50.00
FCC – PALAFRUGELL	20.00
FCC – PAS SALAMANCA	70.00
FCC – PERICA	60.00
FCC – SUFI MAJADAHONDA	50.00
FCC – SUFI PESA	50.00
FCC – SYF PLAYAS	40.00
FCC – TEGNER	50.00
FCC – TPA PILAS	80.00
FCCSA – GIRSA	80.00
FCCSA – VIVERS CENTRE	50.00
FUENTES XÀTIVA	50.00

	% shareholding
GESTIÓ DE RUNES DEL PAPIOL	40.00
GESTIÓN INSTALACIÓN III	35.00
GESTIÓN PISCINA DE MULA	20.00
GESTION SERVICIOS DEPORTES CATARROJA	99.50
GIREF	20.00
GIRSA – FCC	20.00
GUADIANA	20.00
INTERIORES BILBAO	80.00
JARDINES MOGAN	51.00
JARDINES PROTECCIÓN ESPECIAL	50.00
JARDINES SANTA COLOMA	50.00
JUNDIZ	51.00
KABIEZESGO KIROLDECIA	60.00
KAIXARRANKA	60.00
LA CANDA	30.00
LA LLOMA DEL BIRLET	80.00
LA MINA	20.00
LAS YUCAS	50.00
LEA-ARTIBAI	60.00
LEGIO VII	50.00
L.V. SAN SEBASTIÁN	20.00
L.V. Y RBU ARUCAS	70.00
LIMPIEZA BENICASSIM	35.00
LIMPIEZA CARRIL BUS	30.00
LIMPIEZA Y RSU LEZO	55.00
LITORAL BALEAR	40.00
LOGROÑO LIMPIO	50.00
LOTES A Y B FUENLABRADA 2010	60.00
MANACOR	30.00
MANCOMUNIDAD DE ORBIGO	20.00

FINANCIAL STATEMENTS

	% shareholding
MANTENIMENT	100.00
MANTENIMIENTO COLEGIOS BILBAO	60.00
MANTENIMIENTO COMISARÍAS	100.00
MANTENIMIENTO DE COLEGIOS II	60.00
MANTENIMIENTO DE EDIFICIOS	60.00
MÉRIDA	10.00
MOLINA	5.00
MOLLERUSA	60.00
MONTCADA	50.00
MURO	20.00
MUSKIZ III	70.00
NAVE JUNDIZ	51.00
NIGRÁN	10.00
NIJAR	20.00
NOVELDA	5.00
ONDA EXPLOTACIÓN	33.33
PAMPLONA	80.00
PARQUES SINGULARES MÓSTOLES	50.00
PAVIMENTO ZONA I	50.00
PINTO	50.00
PISCINA CUBIERTA BENICARLO	65.00
PISCINA CUBIERTA C. DEP. ALBORAYA	99.00
PISCINA CUBIERTA MANISES	99.50
PISCINA CUBIERTA MUN. L'ELIANA	99.50
PISCINA CUBIERTA PAIPORTA	90.00
PISCINA MUNICIPAL ALBATERA	93.00
PISCINA POLIDEPORTIVO PAIPORTA	65.00
PLA D'URGELL	100.00
PLANTA BIOMETANIZACIÓN LAS DEHESAS	50.00
PLANTA DE TRATAMIENTOS VALLADOLID	60.00

	% shareholding
PLANTA RSI TUDELA	60.00
PLAYAS GUIPUZKOA	55.00
PONIENTE ALMERIENSE	50.00
POSU – FCC VILLALBA	50.00
POZUELO	20.00
PUENTE LADRILLO	20.00
PUERTO	50.00
PUERTO II	70.00
QUINTO CONTENEDOR	50.00
R.B.U. VILLA-REAL	47.00
R.S. PONIENTE ALMERIENSE	50.00
REDONDELA	10.00
REFORMA PLAZA DEL CRISTO	20.00
REPARACIONES CASA CAMPO	100.00
REPOSTADOS ENTREVÍAS	50.00
RESIDENCIA	50.00
RESTAURACIÓN GARRAF	27.50
RIVAS	30.00
RSU TOLOSALDEA	50.00
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
SASIETA	75.00
SAV - FCC TRATAMIENTOS	35.00

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	% shareholding
SEGURIDAD VALDEBEBAS	20.00
SELECTIVA SAN MARCOS	65.00
SELECTIVA UROLA-KOSTA	60.00
SELLADO VERTEDERO LOGROÑO	50.00
SERVICIOS EXPO	60.00
SIMÓN HERNÁNDEZ	50.00
TABLADA	20.00
TANATORIO PATERNA	50.00
TIRVA FCC – FCCMA RUBÍ	20.00
TORREJÓN	25.00
TORRIBERA	50.00
TORRIBERA RSU	50.00
TORRIBERA III	50.00
TORRIBERA IV	50.00
TRANSPORTE DE BARRENA TXINGUDI	60.00
TRANSPORTE SAN MARCOS	80.00
TREMP	51.00
TÚNEL PUERTO ALGECIRAS	30.00
TÚNELES DE BARAJAS	25.00
TXINGUDI	75.00
TXINGUDICO 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 PINTO FASE II	50.00
VERTEDERO PINTO FASE III	50.00

	% shareholding
VERTRESA	10.00
VIGO RECICLAJE	70.00
VILLALÓN DE CAMPOS	20.00
VINAROZ	50.00
VIVIENDAS MARGEN DERECHA	60.00
WTC ZARAGOZA	51.00
ZARAGOZA DELICIAS	51.00
ZARAUZCO GARBIETA	60.00
ZARAUTZ	20.00
ZONZAMAS FASE II	30.00
ZURITA	50.00

FINANCIAL STATEMENTS

APPENDIX III ASSOCIATED AND JOINTLY-CONTROLLED COMPANIES

Company	Carrying amount: Assets	Carrying amount: Impairment	% shareholding	Dividends received	Capital	Reserves	Other equity items	2010 profit/(loss): Operation	2010 profit/(loss): Continuing operations
Clavegueram de Barcelona, S.A. Hacer, 16 – Barcelona -Urban sanitation -	733	—	20.33	147	3,606	3,867	—	697	530
Ecoparc del Besós, S.A. Rambla Cataluña, 91-93 – Barcelona -Urban sanitation -	2,621	—	Direct 31.00 Indirect 18.00	—	7,710	(2,475)	24,580	5,116	2,223
Ecoserveis Urbans de Figueres, S.L. Pg. Empordà Internacional, Calle A, parcela 50 – Vilamalla (Girona) -Urban sanitation -	301	—	50.00	116	601	120	—	421	332
Empresa Mixta de Limpieza de la Villa de Torrox, S.A. Pz. de la Constitución, 1 – Torrox (Málaga) -Urban sanitation -	300	—	50.00	119	600	430	—	333	228
Empresa Mixta de Medio Ambiente de Rincón de la Victoria, S.A. Pz. Al Andalus, 1 – Rincón de la Victoria (Málaga) -Urban sanitation -	301	—	50.00	—	601	299	—	481	176
Gestión Integral de Residuos Sólidos, S.A. Santa Amalia, 2 – Valencia -Urban sanitation -	4,732	—	49.00	87	781	1,514	61	223	77
Global Vía Infraestructuras, S.A. Paseo de la Castellana, 141 (Edificio Cuzco) IV – Madrid -Infrastructure management -	529,570	—	50.00	—	957,274	141,858	—	4,725	(12,845)
Ingeniería Urbana, S.A. Saturno, 6 – Alicante -Urban sanitation -	3,786	—	35.00	904	6,064	5,309	—	4,111	2,508
Pallars Jussà Neteja i Serveis, S.A. Pau Casals, 14 – Tremp (Lleida) -Urban sanitation -	25	—	40.80	11	60	5	—	21	20
Proactiva Doña Juana E.S.P.S.A Calle 98 nº 9-03 of. 804 Ed. Torre Sancho Santa Fe de Bogotá (Colombia) -Urban sanitation -	284	38	Direct 23.75 Indirect 27.05	—	2,250,000 (Pc)(*)	934,782 (Pc)(*)	—	(905,175) (Pc)(*)	(898,409) (Pc)(*)

FINANCIAL STATEMENTS

Company	Carrying amount Assets	Carrying amount Impairment	% shareholding	Dividends received	Capital	Reserves	Other equity items	2010 profit/(loss) Operation	2010 profit/(loss) Continuing operations
Proactiva Medio Ambiente, S.A. Cardenal Marcelo Espínola, 8 – Madrid -Urban sanitation -	119,542	76,499	50.00	—	56,250	10,420	—	1,876	8,245
Realia Business, S.A. Paseo de la Castellana, 216-85 Madrid -Real estate	67,637	—	Direct 27.20 Indirect 3.00	—	66,570	501,268	(2,787)	(6,613)	(29,294)
Servicios Urbanos de Málaga, S.A. Ulises, 18 – Madrid -Urban sanitation -	1,610	—	51.00	229	3,156	435	—	503	503
Suministros de Agua de Queretaro S.A. de C.V. Santiago de Queretaro (Mexico) - Water management	4,367	—	Direct 24.00 Indirect 2.75	—	347,214 (Pm)(*)	153,172 (Pm)(*)	—	141,689 (Pm)(*)	135,586 (Pm)(*)
TOTAL	**735,809**	**76,537**		**1,613**					

(*) (Pc): Colombian pesos (Pm): Mexican pesos.

NOTE:

- Of the companies listed above, only Realia Business, S.A. is a publicly-traded company. The price of its shares at the balance sheet date was 1,56 euros. The average share price for the last quarter of the year was 1,55 euros.
- Pursuant to the terms of article 155 of the Revised Text of the Capital Companies Act, during the year the Company proceeded to notify the investee companies in which it had acquired a direct or indirect stake of more than 10%.

FINANCIAL STATEMENTS

APPENDIX IV REPORT OF THE BOARD OF DIRECTORS OF FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. ON THE PAYMENT OF AN INTERIM DIVIDEND OUT OF 2010 PROFITS

Pursuant to the terms of article 277 of the Revised Text of the Capital Companies Act, which stipulates that the Directors must provide an accounting statement demonstrating that there is sufficient liquidity to pay an interim dividend, it is hereby made known that:

1. At 31 October 2010, the profits earned by FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A., net of taxes, totalled EUR 92,700 thousand.
2. The cash-flow, net of taxes, generated by the Company during the first ten months of fiscal year 2010 was EUR 155,800 thousand.
3. The Company's cash balance at 31 October 2010 was EUR 242,510 thousand which demonstrates that there is sufficient liquidity, i.e., sufficient funds available to pay an interim dividend.

Therefore, considering that there have been no significant changes in the information, the Directors have determined that there is sufficient liquidity to pay an interim dividend of EUR 91,022 thousand against 2010 profits.

The number of shares entitled to receive a dividend payment is obtained by deducting the treasury stock at the time of the dividend payment from the 127,303,296 shares making up the share capital.

It is therefore proposed that the following interim dividend be approved for payment against FY 2010 profits:

Gross % of each share entitled to dividend payment	**71.5 %**
Gross dividend per share (€)	**0.715**

The Company will withhold any legally-mandated personal or corporate income tax from the gross dividend payment.

The Board unanimously resolves:

1. To approve the report of the Directors transcribed above and
2. To pay an interim dividend against 2010 profits in the amount indicated in the Directors' Report, to be paid on 4 January 2011, which will be duly announced.

Madrid, 16 December 2010

MANAGEMENT REPORT

FOMENTO DE CONSTRUCCIONES Y CONTRATAS S.A.

MANAGEMENT

MANAGEMENT REPORT

01. BUSINESS, EVOLUTION DURING THE YEAR AND DIVIDENDS

The Company's core business is to provide general services, which include mainly the collection and treatment of solid waste, the cleaning of public streets and sewer systems, the maintenance of green areas and buildings, water treatment and distribution and other complementary services. The Company also owns 99% of the unique Torre Picasso building and manages the rental of office and commercial space located in that building.

Fomento de Construcciones y Contratas, S.A. is the Parent of the FCC Group, which comprises a broad spectrum of Spanish and foreign subsidiaries and associates that engage in activities such as construction, urban cleaning and integrated water cycle services, car parks, street furniture, passenger transport, passenger and aircraft ground handling, logistics, cement, real estate, power, infrastructure management, etc. The reader is advised to see the Group's consolidated information for the most accurate reflection of the year's economic events.

The financial and economic information in this Directors' Report has been prepared pursuant to the terms of the Commerce Code and the Revised Text of the Capital Companies Act.

The figures in this report are expressed in millions of euros.

Company performance in 2010

Main aggregates	2010	2009	Variation Absolute	Variation %
Revenue	1,681.0	1,557.9	123.1	7.9%
Profit from operations	409.4	397.1	12.3	3.1%
Margin %	24.4%	25.5%		
Finance income (expense)	(198.4)	(116.6)	(81.8)	70.2%
Profit before taxes	211.0	280.5	(69.5)	-24.8%
Net profit /(loss)	200.0	254.9	(54.9)	-21.5%
Dividend per share (euros)	1.43	1.43		

Revenue increased in 2010 by 7.9% to EUR 1,681.0 million. This includes the dividends received from subsidiaries which totalled EUR 257.0 million, compared to EUR 176.4 million the year before.

Operating results totalled EUR 409.4 million, which represents a 3.1% increase over the previous year's figure of EUR 397.1 million.

Financial losses totalled EUR 198.4 million, which represents a 70.2% increase over the previous year's figure of EUR 116.6 million.

Net profit for the year was EUR 200.0 million, which is 21.5% less than the year before.

Dividends

The Board of Directors proposes the distribution of a complementary dividend of EUR 0.715 per share, representing 71.5% of the par value of the shares outstanding at the date of payment, and the allocation of the remaining profit to unrestricted reserves. Previously, on 4 January 2011, an interim dividend of EUR 0.715 per share was paid by resolution of the Board of Directors at the meeting held on 16 December 2010.

02. ACQUISITION OF TREASURY SHARES

At the end of 2010, Fomento de Construcciones y Contratas, S.A. held 3,182,582 shares of treasury stock representing 2.50% of the share capital valued at EUR 89,130 thousand.

At year-end, Asesoría Financiera y de Gestión, S.A. (Afigesa), a wholly-owned subsidiary of Fomento de Construcciones y Contratas, S.A. possessed 9,432,369 shares of Fomento de Construcciones y Contratas, S.A., which represented 7.4% of the registered share capital with a net carrying value of EUR 194,766 thousand.

According to article 148, part D of the revised text of the Capital Companies Act, the changes in the number of shares held during the year are detailed below.

	FCC, S.A.	Asesoría Financiera y de Gestión, S.A.	FCC Group
At 31 December 2009	3,182.582	6,131,961	9,314,543
Purchases or additions	—	3,302,013	3,302,013
Sales or disposals	—	(1,605)	(1,605)
At 31 December 2010	**3,182,582**	**9,432,369**	**12,614,951**

03. RESEARCH AND DEVELOPMENT

The FCC Group is an active participant in research, development and technological innovation activities. The Group's R+D+i activities extend to those aspects which are directly or indirectly related to the Group's business activities.

In the Servicies area, in the field of environmental services, work continued on a number of research products that had begun years before. For example, in the field of waste elimination, progress was made in the development of alternative fuels obtained from waste which are now being used in a number of processing plants (Salamanca, Vitoria); in the machinery sector, work continued on the development of a new collecting-compacting vehicle with a low forward cab, dual side loading and dual elevator, with independent press operation for the collection of recyclable waste.

New projects were also undertaken in different fields of research. As far as new machinery was concerned, work continued on three projects related to urban sanitation vehicles:

- Design and creation of a new 5.2 tn self-propelled chassis with a maximum width of 2 metre for hard-to-reach places, with a side loading mechanism for up to 3 containers, electrically propelled by an asynchronous AC engine current and special batteries.

The following projects were undertaken in the area of waste treatment:

- Bio+ Project: Although originally scheduled to begin in 2009, work did not actually begin on this project until 2010, which strives to optimize the eco-efficiency of the urban waste treatment process through the development of a model that makes it possible to monitor the different biomethanisation technologies on an industrial scale in addition to conducting a pilot test on thermal hydrolysis prior to anaerobic digestion.
- Project for the development of liquid fuel using a procedure that transforms waste containing organic carbon for applications in waste treatment plants. The waste is transformed using a low pressure catalytic conversion to obtain four types of liquid fuel (biodiesel, kerosene, naphtha and fuel oil) and a combustible gas similar to biogas.

In the Water sector in 2010, in keeping with the Company's strategic plans, the research and de development to obtain sustainable technologies focused on the following objectives:

- Quality (drinking water supply, re-use of wastewater, desalination and metering)
- Sustainability (reduced energy usage, use of sludge as a resource and alternative treatments)
- Comprehensive management (management systems, collection of resources and communications)

The most notable developments in the pursuit of these objectives were as follows:

- Work in progress
  - Technology for a membrane reactor (MBR) in Vigo. In collaboration with the University of Santiago de Compostela, 3R and the el Centro Superior de Investigaciones Científicas (CSIC).
  - Hybrid Bacilus System (HYBACS)/Moving Bed Biofilm Reactor (MBBR) technology for nutrient elimination (Ávila). In collaboration with Bluewater Bio.
  - Anaerobic Ammonium Oxidation technology (ANAMMOX) in Vigo. In collaboration with the Universities of Vigo and Santiago de Compostela.
  - Advanced Sludge Digestion (Loiola - San Sebastián). In collaboration with the Centro de Estudios e Investigaciones Técnicas de Guipúzcoa (CEIT) and Aguas del Añarbe.
  - Microalgae pilot plant (Arcos de la Frontera). In collaboration with the University of Cádiz, Iberdrola and Bio-Oil.
  - Sustainable sludge recovery (Salamanca). In collaboration with the Centro de Estudios e Investigaciones Técnicas de Guipúzcoa (CEIT) and the Universities of Valladolid and Salamanca.
  - Balanced Score Card (BSC) solution for customer management (Madrid).
  - Billing-CRM (Customer Relationship Management) solution in Madrid.
- UNE 166.002:2006 Certification (Unification of Spanish Standards). After successfully being audited by AENOR (Spanish Standardisation and Certification Association), in the month of December Aqualia received certification for its "Project Management and R+D+I System".
- Aqualia R+D+i Forum. In the month of November, Aqualia's Marketing and Communications Department organised this event to review the company's activities in the field of technological innovation and increase the level of communications with different public and private agents in relation to these activities. This forum was attended by representatives of Canal de Isabel II, Empresa Metropolitana de Abastecimiento y Saneamiento de Aguas de Sevilla (EMASESA), Asociación

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Tecnológica para el Tratamiento del Agua (ATTA), Universidad de Valladolid, Instituto Madrileño de Estudios Avanzados (IMDEA), and ITT (leading manufacturer of submersible pumps) as well as the Director of FCC's Innovation Management and members of Aqualia's R+D+i Work Group.

- New projects. In 2010, work got underway on two large-scale technological innovation projects focusing on the use of microalgae in wastewater treatment processes:
- "Algae to Biofuel" Project presented to the European Union's Framework Programme 7 (FP7).
- "Cenit Vida" Project presented as part of the National Strategic Consortia in Technical Research of the Centre for Industrial and Technical Development (CDTI).

Two new R+D+i projects also got underway in the field of **industrial waste**:

The first one is the "Marine-Fuel Research Project" in collaboration with the Azti-Tecnalia Technology Centre which will focus on conducting experimental tests with alternative fuels obtained from recycled oil for use by fishing fleets.

The other project which is being carried out in collaboration with the Technological Research Centre of the Innovarcilla Foundation seeks to determine the viability of reusing different types of waste in ceramic paste.

Versia continued to work on the **urban furniture** projects that had begun years before:

TEC-MUSA (Technologies for Sustainable and Accessible Urban Mobility) has undertaken the development of a series of technologies for incorporation into passenger and cargo vehicles in city settings with low or no emissions and advanced conditions of accessibility and communication with clients through a multidisciplinary consortium, association and research groups. In 2010, the following milestones were achieved in accordance with the plan submitted to the Ministry of Science and Innovation:

- Formation of the work groups for each one of the sub-projects.
- Preparation of technical reports.
- Justification, audit and presentation to the Ministry of the expenses incurred in 2009.
- Receipt of the grant for 2009.
- Detailed definition of the plans for each one of the sub-projects.
- Analysis of needs and definition of specifications.

The Ministry announced the end of the Singular and Strategic Projects which means that the project will cease to be subsidized before it has concluded, although an extension has been granted to March 2011 to complete the tasks budgeted in 2010.

EPISOL (Electric vehicles powered by fuel cell and solar energy): Project to develop a light urban vehicle featuring hybrid electric propulsion which, in the first phase, will be equipped with a heat engine and, in a subsequent phase, will have a highly-efficient and low-cost fuel cell, using solar power in both cases. Each model of the vehicle has a system that enables it to be connected to the electricity mains in order to recharge the battery. Thus, at the start of each journey the batteries are fully charged and the demands placed on the heat engine and/or fuel cell are greatly reduced.

The project is broken down into the following phases:

- PHASE 1. Bi-hybrid vehicles, standard configuration with MEP engine (gasoline combustion engine) + solar power: the thermal engine activates a generator that charges the batteries which supply power to the electric engine in charge of transmitting power to the drive shaft. Solar panels are included as an additional energy source and regenerative brake.
- PHASE 2. Tri-hybrid vehicle, series configuration: in this model, the vehicle has a thermal engine (MEP) and generator plus a hydrogen fuel cell that keeps the batteries charged, meaning that the thermal engine needs to be started less frequently. This model also includes the solar panels as an additional energy source and the regenerative brake.
- PHASE 3. Tri-hybrid vehicle, standard configuration: in this model, the MEP engine is replaced with a H2 (hydrogen) combustion engine. The rest of the components and functions remain that same as in phase 2.
- PHASE 4. Bi-hybrid vehicle, standard configuration: in the final version of this vehicles, the H2 combustion engine is eliminated and the fuel cell is replaced with a more powerful one. The fuel cell provides power to the batters and the electric traction engine. This model also includes the solar panels as an additional energy source and the regenerative brake.

In 2010 CEMUSA continued to collaborate with INSIA (University Institute for Automotive Research at the Universidad Politécnica de Madrid), conducting optimisation tests of the tri-hybrid energy management system and gathering data on actual usage conditions, obtaining satisfactory results on the approval tests which are currently awaiting administrative approval. This work has been certified as a R+D project.

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The prototype was presented at the International Ecological Automobile and Sustainable Mobility Show.

Forthcoming objectives include increasing battery capacity and moving forward with the subsequent phases defined in the project plan.

C-CYCLES: Development of an unattended bicycle hire system. The system functions with smart cards and features payment by credit card. Internet connection. The project responds to the need for sustainable urban mobility promoting multi-modal transport. The following milestones were achieved in 2010:

- Conclusion of the basis development of the system:
    - Management programme and database
    - Control units for derbi and terminal. Software and communications
- Solar-powered light station
- Commencement of pilot testing

Pilot testing will be completed in 2011 at which time the final plans will be launched. Work is ongoing on other features: power bikes, solar energy.

LED ILLUMINATION PROJECTS: The LED illumination projects which aim to reduce energy consumption and, therefore, greenhouse gas emissions. Parallel to the LED illumination projects, studies are being performed relating to the reduction of light pollution. Having achieved the first objective of using just 28% of the energy of fluorescent lighting, we are now working to reduce that consumption to 16%.

PHOTOVOLTAIC SOLAR ENERGY PROJECTS: Development of a photovoltaic solar power system that includes the development of a solar photovoltaic system which, together with illumination using LEDs, will allow greenhouse gas emissions to be reduced to zero and in certain cases to reduce network connection costs. The following work was completed in 2010:

- "Poste bus" prototypes and development of bus stop hoardings with semi-translucent solar panels and electronics
- Conclusion of NY bus hoarding project
- Development of light station for solar bikes.

Research continues into flexible cells with the idea of making the system more efficient.

DIGITAL ADVERTISING PROJECTS: The aim is to implement a digital advertising system incorporating LCD screens and the technology required for them to be viewed properly outdoors. Must be equipped with an effective heat evacuation system. The following work was done in 2010:

- Installation and commissioning of LCD screens for a project to digitalise the rear and sides of 8 newsstands in NYC.
- Definition of a project to digitalise the rear and crowns of newsstands on Las Ramblas in Barcelona using LED screens.

The following projects were carried out in 2010 in the Logistics sector:

VOICE PICKING: New voice recognition technology for order preparation. The development phase is over. The technology has been tested with satisfactory results and now is in full use.

PLV: A computer tool for covering the new market channel of promotional materials for pharmaceutical laboratories. The tool was successfully implemented in 2010.

CONTROL PANEL: Development of a software tool for extracting statistical data which improves the management and productivity of the Consumer Unit. The tool was 80% operation in 2010 and is expected to be fully operational in the first half of 2011.

APPOINTMENT SCHEDULING: A customised software programme developed to manage the new customs activity, "Customs Inspection Point". The tool is intended to support Customs Officials in the container inspection process. It has been fully operational since July 2010.

In the **Conservation and Systems**, the Company focused its efforts on the development of the AVANZA technology platform, to which a number of services were added for the shadow toll highways and tunnels projects. The most important milestones achieved in relation to the AVANZA software included:

- Multi-tunnel user interface.
- Advanced integrated DAI services
- Integration of dynamic weighing subsystem.
- Video verification software.
- Advanced incident management.
- Advanced management of the tunnel operation manual.

In field equipment, both functional features and electronics have been improved.

The **Airport Handling** sector focused on the development of the Groundstar tool to optimise process planning and control in the aeronautics sector which will replaced the current

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"handlnet" system. This new system is much more versatile, can communicate with other systems and adds resources management tools which the previous system did not have.

It includes the following modules:

- Flight programming manager (Seasonal FIP)
- Human resources planning
- Shift management
- Billing modules that includes the CRM module (contracts, control of services rendered and billing) and SAP interface

In 2010, plans were devised to implement the same project in Belgium.

For the year 2011 there are plans to begin the implementation in the first half of 2011 and a second phase that will begin in October 2011 and end in May 2012.

During the first phase, the current system, Handnet, will be replaced and the rest of the modules will be implemented in the second phase.

FCC Construcción, S.A. and its subsidiaries, aware of just how important activities of this Investigation, Technology, Development and Innovation are to maintaining a competitive edge in the market and to continuously improving the quality of their work, have implemented policies that actively promote research, development and technological innovation.

In keeping with this, FCC Construcción, S.A. participates in the European Construction Technology Platform, the E2B Association (Energy Efficient Buildings), the ENCORD Group (European network of construction companies which promotes research and development efforts) and the Spanish Construction Technology Platform. The aim of these organisations is to bring research centres, universities and industry together to work side-by-side on research, development and technological innovation projects.

Noteworthy among the projects carried out in 2010 are the following:

ARFRISOL, for the development of bioclimatic architecture and solar energy.

OLIN, which studies the qualities and treatment of embankment and subgrade materials for the construction of sustainable linear works.

URBAN TUNNELS, a project that researches new methodologies for analysing, designing and building tunnels in urban areas.

CLEAM, which focuses on clean, efficient and environmentally-friendly construction.

EXPLOSIVES, which investigates the conditions for designing and building terminal parking garages at risk of terrorist attack.

DAMAGES TO BRDIGES, which conducts low-cost dynamic tests for maintaining bridges subjected to uncontrolled environmental loads using wireless sensors.

CEMESFERAS, which researches vitreous spherical microparticles with cementing properties.

BALI, which focuses on acoustically efficiency and health buildings.

RS which researches sustainable building renovation.

DEPÓSITOS, which is designing a system for the storage of bitumen modified with unused tyres for plants that make hot asphalt mix.

ECORASA, which researches new ways to reuse construction and demolition debris on the same construction as fill material for sewer trenches.

VITRASO, which diagnoses the predicts sound transmission paths in construction.

In 2010, the management of the **Cementos Portland Valderrivas** Group continued to promote the research of new products with enhanced added value and/or new markets. As a result, eight new cements have been developed with highly competitive advantages such as shorter hardening times, resistance to adverse external conditions, lower impact of the production process on the the environment and the ability to neutralise certain pollutants.

In 2010, the Group's R+D+i Department received public grants for eight research projects, most focusing on the development of new materials. The number of projects which competed for and received public financing broke was record-setting for CPV in terms of both the quantity and quality of the financing obtained.

The benchmarking for cement factories which began in 2009 continued in 2010 with the analysis of technical and management aspects which need to be monitored continuously by the company in order to make improvements.

Corporate Engineering and the Operations Department have brought about significant fuel savings in most of the cement factories by replacing petcoke with fuels derived from waste.

The Innovation Management Department was created in 2010 with the mission of coordinating the innovation function within the **FCC Group** and optimising the public funding available for this.

Agreements have been signed with a number of public and private research centres to reinforce FCC's commitment to innovation.

In 2010, AENOR certified the FCC Group's activities according to UNE 166002.

04. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

Financial risk refers to changes in the value of financial instruments contracted by the Group due to political, market and other factors, and the effect of such changes on the consolidated balance sheet. The FCC Group's risk management philosophy is consistent with its business strategy, as it strives for maximum solvency and efficiency at all times. In that regard, the Group has set out stringent financial risk management and control criteria for identifying, measuring, analysing and controlling the risks faced in the course of FCC's operations. This risk policy is correctly integrated into the Group's organisational structure. In keeping with the risk control policy, hedging transactions arranged by the FCC Group are not speculative but, rather, aim to cover the transaction risks.

In order to adopt the optimal position for the Group's interests, it implements an active risk management policy; it constantly monitors the market and adopts positions depending mainly on the asset being 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. Even so, the FCC Group performed interest rate hedging transactions, ending the year with various hedging instruments of varying maturities. In compliance 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 pay a fixed interest rate and receive a floating rate.

As a result of the FCC Group's positioning in international markets, it is exposed to exchange rate risks in its net foreign currency positions with respect to both the euro and other foreign currencies when the investment and financing of an activity cannot be arranged 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 exchange risk can have on both the balance sheet and the income statement.

The Group actively manages its foreign exchange risk by arranging financial transactions in the same currency as that in which the related asset is denominated. In that regard, the Group strives always to finance its activities in the local currency as this creates a natural hedge between cash flows and financing. However, this is occasionally not possible where the currency of the country of origin of the investment is weak and long-term financing cannot be obtained in that currency. In these cases, financing is obtained either in the currency of the consolidated Group or in the most closely-related foreign currency.

The FCC Group operates in various markets in order to obtain the financing it needs, thereby mitigating liquidity risk. Despite the adverse situation reigning in the financial markets throughout 2010, the FCC Group has remained extremely well positioned and has anticipated any potential adversity by paying close attention to trends in those factors that may help to resolve liquidity shortfalls in the future and to the various sources of financing and their characteristics.

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05 OUTLOOK FOR 2011

Set forth below are the prospects for 2011 for the various lines of business composing the FCC Group. The construction and services backlog as of 31 December 2010 , which amounted to EUR 35,309 million, guarantees the continuation of a high level of activity over the coming years.

Generally speaking, the **Services** area will see almost all of its economic and financial variables affected in 2011 by the general economic crisis, particularly in Spain. On the contrary, the outlook for the International area calls for a significant upturn starting in 2012.

Strict cost reduction policies continued in 2010 and will continue in future fiscal years.

In the **Environmental** sector, despite the current stagnation, the group expects a level of activity in 2011 similar to that seen in 2010 which will allow it to maintain its current market share with investments levels that are expected to be similar to the previous year.

The main objective is to maintain the most significant contracts already in place, which will entail certain renewals and extensions in an attempt to grow in the field of solid urban waste treatment and elimination.

As mentioned above, in the **International** arena, business is expected to pick up starting in 2012.

In the United Kingdom – where the Group has been operating in the waste collection and urban sanitation sector through Focsa Services UK since 1989 – with the acquisition of WRG in 2006 the Group has become one of the leading operators in the sector. Significant growth is expected in new, complementary activities, particularly PFIs (Private Financing Initiatives). The portfolio of contracts of this kind is expected to growth throughout 2011.

The Allington incinerator is in the process of resolving certain technical problems which will improve the plant's performance and bring it to full operating capacity in 2011.

In the **Industrial Waste** sector, the downward trend of recovery material prices continues albeit with a certain improvement in the volumes processed. Therefore, the positive evolution seen in the final months of 2010 is expected to continue and to become even more significant at the end of 2011 or early 2012.

An important contract got underway in Spain in 2010 which involves the decontamination of soil in at the Flix reservoir in Tarragona. Noteworthy on the international front is the remediation of contaminated soil in Siracusa (Italy). All of this has resulted in significant growth in this sector compared to the year before.

The group's presence in the US in the business of waste derived from the gas and oil industry is expected to grow in 2011 through the companies FCC Environmental, International Petroleum Corp. and Apex. Work will also begin in 2011 on a new project for refining used oil in oil-based lubricants.

In Italy, the work that began in the month of December to decontaminate polluted soil in Syracuse will continue next year.

In Portugal, more than 80,000 tn of contaminated soil will be cleaned up through the subsidiary Ecodeal thanks to a recently awarded contract.

In Spain, work will commence on four new projects:

- Treatment of unused tyres on the Canary Islands
- Recovery of foundry waste and conversion into iron and steelwork aggregate for Arcelor Mittal in Guipúzcoa
- Conclusion of the construction and operation of a new controlled dump for non-hazardous industrial waste in Cantabria through the subsidiary Iacan
- Finally, toward the 4th quarter of the year, implementation of a plant in Cataluña for waste recovery plant and conversion into alternative fuel for the Corporación Uniland cement company.

In the **Water Sector**, Aqualia continues to be the leading full-service water operator in the Spanish market. At the same time, Aqualia has continue to reinforce its international presence through a geographical diversification strategy that was first implemented four years ago.

In 2011, given the generalised economic crisis in Spain, household water consumption is expected to remain flat while industrial consumption and new business will see a decline. On the other hand, the company's presence in consolidated regions of the international market has and will continue to allow it to minimise the impact of the Spanish crisis by getting a foothold in new markets as they gradually open up and allows companies with expertise to resolve their historical problems with the management of this resource.

Throughout 2010, the Company was awarded a number of lucrative international contracts, including one for the construction of an aqueduct and water supply system in San Luís de Potosí (Mexico) and another for the construction and operation of a treatment plant with a capacity of 250,000m3/day in Cairo (Egypt). Another notable international achievement was the agreement reached with the European Bank for Reconstruction and Development (EBRD) to form a joint investment vehicle with Aqualia in order to bid on projects related to the water cycle in countries falling within the

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catchment area of the EBRD and to jointly study potential investments in the companies that currently manage the water systems in those countries.

In the domestic market, the company has been awarded a number of new contracts and renewed or extended others with different municipalities; moreover, in keeping with its diversification policy, the company has begun providing related services to athletic facilities such as: Reception and customer care services, cleaning, maintenance, consulting and management of indoor swimming pools in Vendrell, (Tarragona) and management of sporting activities with the construction of the Water and Health Centre in San Lorenzo de El Escorial (Madrid). The Company has also entered into or renewed service agreements with irrigation associations such as: Contract for the supply of irrigation water and maintenance of irrigation facilities for the Vingalis Irrigation Association (Tarragona) and renewal of the operation, conservation and maintenance agreement with the Garrigues Irrigation Association (Lérida).

In the international market, the Company was awarded two new contracts in Portugal: A water supply, sanitation and water treatment contract in Cartaxo and a water supply and sanitation contract in Fundao. Aqualia Infraestructuras was awarded a contract to modernise the filtering system at the Los Berros water treatment plant in Cutzamala (Mexico) and a contract to build Candelaria water treatement plant in Chile.

At the beginning of 2011, the order book for the Service Area totalled EUR 25,325 million which is equivalent to almost seven years of production.

For 2011, Versia foresees a slight decline in earnings as a result of the sale in December 2010 of the companies pertaining to the Vehicle Inspection business and the assets associated with the underground parking business in, both part of the asset rotation policy defined by the FCC Group. This decline in earnings will be attenuated to a large extent by expected increases in: Urban Furniture in both the domestic and international markets thanks to the recovery taking place in the sector and the increases in advertising spaces installed in New York; and in the Conservation and Systems sector thanks primarily to new sewer maintenance contracts.

Profit margins will suffer the effects of the sale of the assets mentioned above, since the profit margins they contributed were higher than average for the Area, despite a significant increase in the profits generated in the Urban Furniture area due to increase sales and in the Logistics area due to the cost-containment policies implemented in recent years and new lines of business.

In the Construcción area, the turnover in 2011 from domestic business will be lower than in 2010 due to the stagnation of residential construction caused by the real estate crisis and budget restrictions in the public sector that will affect civil engineering work.

To offset the weakness of the domestic markets, companies are focusing heavily on international business, as a result of which the revenues obtained from international business are expected to by higher in 2011 than they were in 2010.

The company's international business is handled primarily through the Alpine group of companies based in Austria which operates in numerous Central and Eastern European countries and is supplemented with the American market business which is handled through investee companies operating primarily in Central America and Mexico.

The order book in the construction area at the beginning of 2011 was EUR 9,984 million.

In the Cement area, the world economy is clearly in the recovery stages, albeit with different geographical areas and countries recovering at different rates, following the economic crisis that began at the end of 2008. As far as the situation and specific problems of western economies and emerging countries are concerned, it is believed that the US could take a bit longer to achieve stable growth, but because of the flexibility of its economy it is likely to once again play a leading role in the recovery of world economic growth.

Europe in general and the European Union in particular are also in the process of consolidating their economic growth, albeit with sharper differences between countries. The problems with sovereign debt and their implications for the stability of the euro are going to condition and limit these economies' ability to grow.

Overall, the evolution of the world economy in general and that of the European Union in particular will enable the Spanish economy to grow more than originally expected due to the strong performance of foreign demand.

With this outlook for 2011, the sales forecast for the Cement area will depend to a large extent on the economic recovery in the United Stated and Spain. Both the North American and Spanish cement markets are at historical minimums, although the deceleration process began to see some relief towards the end of last year. Renewed market stability will result in a stabilisation of prices, with upward pressure due to rising costs. These forecasts are in line with what both Oficemen and the Portland Cement Association (PCA) of the United States are saying.

Once the political situation in Tunisia is stabilised the good results obtained in 2010 can be maintained.

As a continuation of the Plan 100+, which saw stated objectives achieved a year in advance, the Area will now launch the 2011 Excellence Plan focused in increasing EBITDA and generating cash. To do so, the area will continue the policy of reducing

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recurring costs but with greater emphasis on new sources of corporate revenue with the development of new types of cements with higher margins, among other initiatives. Investments in the different business areas will remain at 2010 levels, with priority being placed on the investments in energy recovery technology (CO2-energy costs) and occupational safety.

Following the acquisitions in 2008 and 2009 in the photovoltaic (20 MW in production), wind (420.7 MW in production) and thermosolar (49.9 MW under construction) areas, in 2010 FCC Energía continued to implement the 2010 strategic plan (PLAN 10), following the guidelines set out by the FCC Group. Specifically, this implementation took the form of:

- Construction and operation of a 49.9 MW thermosolar power plant in the province of Córdoba which is scheduled to be completed in the first quarter of 2011.
- Award of 99 MW in the wind power public tender sponsored by the Autonomous Community of Cataluña which is currently in the initial stages.
- Award of 48 MW in the wind power public tender sponsored by the Autonomous Community of Galicia which is currently in the initial stages.
- Presentation of offers for Zone C for 155 MW in the wind power public tender sponsored by the Autonomous Community Aragón; currently awaiting final decision.

In 2011, the immediate objectives of FCC Energía are:

- Presentation of offers for zones D and E in the wind power public tender in Aragón, competing for 79.2 and 100 MW of power, respectively.
- As part of Phase E of the aforementioned public tender, the company is also seeking authorisation to install 9.30 MW of power at the Valdeconejos plant owned by S.E. ABADÍA.
- Commencement of energy efficiency activities.
- Continuation of the activities to develop the MWs awarded in the Cataluña and Galicia public tenders in addition to any MWs awarded in Aragón.

It is the intention of FCC Energía to analyse opportunities for growth in the renewable energy sector as they arise, either by taking part in new projects or by presenting bids for new power contracts in Spain, Eastern European EU member countries and the United States. All of these geographical areas have two common denominators: they offer the legal safeguards necessary to commit to medium term investments and their governments have expressed a political will to promote the development of renewal energies.

06. ADDITIONAL INFORMATION IN COMPLIANCE WITH ARTICLE 116.BIS OF THE STOCK MARKET ACT 24/1988 OF 28 JULY ACCORDING TO THE WORDING CONTAINED IN LAW 6/2007 OF 12 APRIL

a) The capital structure, including the securities not listed on an EU regulated market, if any, of the different classes of shares and, for each class of shares, the rights and obligations conferred and the interest percentage in capital they represent

The share capital of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. is established at ONE HUNDRED AND TWENTY-SEVEN MILLION THREE HUNDRED AND THREE THOUSAND TWO HUNDRED AND NINETY-SIX (127,303,296) euros, represented by ONE HUNDRED AND TWENTY-SEVEN MILLION THREE HUNDRED AND THREE THOUSAND TWO HUNDRED AND NINETY-SIX (127,303,296) fully subscribed and paid shares of EUR 1 par value each, all of the same class and series and represented by book entries. Each share carries the right to one vote.

b) Restrictions on the transferability of securities

There are no bylaw restrictions as to the transferability of the shares other than those established in the Revised Text of the Capital Companies Act.

c) Significant direct and indirect holdings in capital

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.L. is controlled by B 1998, S.L. This company owns 59,871,785 shares directly (47.031%) and 8,653,815 shares indirectly (6.798%, through its subsidiary AZATE, S.A.), representing 53.829% of the share capital.

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The Royal Bank of Scotland Group PLC owns 4,330,938 shares indirectly, representing 3.402% of the share capital, through:
- The Royal Bank of Scotland PLC with 4,323,586 shares (3.396%).

d) Restrictions on voting rights

There are no restrictions on voting rights.

e) Shareholders agreements

Parties to the shareholder agreement	% of share capital affected	Brief description of agreement
Doña Esther Koplowitz Romero de Juseu	52.483	Relevent event of 30/07/2004
		www.cnmv.es (See note).
Doña Esther Koplowitz Romero de Juseu	52.483	Relevent events of 13/01/2005
		www.cnmv.es (See note).
Doña Esther Koplowitz Romero de Juseu	52.483	Relevent events of 13/01/2005
		www.cnmv.es (See note).
Doña Esther Koplowitz Romero de Juseu	52.483	Relevent events of 19/07/2007
		www.cnmv.es (See note).
Doña Esther Koplowitz Romero de Juseu	52.483	Relevent events of 26/12/2007
		www.cnmv.es (See note).
Doña Esther Koplowitz Romero de Juseu	53.829	Relevent events of 04/02/2008
		www.cnmv.es (See note).
Doña Esther Koplowitz Romero de Juseu	53.829	Relevent events of 12/07/2010
		www.cnmv.es (See note).

NOTE: On 30 July 2004, the acquisition of a portion of the ownership interest of EK in B 1998, S.L. by Inversiones Ibersuizas, S.A., Inversiones San Felipe, S.L., Cartera Deva, S.A. and the French Peugeot family through the company Simante, S.L. was published on the CNMV website as a Significant Event.

On 13 January 2005, the agreement between Dominum Dirección y Gestión, S.A., Sole-Shareholder Company (wholly-owned by Esther Koplowitz Romero de Juseu) and Larranza XXI, S.L. (belonging to the Bodegas Faustino group) to transfer a portion of the former's minority stake in B 1998, which directly and indirectly owns 52.483% of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. to the latter was reported as a significant event.

Also on 13 January 2005, the agreement between Dominum Dirección y Gestión, S.A., Sole-Shareholder Company (wholly-owned by Esther Koplowitz Romero de Juseu) and 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. for the "transfer to the latter of a minority interest held by the former in B 1998, S.L., which directly or indirectly holds 52.483% of the share capital of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A." was published as a Significant Event.

On 19 July 2007, "the modifying novation of the shareholders agreements of B 1998, S.L., which did not modify the total direct and indirect ownership interest of Esther Koplowitz Romero de Juseu in B 1998, S.L., the agreements between the parties relating to the management of B 1998, S.L. or, indirectly, of Fomento de Construcciones y Contratas, S.A. or any provision relating to the control of the two companies" was published as a Significant Event.

On 26 December 2007, "the reorganisation of the ownership interests in B 1998, S.L. whereby Esther Koplowitz Romero de Juseu, through the wholly-owned company DOMINUM DIRECCIÓN Y GESTIÓN, S.A., executed a purchase and sale agreement with IBERSUIZAS HOLDINGS, S.L., effective 30 January 2008, for 10.55% of the share capital of B 1998, S.L., holder of 52.483% of the share capital of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.", was published as a Significant Event.

The price of the transfer amounted to EUR 381.5 million, thereby attributing a value of EUR 55.94 per share to the underlying FCC shares. This transaction, performed at the request of Esther Koplowitz, who thus increased her ownership interest in FCC, implies the divestment by the Ibersuizos Group of its holding in B 1998, S.L. (and consequently in the FCC Group). Ibersuizas Holdings, S.L. ceased being party to the shareholders' agreement regulating the relationships between shareholders of B 1998, S.L. On the same date, 30 January 2008, Ibersuizas Holdings, S.A. resigned from the board of directors of B-1998, S.L. and Ibersuizas Alfa, S.L. resigned from the board of directors of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.

A regulatory disclosure was published on 4 February 2008 announcing Esther Koplowitz's acquisition of Ibersuizas Holding's stake in B1998, S.L., FCC's main shareholder (53.829%). This agreement was reached on 24 December 2007.

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The following relevant event was published on 12 July 2010: "Businesswoman Esther Koplowitz has reached an agreement with Simante, S.L. to acquire the latter's stake in the B-1998 S.L. for 88 million euros.

Under the agreement, Simante will transfer its shares in B-1998 to Dominum Dirección y Gestión S.A. The transaction, which accounts for 5.7% of B-1998's share capital, will take place in the month of September".

Following this transaction, the shareholder structure of B 1998, S.L. stands as follows:

Esther Koplowitz (directly or indirectly): 89.65%

Eurocis, S.A. 5.01%

Larranza XXI, S.L. 5.34%

Total 100.00%

Noteworthy in the aforementioned Significant Events are the main agreements reached by Esther Koplowitz and the Investors regarding the control of the companies (FCC and B 1998, S.L.) since the respective acquisitions:

- Mrs. Esther Koplowitz will continue to control B 1998, S.L. and therefore Azate, S.A. and FCC.
- The Board of Directors of B 1998 S.L. shall be made up of twelve directors and the Investors taken as whole shall be entitled to appoint a maximum of four directors but under no circumstances may they appoint more than one-third of the Board of Directors of B 1998 S.L.
- Mrs. Esther Koplowitz shall in all cases be entitled to appoint the majority of the members of the Board of Directors of FCC and its subsidiaries. As a group, the Investors may appoint up to three members but never more than one-third of the total Board of Directors of FCC.
- Mrs. Esther Koplowitz shall be entitled to appoint the Chairman of the Board of Directors and the Chief Executive Officer of FCC and at least two-thirds of the members of the Executive Committee.
- The pay-out of FCC shall be a minimum of 50%.

A series of agreements were reached between Esther Koplowitz and the investors aimed at protecting the latter's' investments in B 1998, S.L. in their position as minority shareholders, as follows:

RELATING TO B 1998, S.L:

In relation to B 1998, S.L., and without prejudice to the fact that, as a general rule, resolutions (of the shareholders at their Assembly or of the Board of Directors) are subject to the approval by a simple majority of the holders of the share capital, certain special situations are excepted for which the approval must be agreed:

- Amendments of the bylaws which lead to the transfer abroad of the registered office, changes in the company object or capital increases or reductions unless these transactions are imposed by operation of law or, in the case of capital reductions, they are performed through the acquisition of shares of B 1998 S.L. owned directly or indirectly by Esther Koplowitz or Dominum Dirección y Gestión, S.A., by B 1998 S.L. for the retirement thereof, or are performed through the retirement of B 1998, S.L. shares owned directly or indirectly by EK or by Dominum Dirección y Gestión, S.A. with a charge to reserves, to which according to bylaw and non-bylaw provisions only Esther Koplowitz is entitled;
- Transformations, mergers or spin-offs of any nature or the global assignment of assets and liabilities;
- The dissolution or liquidation of B 1998, S.L;
- The waiver of pre-emption rights in capital increases and the exclusion of shareholders;
- Any modification of the system used to manage B 1998, S.L.;
- The establishment or modification of the dividends policy agreed by the Investors with respect to the statutory and non-statutory rights associated with the shares owned by the Investors;
- The disposal or encumbrance in any manner of any material assets of B 1998, S.L. and specifically FCC shares or shares of any other companies that B 1998, S.L. holds or may hold in the future;
- Any increase in annual overheads exceeding the amount recognised in the company's balance sheet at 31 December 2003 plus the annual general CPI growth and plus two percentage points. This calculation excludes the remuneration received by B 1998, S.L. as a director of FCC ("FCC Board remuneration") and the remuneration earned by the members of the Board of Directors of B 1998, S.L. to the extent that they do not exceed the remuneration of the directors of FCC;
- The granting or maintenance of powers of attorney that permit the disposal by any means of FCC shares;

- The arrangement of borrowings for B 1998, S.L. and the obtainment or granting of guarantees for more than a total of EUR 500,000;
- The creation or acquisition of directly-owned subsidiaries (excluding, in all cases, FCC subsidiaries) or the acquisition of ownership interests in other companies than those currently held by B 1998, S.L.

RELATING TO FCC:

In relation to FCC and without prejudice to the fact that, as a general rule, resolutions (of the shareholders at their Assembly or of the Board of Directors) are subject to the approval by a simple majority of the holders of the share capital, certain special situations are excepted for which the approval must be agreed:

- Amendments of the bylaws which lead to the transfer abroad of the registered office or capital increases or reductions, unless these transactions are imposed by operation of law.
- The change of the company object to the extent that it implies the inclusion of activities that are not related or linked to the construction, services, cement or real estate lines of business.
- Transformations, mergers or spin-offs of any nature
- Mergers of FCC Construcción, S.A., Cementos Portland Valderrivas, S.A. and FCC Servicios, S.A. whereby B 1998, S.L. no longer indirectly holds more than 50% of the voting rights of the post-merger entity.
- The disapplication of pre-emption rights in capital increases.
- Any modification of the management system.
- The disposal, encumbrance or acquisition in any manner of any material FCC assets outside the Company's object or of any material assets included in the company object of FCC with a total or combined value of at least EUR 700,000 thousand (increased annually in line with CPI growth) or any significant modification of the current structure of the FCC Group or of assets which represent more than 10% of the Group's consolidated assets.
- Any transactions that may involve or represent a change in the equity of FCC of over 20% or over 10% of the FCC Group's consolidated assets.
- The granting of powers permitting the disposals, encumbrances or acquisitions of any manner described above. However, this does not limit in any manner the right of Esther Koplowitz to appoint and remove the Chief Executive Officer of FCC.
- The arrangement of borrowings for FCC and the obtainment or granting of guarantees by FCC (excluding, in all cases, guarantees relating to the ordinary course of business and project finance arrangements) which in total exceed 2.5 times the EBITDA per the latest consolidated income statement of FCC.

If Esther Koplowitz and the Investors were unable to reach an agreement for the adoption of resolutions relating to the aforementioned special situations, the required measures would be taken to maintain the pre-existing situation.

For additional information, please consult the full text of the shareholders' agreements which are available on the CNMV website as Regulatory Disclosures dated 30 July 2004, 13 January 2005, 19 July 2007, 26 December 2007, 4 February 2008 and 12 July 2010.

Full information relating to the shareholders agreements is posted on the website at www.fcc.es.

f) Rules applicable to the appointment and replacement of the members of the administrative body and the amendment of the Company's bylaws

The related provisions are the Board Regulations, which in Chapter IV on the Appointment and Removal of Directors establishes the articles applicable to the appointment and removal of the members of the Board of Directors:

Article 16. Appointment, confirmation and re-election of Directors:

The proposals for the appointment or re-election of directors that the Board of Directors submits to the shareholders at the General Assembly for their consideration and the resolutions regarding appointment adopted by the Board by virtue of the powers of cooptation statutorily attributed to it must concern persons of renowned integrity and solvency with the appropriate technical qualifications and experience and shall be approved by the Board following a proposal made by the Nomination and Remuneration Committee, in the case of independent directors, and based on a prior report of this Committee, in the case of the other directors.

As soon as the General Assembly call notice is published, the Board of Directors must post on its website the following information on the proposed candidates for appointment or confirmation as directors:

(i) The candidate's professional profile and biography

(ii) Other Boards of Directors of which he/she is a member, irrespective of whether the company in question is listed or not

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(iii) The category of director, as applicable, stating, in the case of proprietary directors, the shareholder at whose request they have been appointed, re-elected or with whom they have ties;

(iv) Date of his/her first appointment as Company director and also dates of subsequent appointments;

(v) Company shares and derivative financial instruments for which the Company's shares are the underlying held by the director whose office is to be confirmed or who is to be re-elected, or who is the candidate that is to take office as director for the first time. This information shall be kept updated.

The Secretary of the Board of Directors shall provide each new director with a set of the Company's bylaws, these Regulations, the Internal Rules of Conduct, the latest consolidated and individual financial statements and directors' report approved by the shareholders at the Annual General Assembly, the auditors' reports relating thereto and the latest economic and financial information reported to the market. The Secretary shall also inform new directors of the names of the present auditors and their contact persons.

All directors must sign a receipt with respect to this documentation, agreeing to familiarise themselves with it and to faithfully fulfil their obligations as director..

The Company shall establish guidance programmes to enable directors to gain quick and adequate knowledge of the Company and its Group and also of the rules of corporate governance. It shall also offer refresher programmes on such information when the circumstances call for it.

Article 17. Appointment of independent directors

The appointment of independent non-executive directors shall be restricted to persons that satisfy the conditions indicated in Article 6.2. a) of these Regulations.

Without prejudice to remaining on the Board of Directors, a director who has had this status for an uninterrupted period of 12 years may not hold office as an independent director. However, following a favourable report from the Nomination and Remuneration Committee, the Board may propose to the shareholders at the General Assembly that the director maintains his/her classification as independent even though the aforementioned circumstance is met.

Article 18. Term of office

1. Directors shall hold office for the period established in the Company bylaws, which in no case may exceed six years, notwithstanding their re-election to office.
2. The directors appointed by co-optation will hold office until the next General Assembly is held. This period of time 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. The Board of Directors, at its discretion, may waive or reduce this limitation for outgoing directors."

Article 19. Re-election Directors.

Before any re-election of directors is submitted for consideration to the shareholders at the General Assembly, the Nomination and Remuneration Committee must issue a report appraising the quality of work and dedication to the position in the preceding term of office of the proposed directors.

Article 20. Removal of Directors

1. Directors shall vacate office when the term for which they were appointed has elapsed or when the shareholders at the General Assembly, by virtue of the powers attributed to them by law or in the bylaws, so resolve.
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) When they vacate the positions or offices or cease to perform the functions that were associated with their appointment as executive directors.
   b) In the case of proprietary directors, where the shareholder at whose request they were appointed transfers in full the ownership interest held in FCC or where such interest is reduced to a level that requires a reduction in the number of proprietary directors.
   c) When they are affected by any situation of legal incompatibility or prohibition.
   d) When the Board itself requests the director's removal, with the majority vote of at least two-thirds of its members:
      - When they have been seriously admonished by the Board for failing to perform their obligations, after a prior proposal or report from the Nomination and Remuneration Committee, or
      - 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, should any directors be prosecuted or an order to

commence trial be issued against them for any of the corporate offences specified in Article 124 of the Spanish Companies Law, the Board shall examine the case at its earliest convenience and, in view of the specific circumstances, shall decide whether or not the directors should present their resignation, providing reasoned disclosure thereon in the Annual Corporate Governance Report.

3. The Board of Directors may not propose the removal of any independent directors before the period established in the bylaws for their appointment has elapsed, except where there is just cause, in the opinion of the Board, following a prior report from the Nomination and Remuneration Committee. Specifically, it shall be deemed that there is just cause where directors fails to discharge the duties inherent to their position or they are subject to any of the circumstances described in Article 6.2.a of these Regulations, whereby they are barred from appointment as independent directors.

4. When as a result of their resignation or for some other reason directors vacate their position before their term of office has concluded, they shall explain the reasons in a letter submitted to all the members of the Board. Directors' vacation of office shall also be disclosed in the Annual Corporate Governance Report as a significant event, together with the reasons therefore. Particularly, where the directors' resignation is due to significant or repeated resolutions adopted by the Board, on which the directors have expressed serious reservations and as a result thereof have opted to resign, this circumstance shall be expressly stated in the letter addressed to the other members of the Board.

The rules for amending the Company's Articles of Association are set forth in Article 17 of that document:

Article17. The General Meeting

The ordinary and extraordinary General Assembly shall be considered validly convened when: On the first Assembly date announced, when the shareholders present or represented possess at least fifty percent of the share capital with voting rights. On the second Assembly date called, the General Assembly shall be considered validly convened when the shareholders present or represented possess at least forty-five percent of the share capital with voting rights.

In order for the General Shareholders' Assembly to validly decide on bond issues, capital increases or decreases, transformations, mergers and spinoffs and, in general, any amendment to the Articles of Association, shareholders possessing at least fifty percent of the share capital with voting rights must be present or represented at the Assembly on the first announced date. On the second announced Assembly date, shareholders possessing forty-five percent of the share capital will suffice.

When the shareholders in attendance or represented on the announced Assembly date account for less than fifty percent of the subscribed capital with voting rights, resolutions may only be validly passed with the favourable vote of two-thirds of the share capital present or represented at the Assembly.

g. The powers of the members of the Board of Directors and in particular, those relating to the possibility of issuing or repurchasing shares

A) Baldomero Falcones Jaquotot, as the Chairman and Chief Executive Officer, is vested with the following powers:

To open and close accounts.- To open and close all manner of demand deposits, savings accounts or term deposits, at official or private banks, including the Bank of Spain, savings banks and other credit or financial institutions. To acquire, alienate, cancel and pledge certificates of deposit. To hire and cancel safe deposit boxes at banks and other financial institutions.

To draw on accounts.- To sign cheques, acquire banking cheques, buy and sell foreign currencies, order transfers, money transfers and payments and, in any manner, withdraw amounts from demand deposits and other accounts in official and private banks, including the Bank of Spain, savings banks and other credit or financial institutions.

To route payments through bank accounts.- To make standing orders for payments, bills, bills of exchange and other trade notes in any kind of accounts at official or private banks, including the Bank of Spain, savings banks and other credit or financial institutions.

To arrange credit facilities and loans.- In his capacity as borrower, to arrange credit facilities, loans and financial discounts, secured or unsecured with progress billings or invoices for works and services performed, as well as any other personal guarantee, with official or private banks, including the Bank of Spain, savings banks and other credit or financial institutions and also with any individual or legal entity, establishing the interest, terms, fees, covenants and conditions he may freely stipulate. To receive and repay in full or in part the amount of such loans or credit facilities and, in connection therewith, to postpone, divide and amend conditions subsequent. To modify, renew and repay fully or partially the aforementioned credit facilities or loans and, as a means of documentation, to sign the related policies and agreements and accept, issue or endorse, as the case may be, bills of exchange and other documentation that may be required. To request, arrange, modify and cancel the opening of any manner of simple or documentary letters of credit.

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Credit facilities and loans as lender.- In his capacity as lender, to arrange credit facilities and loans, secured or unsecured with personal guarantees or security interests, establishing the interest, terms, fees, covenants and conditions he may freely stipulate and in connection therewith to postpone, divide and amend conditions subsequent. To modify, renew and repay fully or partially the aforementioned credit facilities or loans and, as a means of documentation, to sign the related policies and agreements and accept, issue or endorse, as the case may be, bills of exchange and other documentation that may be required. To request, arrange, modify and cancel the opening of any manner of simple or documentary letters of credit.

To endorse certificates.- To endorse or pledge to official or private banks, including the Bank of Spain, savings banks and other credit or financial institutions, progress billings for construction work or services performed and that should be received by the state, autonomous community governments or bodies, provincial governments, island councils, municipal councils or joint local authority bodies or any other public or private entity.

To pay amounts into all manner of accounts.

To make collections.- To collect accounts receivable, irrespective of their amount, origin or nature, from the state, autonomous community governments, provincial governments, island councils, municipal councils, or joint local authority bodies or any other public or private individual or legal entity, signing the related receipts or letters of payment, for full amounts or amounts delivered on account, and also to receive amounts in the form of repayable advances.

To make assignments of trade receivables (factoring).

To make collections by means of documents made out to the Company.- To collect accounts receivable, irrespective of their origin or nature, from the state, autonomous community governments, provincial governments, island councils, municipal councils, or joint local authority bodies or any other public or private individual or legal entity, signing the related receipts or letters of payment, for full amounts or amounts delivered on account, and also receive amounts in the form of repayable advances. This power may be exercised exclusively when the payment is made by cheque, promissory note, bill of exchange or any other trade note made out to the Company holding the account receivable or at its order.

To issue and negotiate trade notes.- To issue, draft, negotiate, endorse and collect bills of exchange, money orders and letters of instruction and to collect and endorse promissory notes, cheques and banking cheques, to prepare re-draft accounts and demand protests or the control of the aforementioned trade notes.

To request statements.- To request statements of accounts from official or private banks, including the Bank of Spain, savings banks and other credit or financial institutions.

To approve statements.- To approve or contest statements of accounts of official or private banks, including the Bank of Spain, savings banks and other credit or financial institutions.

To arrange surety bonds for the principal.- To request and arrange surety bonds for the Company, as principal, with official or private banks, including the Bank of Spain, savings banks and other credit, financial or insurance entities through the provision by the latter entities of guarantees, bonds, surety bonds, rights in rem and other guarantees.

To provide surety bonds and guarantee the Principal and its investees.- To request and arrange surety bonds for the principal and also guarantee its investees with official or private banks including the Bank of Spain, savings banks and other credit, financial or insurance entities, through the provision by the latter entities of technical bonds, i.e. guarantees relating to contracts (provisional or final bonds), guarantees in the form of certificates for the procurement of machinery in project contracts or for the provision of services or supplies, signing such documents as might be freely stipulated between them for such purpose.

To accept trade notes and sign promissory notes.- To accept bills of exchange and other trade notes and to sign promissory notes.

To make and withdraw deposits.- To provide all manner of guarantees, provisional and final deposits in cash, securities, sureties, acknowledged or any manner of receivables to secure contracts, bids or tenders at the General Deposit Agency and at any of its offices and also at any state, autonomous community government or body, provincial government, island council, municipal council or joint local authority body or other public or private entity, including individuals. To replace redeemed securities with any others. To receive the amount of the coupons relating to such securities. To request the return of provisional and final sureties, guarantees and deposits, withdrawing both the cash and the sureties, the guarantees and securities deposited, receiving the interest earned on such guarantees and deposits and to discharge them and, as appropriate, to sign receipts, payment orders and such other public and private documents as may be appropriate in each case.

To make payments.- To pay any amounts that are owed, demanding receipts, letters of payment and the appropriate slips. To assign the management of invoice payments to credit institutions (reverse factoring).

To make bids and take part in tenders.- To bid and take part in all manner of auctions, tenders, price-based invitations to tender and any other class of tender

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that may called. To make the appropriate bids for such purpose, even jointly or jointly and severally with other bidding entities, whether they be individuals or legal entities, as well as economic interest groupings (EIGs) or joint ventures or any other type of association.. To sign such public or private documents as may be required, including plans, projects and any other relating to the bid or tender.

Representation at the opening of sealed envelopes at tenders – To attend acts at which bids are opened in connection with any class of tender called by public or private entities, whether they be individuals or legal entities and also to submit to the Board of the contracting body or entity such claims, reservations or observations as he sees fit and to sign the related documents that are issued.

To enter into agreements for the execution of projects, the provision of services and the sale of supplies.- To enter into agreements, assign them, amend them, terminate them and, if appropriate, rescind them with any public or private individual or legal entity, the state, autonomous community governments, provincial governments, island councils, municipal councils or joint local authority bodies, provided that the subject-matter of such agreements is the execution or provision, by the principal, of all manner of projects, services, supplies and also agreements of any type relating to concessions, leases and administrative arrangements. To accept all manner of awards made to the principal. To negotiate and agree to prices under dispute, changes or increases therein. To request the final settlement of such agreements.

Laying out ground plans of projects.- To be present at the verification of ground plans and at the delivery of provisional or final works, irrespective of their nature and the contracting entity, be it a public or private individual or legal entity, the state, autonomous community government, provincial government, island council, municipal council, or joint local authority or individual, signing such documents as may be necessary or advisable and making the representations and expressing the reservations that he deems fit.

To buy and enter into agreements.- To enter into agreements, to amend, terminate and, as the case may be, to rescind the acquisition and supply of materials or fixtures, the provision of services and also the execution of all manner of projects or portion thereof and the provision of services by third parties.

Water, electricity and telephone supplies.- To arrange the supply and connections for water, gas, electricity and telephone with the utilities companies.

Insurance.- To arrange, amend, surrender, pledge, terminate, rescind and settle all classes of insurance, signing the policies and contracts with the insurance companies in the conditions deemed appropriate and to receive from the insurance companies the compensation that may be applicable.

Authorisations for international trade.- To make all manner of applications to official bodies to request concessions, permits or licences on imports and exports, without any limitation, and in connection with such concessions, permits and licences, to file documents, appear at procedures and proceedings, receive notices and file appeals.

To receive correspondence.- To receive all manner of correspondence, the documents of declared-value items, money transfers and packages. To collect goods, packages, letters or any other manner of remittance from the customs and carrier and railway companies, making the relevant claims, where appropriate.

To sign correspondence.- To sign postal, telegraphic or any other manner of correspondence.

To issue certificates.- To issue appraisal reports and progress billings for projects or services performed.

Collective bargaining.- To negotiate and sign collective labour agreements, irrespective of their scope.

Industrial relations.- To open work centres, hire, amend, renew, terminate and, as the case may be, rescind employment contracts, setting with the employees the financial, working and any other manner of conditions deemed appropriate. Sign the related employment contracts. Initiate disciplinary proceedings and adopt the appropriate measures. Perform all manner of formalities, dealings and actions and procedures with the Ministry of Employment, Social Security offices, employment offices, trade unions and other bodies, filing and signing such submissions, requests and documents as may be required. Have dealings with the employment inspectors in any proceeding or review conducted by or filed with them.

Employment proceedings.- To appear before the labour courts, the higher courts of justice, the National Appellate Court, the Supreme Court or any administrative or court body in employment-related matters. Hold conciliation hearings, with or without settlement. Settle matters or differences, file requests, documents and submissions, as claimant or defendant, empowering him expressly to answer interrogatories and ratify them in such procedures and investigations as may be required in this respect and to take such other steps as he deems fit.

To develop and divide properties into lots.- To develop and divide properties into lots, request the approval for subdivision plats and newly built estates, the segregation and re-grouping of land lots and to accept them and, in general, to take part in all procedures envisaged under the Land and Urban Planning Law and supplementary legislation and in the municipal bylaws. To assign by any means real estate for development purposes. To set boundaries and mark limits, make

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property groupings, segregations and divisions. Request registrations, entries for property features that are greater or lesser in reality than the description thereof and modifications of boundaries, new descriptions and all manner of registry entries. To apply for construction permits, to make declarations of new construction, construct buildings under condominium property arrangements or any other type of association, to set the ownership shares thereof and to draft the bylaws and regulations, if applicable. To divide common properties and accept awards.

Rights in rem on real estate properties.- To arrange, accept, amend, redeem and discharge mortgages, usufructs, annuities, easements and all manner of rights in rem on real estate properties.

To lease properties of third parties – In his capacity as lessee, to arrange the lease of all manner of properties, even where the lease cannot be registered at the Property Registry, and also to renew, assign, amend, terminate and, as the case may be, rescind the related agreements.

To lease properties.- To lease all manner of real estate properties, even where the lease cannot be registered at the Property Registry. To execute, renew, amend, terminate and, as the case may be, rescind the related agreements. To evict tenants and lessees.

Real estate finance leasing.- To enter into agreements, assign them, amend them, terminate them, and as the case may be, rescind them with any individual or public or private legal entity, provided the subject-matter of such agreements is the performance of finance lease transactions relating to real estate.

The purchase and sale of vehicles and movable property.- To purchase, sell, exercise the retrospective right of first refusal, exchange and, by any means, to acquire or alienate, simply or subject to conditions, with deferred price, received price or in cash, all manner of movable properties (except the purchase and sale of company shares) and vehicles, without exception. Pay or receive, as the case may be, the price of acquisitions or sales. Set up or accept rights in rem as security interest and express conditions subsequent on such movable properties or vehicles and, in the event of sale, to accept any manner of guarantees as might be provided to secure the deferred price of the sale of such movable properties and vehicles.

To determine, himself, freely and without any restriction or limitation whatsoever, the conditions under which the acquisitions, alienations and exchanges in question are to be carried out and, for the purposes in question, to take all manner of steps and perform all manner of formalities and acts at the traffic authorities, tax offices, municipal councils, customs and other public and private bodies, without exception.

To lease vehicles and movable properties of third parties.- In his capacity as lessee, to arrange the lease of all manner of vehicles and movable properties and also to execute, renew, amend, terminate and, as the case may be, rescind the related agreements.

To assign vehicles and movable properties on a lease basis.- To lease all manner of vehicles and movable properties and also to execute, renew, amend, terminate and, as the case may be, rescind the related agreements.

Finance lease of movable properties.- To enter into agreements, assign them, amend them, terminate them and, as the case may be, rescind them with any public or private individual or legal entity, provided that the subject-matter of such agreements is the performance of finance lease transactions relating to movable properties.

Rights in rem on movable properties.- To set up, accept, modify, redeem and discharge security interests, pledges, usufructs and all manner of rights in rem on movable properties.

To purchase credits and other intangible rights.- To purchase and, in any other manner, to acquire in a single payment or in instalments and in the conditions he deems fit, all manner of credits and other intangible rights, provided that such credits and rights are not represented by securities or securities registered in the book entry trading system.

Sale of credits and other intangible rights.- To sell, alienate, pledge and in any manner to encumber, transfer, in a single payment or in instalments, and in the conditions he deems fit all manner of credits and other intangible rights, provided that such credits and rights are not represented by securities or securities registered in the book entry trading system.

To form companies.– To form civil law partnerships and mercantile companies. To subscribe shares, debt securities and other equity interests and to pay out amounts in cash or in any assets.

To waive pre-emption rights on share issues, debt securities and other equity interests. To accept exchanges, conversions and redemptions. To approve, accept and amend bylaws and shareholders agreements relating to shareholder relationships or with respect to the company, which supplement, replace or modify the contents of the rights and obligations of the shareholders under the bylaws. To appoint, accept, waive, remove and replace positions of representation, administration, management, direction and that of attorneys, setting the authority in each case and appointing managers and members of the managing bodies and other offices, being able, as appropriate, to designate, remove and replace third persons as representatives of the principal company in the discharge of the duties of the office for which they were appointed.

To form joint ventures and other associations.- To form, renew, amend, alter the form of, dissolve and liquidate associations, economic interest groupings, joint ventures or any kind of associations. To subscribe shares and pay out amounts in cash or in any other assets. To waive pre-emption rights on share issues. To accept exchanges, conversions and redemptions. To approve, accept and amend bylaws and members agreements relating to member relationships or with respect to the association, which supplement, replace or modify the contents of the rights and obligations of the members under the bylaws. To appoint, accept, waive, remove and replace positions of representation, administration, management, direction and that of attorneys, setting the authority in each case and appointing managers and members of the managing bodies and other offices, being able, as appropriate, to designate, remove and replace third persons as representatives of the principal company in the discharge of the duties of the office for which they were appointed.

Representation before the governing bodies of companies and other associations.- To attend and vote at Annual, Extraordinary or Universal Assembly of shareholders, exercising all the rights and fulfilling all the obligations intrinsic to the status of shareholder. To approve or contest, as the case may be, company resolutions.

To attend and vote at Boards of Directors' Assembly, committees or any other managing bodies of companies, joint ventures, economic interest groupings or any other type of association, approving and contesting the resolutions adopted, as the case may be.

To discharge the positions and assignments for which he has been appointed on the governing boards of companies, joint ventures, economic interest groupings or any manner of association, exercising the rights and fulfilling the obligations intrinsic thereto.

Representation.- To represent the principal in proceedings, appeals, procedures and claims, irrespective of their nature or amounts, in dealings with the state, autonomous community governments or bodies, provincial governments, island councils, municipal councils or joint local authority bodies, courts, tribunals, the public prosecutor's office and, in general, any other jurisdiction, and thereat to institute, monitor, follow through to completion, as claimant, defendant or in any other capacity, all manner of proceedings, acts of settlement, hearings and civil, criminal, administrative, economic-administrative and judicial review proceedings, of a governmental or tax nature and at all levels and jurisdictions. To lodge petitions and bring actions and exercise exceptions in whatsoever proceedings, processes and appeals, including cassation appeals and other extraordinary appeals. Where required, to give personal confirmation and to respond to interrogatories and, in general, to carry out such court and out-of-court actions as may be supplementary to the proceeding in hand. To file and desist from filing appeals to the state, autonomous community governments or bodies, provincial governments, island councils, municipal councils or joint local authority bodies or any public or private corporations or bodies, that in any way violate or may violate the principal's rights, making such representations and executing such documents as may be required in exercising such powers. To appear before all manner of entities and before them to sign and monitor such proceedings, submissions, petitions and documents as may be necessary.

Settlement.- To settle all manner of issues and differences and to discontinue actions and appeals, under the conditions, agreements and obligations deemed fit except for transactions entailing the acquisition or alienation of real estate properties or rights in rem. To agree, settle and give commitments in respect of all credits, rights and actions, disputes and differences.

Arbitration.- To submit the resolution of all manner of disputes and differences to arbitration. To execute the deed relating to the appointment of the arbitrators, establishing the matters to be submitted for resolution in the terms and conditions he deems fit. To accept the arbitral award that is handed down or to file legal appeals and, in general, to perform and grant whatsoever is permitted in matters of arbitration under current law.

To empower lawyers and court procedural representatives.- To grant powers of attorney to litigate or any special procedural powers he deems appropriate, including the powers of delegation, and to revoke them when he sees fit.

To accept the acknowledgement of debts and dation in payment – To accept the acknowledgment of debt by third parties and the guarantees that are offered and provided, whether they be pledges or security interests, mortgages or antichreses, or the award of movable or immovable properties, establishing in all cases the agreements, clauses and conditions he deems fit. To accept as payment of debts all manner of movable and immovable properties and rights at their appraisal value or at the value freely agreed and in the conditions he sees fit.

Attendance at creditors' Assembly.- As representative of the company and exercising all its rights, to attend the insolvency proceedings of its debtors, as provided for in Insolvency Law 22/2003, of 9 July, and particularly, to designate, in the event of the company itself being designated insolvency manager by a third of the creditors, a professional satisfying the legal conditions for his appointment by the insolvency judge, as provided for in Article 27 of the Law and to abide by the

MANAGEMENT REPORT

Assembly proposals and to attend insolvency creditors' Assembly in a speaking and voting capacity, accepting or rejecting the meetings' proposal and the guarantees offered to secure claims, in accordance with Articles 103, 108, 121 of the same Law. To take part in the implementation of the meeting's proposal and, as the case may be, in the insolvency liquidation. In general, for all the foregoing, to exercise the actions and rights that are appropriate therefore and the powers statutorily granted to the creditors.

To request notarial documents.- To request all manner of notarial documents. To bring proceedings of title, for resuming successive train of title, of release from charges and notarial documents of verification. To issue, accept and answer notarial notifications and demands. To execute deeds of clarification or rectification.

Tax returns.- To sign returns, details or any other forms relating to taxation or levies.

To buy securities.- To buy and, in any other manner, to acquire, by means of a single payment or in instalments and in the conditions he deems fit, treasury bills, debentures, bonds, company shares and securities. To evidence their acquisition and holding and to receive them. To make and submit representations.

To sell securities- To sell, alienate, pledge and, in any other manner, to encumber and transfer, by means of a single payment or in instalments and in the conditions he deems fit, treasury bills, bonds, company shares and securities. To convert, exchange and deliver them, to make representations and to file claims.

Purchase of treasury shares.- In compliance with the requirements of Article 75 and Additional Provision One of the Revised text of the Capital Companies Act and within the limits and under the conditions established by the shareholders at the General Assembly that authorised the transaction, to buy and in any manner to acquire treasury shares of the principal, in a single payment or in instalments.

Sale of treasury shares.- To sell, alienate, pledge and, in any other manner, to encumber and transfer treasury shares of the principal, by means of a single payment or in instalments and in the conditions he deems fit.

To guarantee and provide sureties for third parties- To guarantee and provide sureties for third parties and to such end provide, on behalf of the principal, all manner of guarantees including mortgage guarantees and security interests.

Purchase of real estate properties.- To purchase, to exercise the retrospective right of first refusal and, by any other means, to acquire, purely or subject to conditions, with deferred price (be it represented or not by bills of exchange), received price or in cash, all manner of real estate properties and rights in rem. To give and discharge the collateral he deems fit to secure deferred prices, including mortgages that encumber the acquired asset and express conditions subsequent or any combination thereof or other guarantees. With respect to the guarantees provided, to establish schemes for their discharge, automatically or unilaterally on the purchaser's part, to accept, modify and exercise purchase options on immovable properties and other rights in rem.

Sale of real estate units.- To sell, exchange or, by any means, to alienate, purely or under conditions, with deferred or received price or in cash, all manner of immovable properties and rights in rem. To accept the personal guarantees and collaterals that he sees fit to secure deferred prices, including pledges, mortgages and express conditions subsequent or any combination thereof or other guarantees. To collect the deferred price, to grant letters of payment and discharge such guarantees. With respect to the guarantees provided, to establish schemes for their discharge, automatically or unilaterally on the purchaser's part. To grant, modify and waive purchase options on immovable properties and other rights in rem.

Sale of real estate developments.- To sell residential properties, business premises, offices, storerooms, car parks and other real estate units, setting the prices, the manner of payment and the interest, as the case may be, that he deems appropriate.

Delegation of powers of attorney- To delegate the aforementioned powers of attorney fully or partially to the persons he sees fit. To limit, restrict or amend the contents of each of the powers in the cases and in the manner he deems necessary. To revoke powers that have been conferred, irrespective of the person or company body that granted them, even if they were granted by the Board of Directors, the directors or the Executive Committee, with the attorney retaining all and every one of the powers delegated to him.

MANAGEMENT REPORT

In connection with the possibility of issuing or repurchasing shares, in accordance with the aforementioned description, he may with his sole signature:

- sell and purchase treasury shares
- purchase and sell securities

B) The Director Felipe Bernabé García Pérez, as the Secretary General, has been vested with the following powers (non-delegation of powers):

Powers that require just one signature:

- Representation at tender openings
- Water, electricity and telephone service
- Foreign trade licenses
- Receives correspondence
- Signs correspondence
- Leases property from third parties
- In rem rights to movable property
- Incorporates companies
- Sets up joint ventures and other associations
- Represents the company before governing bodies of businesses and other associations
- Representation
- Transaction
- Arbitration
- Empowers attorneys
- Recognised debts and payments
- Attends Assembly of creditors
- Requests notarised instruments
- Files tax returns

Powers that required the signature of another person vested with the same powers:

- Purchases and contracts
- Insurance
- In rem rights to movable property
- Property leases
- Financial leasing
- Purchase and sale of vehicles and furnishings
- Leases vehicles and furnishings from third parties
- Lease vehicles and furnishings to third parties
- Financial leasing

h. Significant agreements concluded by the Company that may come into effect, may be amended or terminated in the event of a change of control in the Company as a result of a takeover bid and their effects, except when disclosure may have a serious adverse effect on the Company. This exception shall not apply when the Company is legally required to disclose this information

None.

MANAGEMENT REPORT

i. Agreements between the Company and its directors, management personnel or employees which provide for termination benefits when the latter resign or are dismissed without justification or if the employment relationship ends as a result of a takeover bid.

The Company has not established any pension plans to complement the social security pension benefits. In accordance with the amended text of the Pension Plans and Pension Funds Act, the company has outsourced its employee pension obligations, in the very few cases that obligation exist.

Prior approval of 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 indemnity are those that entail the extinction 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 company has subsequently offered certain executives, at the time of hiring, an indemnity clause which would take effect only if the employment relationship were cancelled unilaterally by the company before a minimum period of time has elapsed. Clauses of this nature are also contained in the contracts signed with the Chairman and CEO, with the approval of the Board of Directors.

AUDIT REPORT

Deloitte.

Deloitte, S.L.
Plaza Pablo Ruiz Picasso, 1
Torre Picasso
28020 Madrid
España

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Fax: +34 915 14 51 80
www.deloitte.es

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. 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 2010 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 2010 present fairly, in all material respects, the equity and financial position of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. at 31 December 2010, 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.

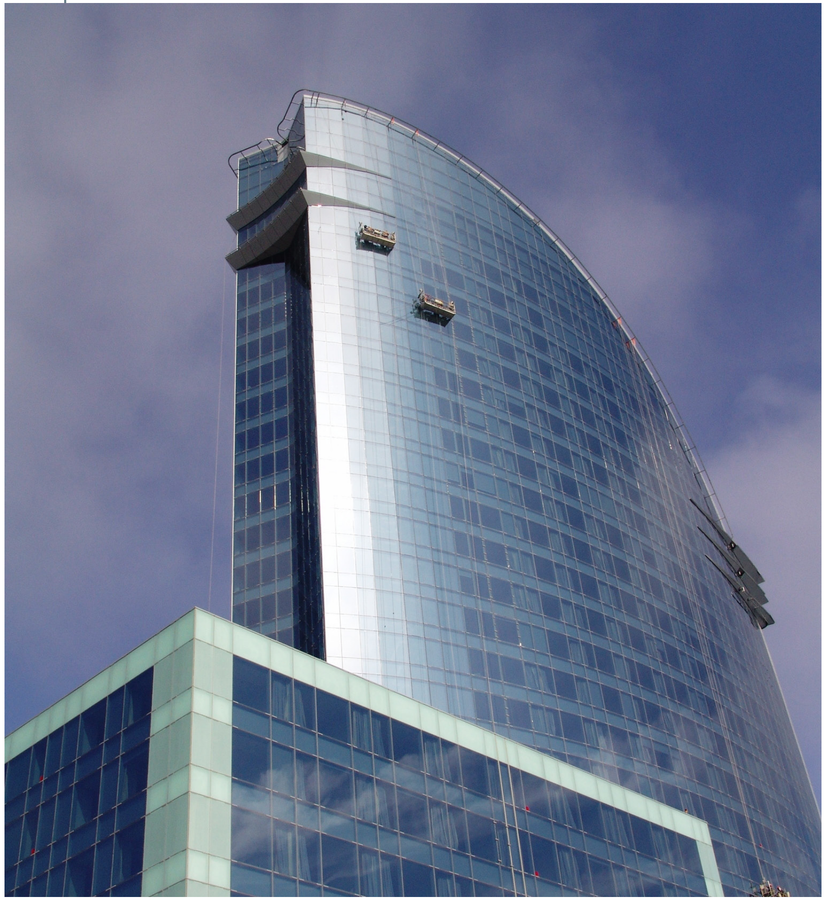
3. The accompanying Directors' report for 2010 contains the explanations which the Directors consider appropriate about the Company's situation, the evolution of its business and other matters, but is not an integral part of the financial statements. We have checked that the accounting information in the directors' report is consistent with that contained in the financial statements for 2010. 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

Miguel Laserna Niño
28 February 2011

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.

AUDIT



CORPORATE GOVERNANCE

GOVERNANCE

APPENDIX I

ANNUAL CORPORATE GOVERNANCE REPORT

LISTED COMPANIES

FISCAL YEAR 2010

TAX ID. A28037224

Name:

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.

Business address:

Balmes, 36

08007 Barcelona

España

NOTE:

This document includes the information contained in the Spanish Securities Market Commission model Annual Corporate Governance Report for 2010 for FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A, approved by the Board of Directors meeting on 28 February 2011. The figures in this document are identical to those in the approved Report; only the format has been modified. Additional comments included under Section G ("OTHER INFORMATION") in the official model have been incorporated into the corresponding sections of this document.

CORPORATE GOVERNANCE

A. OWNERSHIP STRUCTURE

A.1. Complete the next table about the company's ownership 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

Please indicate if there are different types of shares, and if so their corresponding rights:

Yes ☐ No ☒

Class	Number of shares	Par value	Par value of voting rights	Different rights

A.2. Indicate direct and indirect owners of significant stakes, and their stakes at yearend, excluding directors:

Name of shareholder	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
The Royal Bank of Scotland Group, PLC	0	4,330,938	3.402

(*) Through:

Name of shareholder	Number of direct voting rights	% of total voting rights
The Royal Bank of Scotland Group, PLC	4.323.586	3,396

Indicate significant changes in the ownership structure in the year:

Name of shareholder	Transaction date	Description of the transaction

A.3. Complete the next tables regarding the members of the company's Board of Directors who own stock with voting rights in the company:

Name of shareholder	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
Don Gonzalo Anes y Álvarez de Castrillón	11,350	0	0.009
B 1998, S.L. (1)	59,871,785	8,653,815	53.829
Don Miguel Blesa de la Parra	4,950	0	0.004
Cartera deva, S.A.	100	0	0
Don Juan Castells Masana (2)	17,509	8,100	0.020
Dominum Desga, S.A.	4,132	0	0.003
Dominum Dirección y Gestión, S.A.	10	0	0
Eac Inversiones Corporativas, S.L.	32	0	0
Don Fernando Falcó Fernández de Córdova	8,390	0	0.007
Don Baldomero Falcones Jaquotot (3)	48,473	85,150	0.105
Don Felipe Bernabé García Pérez	55,571	0	0.044
Larranza XXI, S.L.	10	0	0
Don Rafael Montes Sánchez (4)	98,903	20,697	0.094

CORPORATE GOVERNANCE

Name of shareholder	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
Don Marcelino Oreja Aguirre	14,000	0	0.011
Don Antonio Pérez Colmenero	35,323	0	0.028
Don Robert Peugeot	10	0	0
Don Javier Ribas	8,000	0	0.006

(*) Through:

Name of shareholder	Number of direct voting rights	% of total voting rights
Azate, S.A (1)	8,653,815	6.798
Doña Heather M. Randall Snell(2)	8,100	0.006
Oravla Inversiones, S.L. (3)	73,650	0.057
Amolap Inversiones Sicav, S.A. (3)	11,500	0.010
Doña Josefa Fernández Mayo (4)	20,697	0.016
% Total of voting rights held by the board of directors		**54.16**

Complete the next tables regarding the members of the company's board of directors who own stock options in the company:

Name of shareholder	Number of direct stock options	Number of indirect stock options	Number of equivalent shares	% of share capital
Don Baldomero Falcones Jaquotot	95,000	0	95,000	0.075
Don Antonio Pérez Colmenero	72,500	0	72,500	0.057
Don Felipe Bernabé García Pérez	72,500	0	72,500	0.057

NOTE

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. (hereafter FCC) is controlled by B 1998, S.L., which owns 53.829% of FCC shares, of which 59,871,785 are held directly and 8,653,815 are held indirectly through subsidiary Azate, S.A.

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. (FCC) is controlled by B 1998, S.L., which is controlled by Esther Koplowitz Romero de Juseu, who holds an 89.65% stake:

- 22.87% directly and
- indirectly, through Dominum Desga, S.A. (0.0001%) and Dominum Dirección y Gestión, S.A. (66.78%), both of which are 100% owned by Esther Koplowitz Romero de Juseu.

Esther Koplowitz Romero de Juseu also holds 123,313 FCC shares directly and 39,172 FCC shares indirectly through her wholly-owned companies Dominum Desga, S.A. (4,132 shares), Dominum Dirección y Gestión, S.A. (10 shares) and Ejecución y Organización de Recursos , S.L. (35,040 shares), all wholly-owned by Esther Koplowitz Romero de Juseu.

Various investors (hereinafter, the Investors) hold a 10.35% stake in B 1998, S.L., as follows:

- Eurocis, S.A. (5.01%)
- Larranza XXI, S.L. (5.34%)

CORPORATE GOVERNANCE

A.4. Indicate 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:

Name of related shareholder	Type of relationship	Brief description

A.5. Indicate any commercial, contractual or corporate relationships between owners of significant stakes and the company, unless they are insignificant or are derived from ordinary commercial transactions:

Name of related shareholder	Type of relationship	Brief description

A.6. Indicate if the company has been notified of any shareholders' agreements which affect the company as set out in Article 112 of the Spanish Securities Market Law. If so, briefly describe the agreements and agreement and the shareholders involved:

Yes [x] No [ ]

Particicpants in the shareholders agreement	% of share capital affected	Brief description
Doña Esther Koplowitz Romero de Juseu	52.483	Relevent event of 30/07/2004 www.cnmw.es (see note)
Doña Esther Koplowitz Romero de Juseu	52.483	Relevent event of 30/07/2004 www.cnmw.es (see note)
Doña Esther Koplowitz Romero de Juseu	52.483	Relevent event of 30/07/2004 www.cnmw.es (see note)
Doña Esther Koplowitz Romero de Juseu	52.483	Relevent event of 30/07/2004 www.cnmw.es (see note)
Doña Esther Koplowitz Romero de Juseu	53.829	Relevent event of 30/07/2004 www.cnmw.es (see note)

NOTE

A regulatory disclosure was published on 30 July 2004 on the National Securities Market Commission (Comisión Nacional del Mercado de Valores, CNMV) website regarding the acquisition of part of Esther Koplowitz Romero de Juseu's stake in B 1998, S.L. by Inversiones Ibersuizas, S.A., Inversiones San Felipe, S.L., Cartera Deva, S.A., and the French family Peugeot, through Simante, S.L.

A regulatory disclosure was filed on 13 January 2005 on the agreement between Dominum Dirección y Gestión, S.A. Sociedad Unipersonal (wholly-owned by Esther Koplowitz Romero de Juseu) and Larranza XXI, S.L. (belonging to the Bodegas Faustino group) to transfer a portion of the former's minority stake in B 1998, which directly and indirectly owns 52.483% of FCC, to the latter.

A regulatory disclosure was filed on 13 January 2005 on the agreement between Dominum Dirección y Gestión, S.A. Sociedad Unipersonal (wholly-owned by Esther Koplowitz Romero de Juseu) and 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. to transfer a minority stake owned by the former in B 1998, S.L., which directly and indirectly owns 52.483% of FCC, to the latter.

A regulatory disclosure was filed on 19 July 2007 on the novation modifying B1998, S.L. shareholder agreements, which does not alter Esther Koplowitz Romero de Juseu's direct and indirect stakes in B 1998, S.L. or the agreements between parties with respect to the governance of B 1998, S.L. and, indirectly, of Fomento de Construcciones y Contratas, S.A., or any provision regarding control of the two companies."

A regulatory disclosure was issued on 26 December 2007 on the reorganisation of the ownership structure of B 1998, S.L., whereby Esther Koplowitz Romero de Juseu , through wholly-owned company DOMINUM DIRECCIÓN Y GESTIÓ N , S.A., signed an agreement with IBERSUIZAS HOLDINGS, S.L. to purchase from the latter 10.55% of B 1998, S.L., which owns 52.483% of FCC, effective 30 January 2008.

The transaction totalled 381.5 million euro, valuing FCC shares at EUR 55.94 each. This move, which was initiated by Esther Koplowitz and increased her stake in FCC, entailed the divestment of Grupo Ibersuizas in B 1998, S.L. and, thus, in FCC Group. Ibersuizas Holdings, S.L. ceased being party to the shareholders' agreement regulating the relationships between shareholders of B 1998, S.L., and on 30 January 2008, resigned from the board of directors of that company. Ibersuizas Alfa, S.L. also left FCC's board of directors.

A regulatory disclosure was issued on 4 February 2008 regarding Esther Koplowitz's acquisition of Ibersuizas Holding's stake in B 1998, S.L., FCC's main shareholder (53.829%). The agreement was reached on 24 December 2007. A regulatory disclosure was issued on 12 July 2010 as follows: "Businesswoman Esther Koplowitz has reached an agreement with Simante, S.L. to acquire the latter's stake in the share capital of B-1998 S.L. for EUR 88 million.

Under the agreement, Simante will sell all of its shares in B-1998 to Dominum Dirección y Gestión S.A. The transaction will be carried out in the month of September and refers to 5.7% of the share capital."

Following the reorganisation of the capital of B-1998, S.L., the capital ownership is as follows:

- Esther Koplowitz (directly or indirectly) 89.65%
- Eurocis, S.A. 5.01%
- Larranza XXI, S.L. 5.34%
- Total 100.00%

The above-mentioned regulatory disclosures reflect the main agreements reached between Esther Koplowitz Romero de Juseu and the Investors since the respective acquisitions regarding control of FCC and B 1998, S.L.:

- 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. will comprise twelve directors. As a group, the Investors are entitled to appoint up to four directors, although under no circumstances may those directors appoint more than one third of the members of the Board of B 1998, S.L.
- At all events, Esther Koplowitz Romero de Juseu may appoint the majority of the members of the boards of directors of FCC and its subsidiaries. As a group, the Investors may appoint up to three members but never more than one-third of the total Board of Directors of FCC.
- Esther Koplowitz Romero de Juseu may appoint the Chairman of the Board of Directors of FCC, the Managing Director of FCC and at least two-thirds of the members of the Executive Committee.
- FCC's pay-out will be at least 50%.

Esther Koplowitz Romero de Juseu and the Investors have entered into a series of agreements to protect the latter's minority interest in B 1998, S.L.:

IN RELATION TO B 1998, S.L:

As regards B 1998, S.L., although the general rule is that decisions (in the Shareholders' Meeting or the Board of Directors) be adopted by simple majority of capital, there are a number of special cases where consensus is required:

- Modifications to the Articles of Incorporation that entail moving the registered offices abroad, changing the corporate purpose or increasing or reducing capital, except where such operations are required by law or, in the case of capital reductions, when they occur through the acquisition of own shares by B 1998 S.L., (owned directly and indirectly by Esther Koplowitz Romero de Juseu and Dominum Dirección y Gestión S.A.) for amortisation, or when the capital reduction is performed through amortisation of shares of B 1998, S.L. (held directly and indirectly by Esther Koplowitz Romero de Juseu and by Dominum Dominum Dirección y Gestión, S.A.) against reserves, which may only be performed by Esther Koplowitz Romero de Juseu, according to a clause in the Articles of Incorporation and otherwise.
- Any type of transformation, merger or spin-off or the total transfer of assets and liabilities;
- Dissolution or liquidation of B 1998 S.L.;
- Overriding of pre-emptive subscription rights in capital increases and the exclusion of shareholders;

CORPORATE GOVERNANCE

- Modification of the regime of management of B 1998, S.L.;
- Establishment or modification of the dividend policy agreed by the Investors in connection with rights attached to their shares, as set out in the Articles of Incorporation or otherwise;
- Acts of disposal or encumbrance, by any means, of any significant assets of B 1998, S.L., specifically shares of FCC or shares of any other companies in which B 1998 S.L. holds or may hold a stake in the future;
- An increase in structural expenses which, on an annual basis, exceed those reflected in the company's balance sheet as of 31 December 2003, increased in line with the general annual CPI plus two percentage points; the foregoing calculation will exclude the remuneration paid to B 1998, S.L. as a result of that company being a member of the Board of Directors of FCC (hereafter, the "FCC Board Remuneration"), and remuneration of members of the Board of Directors of B 1998, S.L., as long as it does not exceed the FCC Board Remuneration;
- Granting or maintaining powers that allow for the disposal of FCC shares, by any means;
- Encumbering B 1998, S.L. with debt and obtaining or providing guarantees which, overall, exceed 500,000 euro;
- Creating or acquiring direct subsidiaries (other than FCC subsidiaries) or acquiring shares in entities other than those in which B 1998 S.L. already holds a stake

IN RELATION TO FCC:

As regards FCC, although the general rule is that decisions (in the Shareholders' Meeting or the Board of Directors) be adopted by simple majority of capital, there are a number of special cases where consensus is required:

- Modifications to the Articles of Incorporation that entail moving the registered offices abroad and increasing or reducing capital, except where such operations are required by law.
- Changing the corporate purpose when doing so includes the incorporation of activities not related to construction, services, cement and real estate.
- Any type of transformation, merger or spin-off.
- Any merger of FCC, Cementos Portland Valderrivas, S.A. and FCC Servicios, S.A. whereby B 1998, S.L. would no longer indirectly hold more than 50% of the voting rights in the post-merger company.
- Overriding of pre-emptive subscription rights in capital increases.
- Modification of the regime of management.
- Acts of disposal or encumbrance, by any means, of any relevant FCC assets unrelated to the company's object, and, at all events, the above-mentioned acts within the scope of FCC's object when the total or combined value is EUR 700,000 thousand or more (adjusted in line with the annual increase in the CPI), or entail a significant modification to the current structure of the FCC Group or represent more than 10% of the FCC Group's consolidated assets.
- 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.
- Granting of powers that permit, by any means, the above-mentioned disposals, encumbrance and acquisitions; the foregoing does not in any way limit Esther Koplowitz Romero de Juseu's right to appoint and remove the Managing Director of FCC.
- Encumbering FCC with debt and obtaining or providing guarantees (excluding, at all events, guarantees included in the normal course of ordinary business and non-recourse project finance) which, overall, exceed 2.5 times the EBITDA shown in FCC's most recent consolidated balance sheet.

In the event that Esther Koplowitz Romero de Juseu and the Investors are unable to reach a consensus to adopt resolutions in the above-mentioned special cases, the parties will take the necessary measures to maintain the pre-existing situation.

CORPORATE GOVERNANCE

The full content of the shareholders' agreements are available on the CNMV website as Regulatory Disclosures dated 30 July 2004, 13 January 2005, 19 July 2007, 26 December 2007 and 4 February 2008.

Indicate if 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.

A.7. Indicate if 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:

Yes ☒ No ☐

Name	Doña Esther Koplowitz Romero de Juseu
Comments	

A.8. Complete the next tables about the company's own shares:

At year end:

Number of direct shares	Number of indirect shares (*)	% of share capital
5,182,582	7,432,369	9.909

(*) Through:

Name of direct owner of stake	Number of direct shares
Asesoría Financiera y de Gestión, S.A.	7,432,369
Total	**7,432,369**

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

Date of disclosure	Total number of shares acquired	Total number of indirect shares acquired	% of share capital
24-06-10	0	1,426,135	1.121
12-02-10	0	1,598,187	1.255
Capital gain/ (Capital loss) on own shares disposed of during the period			**(-2,592€)**

CORPORATE GOVERNANCE

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 by the Extraordinary Shareholders' Meeting of 30 November 2009 (Agenda item 2)

Under the provisions of Article 3 et seq. of European Commission Regulation 2273/2003, of 22 December, the meeting approved a share buyback programme whose only purpose was (i) to fulfil the obligations deriving from the issuance of exchangeable bonds (the "Bonds") for a maximum amount of four hundred fifty million euro (EUR 450,000 thousand) approved by the Company under the decision by the Meeting of Shareholders on 18 June 2008 by virtue of an Executive Committee decision 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 thousand shares loaned to the Joint Lead Managers), which shall henceforth be deemed to be subject to the terms and conditions of the programme approved by the Meeting of Shareholders. As a result of the foregoing, decision six adopted by the Meeting of Shareholders 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 at most five years from the date of this Meeting of Shareholders, 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 matching 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.
- The acquisition price may not be less than the par value nor more than 20 per cent higher than 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 Ordinary General Meeting of 27 May 2010 (Agenda item 7)

B. Share buyback programme and capital reduction

Under the provisions of Article 3 et seq. of 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 Decision for a maximum of three hundred million euro (EUR 300,000 thousand) (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 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 at most five years from the date of this Meeting of Shareholders, 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 matching 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.
- The acquisition price may not be less than the par value nor more than 20 per cent higher than 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.

CORPORATE GOVERNANCE

A.10. Indicate any legal or Articles of Incorporation restrictions on the exercise of voting rights or any legal restrictions on the acquisition or sale of stakes in share capital.

Indicate whether there are any legal restrictions on the exercise of voting rights:

Yes ☐ No ☒

Maximum percentage of voting rights that a shareholder may exercise under legal restrictions	0

Indicate whether there are restrictions in the Articles of Incorporation on the exercise of voting rights:

Yes ☐ No ☒

Maximum percentage of voting rights that a shareholder may exercise under restrictions in the Articles of Incorporation	0

Indicate whether there are any restrictions on the acquisition or sale of stakes in share capital:

Yes ☐ No ☒

A.11. Has the General Meeting of Shareholders adopted neutralisation measures in the event of a takeover bid as provided in Law 6/2007?

Yes ☐ No ☒

Detail any such methods that have been approved and the terms in which the restrictions will be rendered ineffective:

CORPORATE GOVERNANCE

B. STRUCTURE OF THE COMPANY'S ADMINISTRATION

B.1. Board of Directors

B.1.1. Indicate the minimum and maximum number of directors envisaged in the Articles of Incorporation:

Maximum number of directors	22
Maximum number of directors	5

B.1.2. Complete the next table with the members of the board:

Name of director	Representative	Board position	Date of first appointment	Date of last appointment	Election procedure
Don Gonzalo Anes y Álvarez de Castrillón		Director	30-06-1991	27-05-2010	General Meeting
B 1998, S.L.	Doña Esther Koplowitz Romero de Juseu	1st Vice President	17-12-1996	28-06-2007	General Meeting
Don Miguel Blesa de la Parra		Director	29-06-2006	29-06-2006	General Meeting
Cartera deva, S.A.	Don Jaime Llantada Aguinaga	Director	15-09-2004	27-05-2010	General Meeting
Don Juan Castells Masana		Director	21-06-2000	27-05-2010	General Meeting
Dominum Desga, S.A.	Doña Esther Alcocer Koplowitz	2Nd Vice President	27-09-2000	29-06-2006	General Meeting
Dominum Dirección y Gestión, S.A.	Doña Carmen Alcocer Koplowitz	Director	26-10-2004	27-05-2010	General Meeting
Eac Inversiones Corporativas, S.L.	Doña Alicia Alcocer Koplowitz	Director	30-03-1999	11-06-2009	General Meeting
Don Fernando Falcó y Fernández de Córdova		Director	18-12-2003	27-05-2010	General Meeting
Don Felipe Bernabé García Pérez		Director-Assistant Secretary	30-03-1999	27-05-2010	General Meeting
Don Baldomero Falcones Jaquotot		Chief Executive Officer	18-12-2007	18-06-2008	General Meeting
Don Rafael Montes Sánchez		Director	06-03-1992	11-06-2009	General Meeting
Don Marcelino Oreja Aguirre		Director	21-12-1999	27-05-2010	General Meeting
Don Cesar Ortega Gómez		Director	28-06-2007	28-06-2007	General Meeting
Don Antonio Pérez Colmenero		Director	30-03-2005	27-05-2010	General Meeting
Don Robert Peugeot		Director	15-09-2004	27-05-2010	General Meeting
Don Nicolás Redondo Terreros		Director	19-06-2008	19-06-2008	General Meeting
Don Javier Ribas		Director	11-06-2009	11-06-2009	General Meeting
Don Henri Proglio		Director	27-05-2010	27-05-2010	General Meeting
Total number of directors:		**20**			

NOTE

Francisco Vicent Chuliá was appointed Secretary of the Board of Directors at the Board meeting held on 26 October 2004.

The director, Larranza XXI, has not formally accepted its appointment to the Board of Directors of FCC after being elected at the General Meeting on 27 May 2010.

B.1.3. Complete the next tables with the members of the board and their status:

EXECUTIVE DIRECTORS

Name of director	Committee that proposed appointment	Position held
Don Baldomero Falcones Jaquotot	Appointments and remuneration	Chairman and CEO
Don Felipe Bernabé García Pérez	Appointments and remuneration	Secretary general

Total number of executive directors	2
% of total board members	10.5

EXTERNAL PROPRIETARY DIRECTORS

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	B 1998, S.L.
Dominum Desga, S.A.	Appointments and remuneration	B 1998, S.L.
Dominum Dirección y Gestión, S.A.	Appointments and remuneration	B 1998, S.L.
Eac Inversiones Corporativas, S.L.	Appointments and remuneration	B 1998, S.L.
Don Fernando Falcó Fernández de Córdova	Appointments and remuneration	B 1998, S.L.
Don Marcelino Oreja Aguirre	Appointments and remuneration	B 1998, S.L.
Cartera Deva, S.A.	Appointments and remuneration	B 1998, S.L.
Don Robert Peugeot	Appointments and remuneration	B 1998, S.L.
Don Juan Castells Masana	Appointments and remuneration	B 1998, S.L.
Don Miguel Blesa de la Parra	Appointments and remuneration	B 1998, S.L.
Don Rafael Montes Sánchez	Appointments and remuneration	B 1998, S.L.
Don Antonio Pérez Colmenero	Appointments and remuneration	B 1998, S.L.

Total number of proprietary directors	12
% of total board members	63.2

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EXTERNAL INDEPENDENT DIRECTORS

Name of director	Profile
Don César Ortega Gómez	General Manager of Banco Santander. Holds a degree in Economics and Business and a Masters in Tax Consulting From Icade. Studied Law and Philosophy. Partner at Arthur Andersen Asesores Legales y Tributarios and Garrigues Law Firm 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.
Don Gonzalo Anes y Álvarez de Castrillón	Director of FCC, S.A.; Chairman of its Audit and Control Committee and member of its Nomination and Remuneration Committee. Holds a Phd. in Economics From Madrid University. Professor of History and Economic institutions at the Madrid Complutense University School of Economics. Full Member of the Spanish Royal Academy of History, and Director since 1998. Member of the Prado Museum Board of Trustees since 1982 and was its Chairman from 1986 to 1990. Former Director of the Bank of Spain and of Repsol-YPF.
Don Henri Proglio	Hold a degree from the Hec, Business School de Paris (1971). Currently Chairman and CEO of EDF and Member of the Board of Directors and Supervisory Committee of Dassault Aviation, Natixis, CNP Seguros. In the past he has been Chairman of the Board of Directors of Veolia Medio Ambiente, Chairman of the Board of Directors of the following Vivendi Environment Businesses: Aguas Generales y Vivendi Agua, Cgea (Onyx: Waste Management- Connex: Transport), and Dalkia (Energy Services), Vice-President of Vivendi, Chairman of Génerale des Eaux, Managing Director and Member of the Board of Directors of Vivendi Agua, Executive Vice President of Compagnie Générale des Eaux, Member of the Executive Committee of la Compagnie Générale des Eaux. He is also a former Senior Officer of Compagnie Générale des Eaux and Chairman and Ceo of Cgea, a Subsidiary of la Compagnie Générale des Eaux in the Transport and Waste Management area. Recipient of the French Legion of Honour Medal.
Don Nicolás Redondo Terreros	Holds a law degree From deusto University; Chairman of Fundación Para la Libertad; Member of the Editorial Board of El Economista; Member of the Editorial Board of the "Registradores" Magazine of the Spanish Property Registrars and Economists; Member of the Advisory Board of infomedio (Agencia de información sobre Oriente Medio). Recipient of the 2003 Constitutional Merit Award from the Spanish Government. Former: First deputy President of Vizcaya; Member of the Basque Parliament; Secretary General of the Basque Socialist Party Parliamentary Group in the Basque Parliament; Spokesman For the Socialist Party Group in the Vizcaya Parliament; Member of the Spanish National Parliament For Vizcaya, and Chairman of the Basque Socialist Parliamentary Group.
Don Javier Ribas	Holds a Phd in Industrial Engineering, a degree in Economics and a diploma in Operational Research from the French Petroleum institute (Paris). Engineer at Compañía Francesa de Petróleo; Head of Research at Esso France; Head of the industrial Sector for Liga Financiera de Madrid; deputy General Manager of Electronic Data Systems (Eds) Spain. Currently Executive Vice-Chairman of Eds Spain. Served On the Board of Directors of Telson, S.A. and Hidrocantábrico, S.A.; Is Currently Director at inforsistem, S.A. and Hewlett-Packard/Eds(Advisory Board).

Total number of independent directors	5
% of total board members	26.3

OTHER EXTERNAL DIRECTORS

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 proprietary or independent, and indicate any relations between them and the company, its executives or shareholders:

Name of director	Reasons	Company, executive or shareholder with which he/she is related

Indicate any changes in directors' status in the period:

Name of director	Date of change	Former status	Current status

B.1.4. Indicate any reasons for which proprietary shareholders were appointed at the proposal of a shareholder owning less than 5% of capital:

Name of shareholder	Supporting documentation

Disclose any rejection of a formal request for a board seat from shareholders whose equity stake is equal to or greater than that of others which applied successfully for a proprietary directorship. Detail the reasons for any such rejection:

Yes ☐ No ☒

B.1.5. State whether any director has withdrawn from his/her position before the expiration of his/her term of office, whether the director has given reasons to the Board and by what means, and in the event that he/she gave reasons in writing to the full Board, describe at least the reasons given by the director:

Yes ☒ No ☐

Name of director	Reason for withdrawal
Don Max Mazin Brodovka	A petición propia (por motivos de salud)

B.1.6 Indicate any powers delegated to the managing director(s):

Name of director	Reason for withdrawal
D. Max Mazin Brodovka	At his request (health reasons)

NOTE

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 Incorporation 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 Managing Director is responsible for representing and directing 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 authority.

The effective representation and direction of the company's business affairs includes but is not limited to:

CORPORATE GOVERNANCE

- Supporting the Board of Directors in defining the Group's strategy.
- Drafting the Business Plan and Annual Budgets 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 euro, respectively, proposals for investments, divestments, credit, loans, surety and guarantee lines and any other type of financial facility.
- Hiring and dismissing any company employee, with the exception of appointments which fall under the powers of the Board of Directors pursuant to the terms of these Rules.

Once per year, at the first Board meeting of the year, the Managing Director will inform the members of the Executive Committee of the actual level of compliance with the forecasts contained in 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 states:

"In any event, through the passage of resolutions which must be approved in each case as stipulated by law and the Articles of Incorporation, the plenary Board of Directors has exclusive powers over the following formal list of matters, which may not be delegated:

a. Appointment and removal of the Chairman, Vice-Chairman, Managing Directors, Secretary and Vice-Secretary of the Board of Directors and, at the proposal of the Managing Director, 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 Management Committee and, in general, the Company's Senior Executives.

b. Propose to respective Boards of Directors, at the initiative of the Managing Director and through the Company's representatives, the appointment, 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 Incorporation, and revoking such powers.

d. Appointment and removal of directors as members of the various Committees envisaged in these Rules.

e. Supervising the Board's Delegated Committees.

f. Appointing Board members by co-optation to fill vacancies that arise until the next General Meeting is held.

g. Accepting the resignation of board members.

h. Authorising the financial statements and dividend policy for submission and proposal to the General Meeting, and declaring interim dividends.

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 Managing Director, 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 type of transactions whose specific circumstances make them strategic.

k. The general organising powers of the Board of Directors, particularly the power to amend these Rules.

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."

Article 8.1 (under "General functions - Equilibrium in the performance of functions"), states that:

"The Board of Directors is responsible for performing such acts as may be necessary to attain the corporate purpose set forth in the Articles of Incorporation, in accordance with the applicable laws."

Article 8.2 states:

"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."

On 18 December 2007 the Board of Directors delegated to Baldomero Falcones Jaquotot powers in the following areas, effective 1 January 2008: financial, customer and supplier relations, labour, administration and disposal, company and association relations, legal and internal. Delegation of these powers facilitates Group management and expedites performance of the company's activities.

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B.1.7. Identify any board members with administration or management positions in other companies that form part of the listed company's group:

Name of director	Name of the Group's subsidiary	Position
Cartera Deva, S.A.	Cementos Portland Valderrivas, S.A.	Director
Eac Inversiones Corporativas, S.L.	Cementos Portland Valderrivas, S.A.	Director
Eac Inversiones Corporativas, S.L.	FCC Construcción, S.A.	Director
Don Fernando Falcó Fernández de Córdova	FCC Construcción, S.A.	Director
Don Fernando Falcó Fernández de Córdova	Waste Recycling Group Limited	Director
Don Rafael Montes Sánchez	FCC Construcción, S.A.	Director
Don Rafael Montes Sánchez	Cementos Portland Valderrivas, S.A.	Director
Juan Castells Masana	Waste Recycling Group Limited	Director
Juan Castells Masana	Cementos Portland Valderrivas, S.A.	Director
Don Baldomero Falcones Jaquotot	FCC Energía, S.A.	Chairman
Don Felipe B. García Pérez	FCC Energía, S.A.	Secretary
Don Felipe B. García Pérez	FCC Environmental LLC	Director
Don Javier Ribas	FCC Environmental LLC	Director

B.1.8. Indicate any company directors who are members of the board of directors of other companies listed on Spanish official stock markets, other than group companies, that have been notified to the company:

Name of director	Name of the Group's subsidiary	Position
Don Marcelino Oreja Aguirre	Barclays Bank, S.A.	Director
Cartera Deva, S.A.	Realia Business, S.A.	Director
Eac Inversiones Corporativas, S.L.	Realia Business, S.A.	Director
Don Fernando Falcó y Fernández de Córdova	Realia Business, S.A.	Director
Don Rafael Montes Sánchez	Realia Business, S.A.	Director

B.1.9. Indicate whether the company has established rules about the number of directorships its board members can hold, and describe any such rules:

Yes [x] No [ ]

NOTE: Article 24.3 of the Rules of the Board of Directors states: "Before accepting any management position or directorship at another company or entity, directors must consult the Nomination and Remuneration Committee.

Article 22.3 establishes: "Directors must inform the Nomination and Remuneration Committee of their other professional obligations in case they interfere with the dedication required of a director, and the Board of Directors must establish, based on a proposal by the Nomination and Remuneration Committee, the number of boards to which directors may belong."

CORPORATE GOVERNANCE

B.1.10. In connection with recommendation number 8 of the Unified Code, indicate the Company's general policies and strategies that must be approved by the full Board:

Investment and financing policy	Yes
Establishment of the group structure	Yes
Corporate governance policy	Yes
Corporate social responsibility policy	Yes
Strategic or business plan and the annual management and budget targets	Yes
Remuneration policy and assessment of senior management performance	Yes
Risk control and management policy and periodical follow-up of internal control and reporting systems	Yes
Dividend and treasury share policy, especially its limits	Yes

B.1.11 Fill in the tables below on to the aggregate remuneration of directors accrued during the financial year:

a. The company to which this report refers:

Remuneration item	Thousand Euros
Fixed remuneration	3,724
Variable remuneration	1,639
Per diems	
Statutory remuneration	1,937
Stock Options and/or other financial instruments	
Others	
Total	**7,300**

Other benefits	Thousand Euros
Advances	0
Loans granted	0
Pension Funds and Plans: Contributions	0
Pension Funds and Plans: Liabilities contracted	0
Life insurance premiums	0
Guarantees given by the Company to the Directors	0

b. As members of boards of directors and/or undertaking senior management in other group companies:

Remuneration item	Thousand Euros
Fixed remuneration	0
Variable remuneration	0
Per diems	0
Statutory remuneration	0
Stock Options and/or other financial instruments	0
Others	0
Total	**0**

Other benefits	Thousand Euros
Advances	0
Loans granted	0
Pension Funds and Plans: Contributions	0
Pension Funds and Plans: Liabilities contracted	0
Life insurance premiums	0
Guarantees given by the Company to the Directors	0

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c. Total remuneration per type of director:

Type of director	Per company	Per group
Executive directors	5,122	0
External directors representing significant shareholders (proprietary or non-independent)	1,816	0
External independent directors	362	0
Other external directors	0	0
Total	**7,300**	**0**

d. With regard to the profits attributed to the equity holders of the company:

Total remuneration to directors (in Thousand Euros)	7,300
Total remuneration to directors/profit attributed to the equity holders of the company (in %)	2,4

B.1.12 Identify the members of senior management who are not at concurrently executive directors and indicate the total remuneration accrued in their favour during the financial year:

Name of director	Position
Don José Luis De La Torre Sánchez	Chairman of FCC Servicios
Don Antonio Gómez Ciria	General Manager of Administration and It
Don Dieter Kiefer	Chairman and CEO of Cementos Portland Valderrivas, S.A.
Don José Mayor Oreja	Chairman of FCC Construcción, S.A.
Don Victor Pastor Fernández	General Manager of Finance
Don Eduardo González Gómez	General Manager of Energy and Sustainability
Don José Manuel Velasco Guardado	General Manager of Communications and Corporate Responsibility
Don Miguel Hernanz Sanjuan	General Manager of Internal Auditing
Don Francisco Martín Monteagudo	General Manager of Human Resources
Total remuneration of senior management (in thousand euro)	**6,668**

B.1.13. Indicate in an aggregate way any guarantee or "golden handshake" clauses in favour of senior management members, including executive directors, of the company or its group for the event of dismissal or change of control. Indicate whether these contracts have to be notified to and/or approved by the company's or group's bodies:

Number of beneficiaries:	7

	Board of Directors	General Meeting
Bodies that authorises the clauses	Yes	No

Is the General Meeting informed of the clauses?	No

NOTE

As indicated in the notes to the financial statements for each year, prepared by the Board of Directors and submitted for approval to the General Meeting, an insurance policy was arranged and paid in order to provide benefits in the case of death or permanent disability, as well as retirement bonuses and other benefits, to certain executive directors and members of senior management, as disclosed in sections B.1.3. and B.1.12., respectively.

In particular, the contingencies giving rise to indemnity are those that entail the extinction 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.

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The Company has subsequently agreed to indemnity for other executive staff members only in the event of the unilateral termination of their contracts by the Company before a certain minimum period of time has elapsed. Clauses of this kind are also contained in the contracts signed with the Chairman and CEO, with the Board of Directors' approval.

FCC Group did not pay any insurance premiums in 2010 and it did not receive any premium rebates.

B.1.14. Indicate the process to establish the remuneration for board members and the corresponding clauses in the Articles of Incorporation:

Process to establish the remuneration for board members and the corresponding clauses in the Articles of Incorporation.

Article 37 of the Articles of Incorporation states:
"The post of board member is remunerated. The remuneration shall consist of a share of the net profits which shall not be less than two percent (2%) of the financial year results attributed to Fomento de Construcciones y Contratas, S.A. in the Group's consolidated annual accounts. This amount will be paid to the Board of Directors once all legal reserves have been covered and a minimum dividend of four percent (4%) has been paid to shareholders. The remuneration for each financial year will be decided by the General Meeting of Shareholders.

The Board will distribute the remuneration resolved at the General Meeting of Shareholders among its members, taking into account the functions and responsibilities of each one in the Board or its Delegate Committees and other criteria envisaged in the Rules of the Board of Directors, including, within the amount referred to in the previous paragraph of this article, fixed remuneration as well as attendance fees, variable remuneration and benefit schemes.

In accordance with the resolution adopted by the General Meeting of Shareholders in this respect, and regardless of provisions of the foregoing paragraphs, director remuneration may also consist of the delivery of shares or stock options, or may be referenced to the value of the Company shares.

The remuneration mentioned in the preceding paragraphs for board members will be compatible with the other waged, service or professional remuneration paid to the board members for the performance of their duties, whether managerial, executive, advisory or of any other nature, other than the directors' functions of supervision and collective decision-making which they perform for the Company, under the form of hired employment, lease of services or any other form legally applicable to them based on their nature."

Article 42.3 f) of the Rules of the Board of Directors states that the Nomination and Remuneration Committee's functions include: "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 contracts for senior executives, advising and proposing on multi-year incentive plans for the Company's senior management, particularly those related to the value of the shares."

Señale si el Consejo en pleno se ha reservado la aprobación de las siguientes decisiones

On proposal from the Company's chief executive, the appointment and eventual discharge of senior managers, and the indemnity clauses.	Yes
The Board members' remuneration and the additional remuneration of executive directors due to their executive functions and other terms their contracts must comply with.	Yes

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B.1.15. Indicate whether the Board of Directors has approved a detailed remuneration policy and specify its points there under:

Yes [x] No [ ]

Fixed remuneration items, including a breakdown of attendance expenses accrued to the members for Board of Directors and Committee meetings and an estimate of the annual fixed remuneration accrued	Yes
Variable remuneration	Yes
Main features of pension systems, including an estimate of their equivalent annual cost	Yes
Conditions under senior management contracts, including executive officers	Yes

B.1.16. State whether the board submits a report on the directors' remuneration policy to the advisory vote of the Shareholders' Meeting as a separate point on the agenda. In which case, describe the points in the report dealing with remuneration policies approved by the Board for future years, the main policy changes, and a general summary of how the remuneration policies were applied throughout the year. Describe the role of the Remuneration Committee and, if external advisors were engaged, indicate their identity:

Yes [ ] No [x]

Issues covered by the report on remuneration policy

At the time the Ordinary General Meeting of Shareholders scheduled for 10 June 2009 was announced, a report on the Board of Directors remuneration policy was made available to the shareholders. The report was approved by the Board of Directors on 5 May 2009.

The report discussed the following:

a. the procedures applied in preparing the report

b. the objective and structure of the remuneration policy

c. remuneration of directors for their membership of the Board

d. the remuneration of executive directors for performance of executive and managerial duties

- remuneration structure
- basic conditions of executive director contracts

Role of the Remuneration Committee

The Nomination and Remuneration Committee assists and advises the Board. In accordance with Article 42.3 f) of the Rules of the Board of Directors, the committee is entrusted with the following:

- Overseeing compliance with the remuneration policy set by the company and
- 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 contracts for senior executives, advising and proposing on multi-year incentive plans for the Company's senior management, particularly those related to the value of the shares.

Were external advisers used?	No
Identify external advisers	

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B.1.17. Indicate, as the case may be, the identity of the members of the Board of Directors who are, at the same time, members of the Board of Directors, managers or employees of companies holding significant interests in the listed company and/or in other entities of its group:

Name of director	Name of significant shareholder	Position
Dominum Desga, S.A.	B 1998, S.L.	Director
Cartera Deva, S.A.	B 1998, S.L.	Director
Dominum Dirección y Gestión, S.A.	B 1998, S.L.	Director
E.A.C. Inversiones Corporativas, S.L.	B 1998, S.L.	Director
Don Fernando Falcó y Fernández de Córdova	B 1998, S.L.	Director
Don Juan Castells Masana	B 1998, S.L.	Director
Don Rafael Montes Sánchez	B 1998, S.L.	Director

NOTE

Robert Peugeot stepped down as a director of B-1998 in 2010.

Identify any significant relationships, other than those stated in the preceding section, between board members and significant shareholders and/or subsidiaries in their group:

Name of related director	Name of significant related significant shareholder	Description of relationship
Cartera Deva, S.A.	B 1998, S.L.	B 1998, S.L. shareholders' agreements

B.1.18. Indicate whether there were any amendments to the Rules of the Board in the year:

Yes	☐	No	x

B.1.19. Indicate the procedure for appointing, re-appointing, assessing and removing directors. Indicate the competent bodies, the process and the criteria for each procedure.

The Shareholders' Meeting is in charge of appointing and removing Board members. Directors may be re-appointed indefinitely one or more times, for five-year terms.

By virtue of the shareholders' agreements referred to in section A.6. of this report as regards the FCC Directors approved by B 1998, S.L., the Investors may appoint four (4) directors to FCC's Board.

Esther Koplowitz Romero de Juseu, or her designated representative, may appoint all of the members of FCC's Board of Directors to which B 1998, S.L. is entitled other than those appointed by the Investors. 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-election 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, fitness, technical competence and experience, and must be approved by the Board based on a proposal from the Nomination and Remuneration Committee, in the case of independent directors, and based on a prior report of the Nomination and Remuneration Committee, in the case of other directors."

Article 18."Term of office"

1. The term of office of directors will be that established in the Articles of Incorporation, which may not be more than six years, although directors may be re-appointed.
2. The directors appointed by co-optation will hold office until the next General Meeting is held. This period of time 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. The Board of Directors, at its discretion, may waive or reduce this limitation for outgoing directors."

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Article 19. "Re-appointment of Directors"

"Prior to proposing re-appointment of any director to the General Meeting of Shareholders, the Nomination and Remuneration Committee must issue a report evaluating the quality of work and dedication of the proposed directors during their previous mandate."

Evaluation:

Article 38.6. "The plenary 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. Also, based on a report drawn up by the Nomination 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.

Article 20. "Removal of Directors"

"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 Articles of Incorporation."

Article 21. "Nature of the Resolutions of the Board on this Subject"

"Pursuant to the provisions of Article 25 of these Rules, the directors being proposed for appointment, re-appointment or dismissal may not participate in the debates or vote on these issues."

B.1.20. Indicate the reasons for which directors may be forced to resign.

Article 20 of the Rules of the Board of Directors states:

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 Articles of Incorporation.
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 proprietary 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 proprietary directors must be reduced.
    c. When they fall under a situation of incompatibility or legal disqualification.
    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 Nomination and Remuneration Committee, or
        - when his or her 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 tried for any of the corporate crimes described in Article 124 of the Public Limited 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."

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B.1.21. Explain whether the functions of the company's top executive fall on the board Chairman. If so, indicate the measures taken to limit the risk of a single person accumulating power:

Yes [x] No [ ]

Risk-limiting measures

The FCC, S.A. Rules of the Board of Directors controls these risks by vesting the powers set out in the following section in an independent director.

At its 3 February 2009 meeting, FCC's Board of Directors appointed Max Mazin Brodovka as the independent director to undertake the functions envisaged in the last paragraph of Article 34 of the Rules of the Board of Directors.

State whether the company has established rules to empower an independent director to request a 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; detail any such rules:

Yes [x] 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 Managing Director or chief 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".

B.1.22. Is a supermajority, other than the legal majority, required in some decisions?

Yes [ ] No [x]

Explain how resolutions are adopted by the board of directors, stating at least the quorum and type of majority required to adopt resolutions:

Adoption of resolutions

Permanent delegation of delegable powers to the Executive Committee, the Chairman or the Managing Directors and the appointment of the Directors who will hold such posts. OTHER RESOLUTIONS (SEE NOTE)

Quorum	%
Two-thirds of the Board members must be present or represented at the meeting	66,66

Type of majority	%
Two-thirds of the Board members	66,66

NOTE

All other resolutions of the Board of Directors require an absolute majority of the members.

B.1.23. Detail whether there are specific requirements, other than those relating to directors, for appointing the Board Chairman.

Yes [ ] No [x]

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B.1.24. Does the Chairman cast the deciding vote?

Yes ☐ No ☒

Issues on which there is a casting vote
—

B.1.25. Indicate if the Articles or Rules of the Board establish an age limit for directors:

Yes ☐ No ☒

B.1.26. Indicate if the Articles of Incorporation or the Rules of the Board establish a term limit for independent directors:

Yes ☒ No ☐

Maximum term	12

B.1.27. When there are few or no female directors, indicate the reasons for this situation and the measures taken to correct it:

In particular, state whether the Nomination and Remuneration Committee has established procedures to ensure that the selection processes have no implicit bias that might hamper the selection of female candidates, and to ensure that female candidates with the right profile are actively sought:

Yes ☒ No ☐

Describe the main procedures

Article 42.3.h) of the Rules of the Board establishes that the Nomination and Remuneration Committee's functions include: "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.

B.1.28. Indicate whether there are formal processes for delegating votes in the board of directors. If so, give a brief description.

There are no are formal processes for delegating votes in the Board of Directors.

B.1.29. Indicate the number of board of directors meetings held in the year. Also, state the number of times that the chairperson did not attend the board meeting:

Number of meetings of the Board of Directors	10
Number of Board meetings without the attendance of its Chairman	0

Indicate the number of meetings held by board committees in the year:

Number of Executive or Delegated Committee meetings	9
Number of Audit Committee meetings	10
Number of Appointments and Remuneration Committee meetings	8
Number of Strategy and Investment Committee meetings	1

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B.1.30. Indicate the number of board of directors meetings held in the year which were not attended by all members. Proxies granted without specific instructions are not counted as absences:

Number of non attendances of directors during the year	23
% of non attendances over the total votes during the year	12.570

B.1.31. Indicate whether the individual and consolidated financial statements that are presented for board approval have been certified:

Yes [x] No [ ]

Indicate any person that has certified the company's individual and consolidated financial statements for board authorisation:

Name	Position
Don Baldomero Falcones Jaquotot	Chairman and CEO
Don Víctor Pastor Fernández	Director General de Finanzas
Don Antonio Gómez Ciria	Director of Administration and Information Technology

B.1.32. Detail whether the board of directors has established any mechanisms to ensure that the individual and consolidated financial statements authorised by it are presented to the Shareholders' Meeting without audit qualifications.

One of the Audit and Control Committee's functions is revision of the financial and economic information published periodically by the FCC Group. This revision is particularly important in the case of the annual report; therefore, prior to the Board of Directors' authorisation of the 2009 financial statements, the Audit and Control Committee thoroughly examined those statements and requested that the external auditor 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.

B.1.33. Is the board secretary a director?

Yes [ ] No [x]

B.1.34. Describe the procedures for appointment and removal of the Secretary of the Board, stating whether the Nomination Committee was consulted and the appointment or removal was approved by the full Board:

Appointment and removal procedure

Art. 36 of the Rules of the Board: "His appointment and removal must be approved by a full board meeting based on a proposal by the Nomination and Remuneration Committee".

NOTE

The current Secretary was appointed before the Nomination and Remuneration Committee was created.

Is the Nomination Committee consulted on the appointment?	Yes
Is the Nomination Committee consulted on the removal?	Yes
Does the full Board approve the appointment?	Yes
Does the full Board approve the removal?	Yes

Is the Board Secretary entrusted in particular with ensuring compliance with corporate governance recommendations?

Yes [x] No [ ]

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B.1.35. Indicate whether the company has established mechanisms to maintain the independence of auditors, financial analysts, investment banks and rating agencies.

These mechanisms are included in Article 41 of the Rules of the Board. "Audit and Control Committee":

3. The basic 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 external auditor, evaluating 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-appointment 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 management are acting on its recommendations; (iii) ensuring the independence of the external auditor and, in particular, establishing appropriate measures to ensure that: 1) contracting consulting services with that auditor or a company of its group does not jeopardise its independence; and 2) the Company issues a regulatory disclosure to the CNMV as regards 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; (iv) and seeking to ensure that the Company's auditor takes responsibility for auditing the companies comprising the Group.

c) Supervising the Company's internal audit units that oversee the good working 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.

d) 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 risk events, 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.

e) Supervising the preparation of the financial statements and directors' report of the Company and the consolidated group, and of the information released periodically to the markets, checking for compliance with legal provisions 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 of, or acquisition of shares 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.

f) 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 provisions, the accurate demarcation 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-appointment and removal of the head of internal audit; proposing that department's budget; receiving regular reports on its activities; and verifying that senior management are acting on the findings and recommendations of its reports;

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(iv) receiving confidential (though not anonymous) written reports from employees about possible material irregularities, particularly of a financial or accounting nature, that they observe in any FCC Group company; (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.

g) 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.

h) 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.

...

4. The Audit and Control Committee will have access to the necessary information and documentation to perform its functions, and may seek the advice of external professionals, in which case the provisions of Articles 31.3 and 39.3 of these Rules will apply. These advisers may speak at the meetings but may not vote.

6. Any member of the FCC Group's management team or personnel, and the Company's external auditors, will obliged to attend meetings of the Committee when requested to do so, and must collaborate and provide the information at their disposal, Article 39.3 of these Rules being applicable where appropriate.

7. The Audit and Control Committee itself will decide on any matter not expressly regulated in this article with regard to its operation, and the rules contained in the Articles of Incorporation and these Rules with respect to the Board of Directors will apply supplementarily insofar as the nature and functions of the Committee allow.

B.1.36. State whether the Company changed its external auditor during the year. If so, identify the incoming and outgoing auditor:

Yes ☐ No ☒

Outgoing auditor	Incoming auditor

If there was a disagreement with the outgoing order, describe it:

Yes ☐ No ☒

B.1.37. Indicate whether the audit firm performs 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	Grup	Total
Amount of other non-audit jobs (thousand euros)	0	444	444
Amount of non-audit jobs / total amount billed by audit firm (in %)	0	11	11

B.1.38. State whether or not the auditors' report on the previous year's financial statements 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 exception.

Yes ☐ No ☒

B.1.39. Indicate 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	Grup
Number of consecutive years	21	21
Number of years the current audit firm has audited / number of years the company has been audited (%)	100	100

B.1.40. Indicate the shareholdings of the members of the company's Board of Directors in the share capital of companies engaged in the same, similar or complementary activities as that of the corporate purposes of the company and group, of which the company is aware. Likewise, include the offices or functions held or undertaken in such companies:

Name of director	Name of company	% stake	Position or functions

B.1.41. Indicate 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 discharging their duties, external directors are entitled to obtain the necessary assistance from the Company to discharge 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 materiality of the problem and the assets and revenues of FCC, and
   c. the technical assistance cannot be properly provided by internal FCC experts or technical personnel.
3. Requests for expert assistance by any of the Board Committees may 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."

B.1.42. Indicate 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 ☐

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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 require, in accordance with a calendar and agendas set at the beginning of the year, to which each director may propose the addition of other items not initially envisaged in the agenda, which 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 the Secretary or Vice-Secretary, by order of the Chairman.

Notwithstanding the provisions of Article 30 of the Articles of Incorporation, 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 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 at the request of 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 telephone multiconference, 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 telephone multiconference, 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 physically in attendance or represented by another director, those who attended via telephone multiconference, videoconference or an equivalent system."

B.1.43. State whether the company has rules obliging directors to inform the Board of any circumstance that might harm the organisation's name or reputation, and describe any that exist:

Yes	x	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 Nomination and Remuneration Committee through the Corporate Responsibility Department or any unit that takes its place: d. Legal, governmental, or any other type of claim which, due to its significance, could have a serious effect on the reputation of FCC."

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: 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 tried for any of the corporate crimes described in Article 124 of the Public Limited 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."

B.1.44. 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 covered by Article 124 of the Public Limited Companies Act:

Yes [ ] No [x]

B.2. Board of Directors Committees

B.2.1. List the committees of the Board of Directors and their members:

EXECUTIVE OR DELEGATE COMMITTEE

Name	Position	Type of director
Don Baldomero Falcones Jaquotot	Chairman	Executive
Cartera Deva, S.A.	Director	Proprietary
Dominum Desga, S.A.	Director	Proprietary
E.A.C. Inversiones Corporativas, S.L.	Director	Proprietary
Don Fernando Falcó y Fernández de Córdova	Director	Proprietary
Don Juan Castells Masana	Director	Proprietary

AUDIT AND CONTROL COMMITTEE

Name	Position	Type of director
Don Gonzalo Anes y Álvarez de Castrillón	Chairman	Independent
Dominum Desga, S.A.	Director	Proprietary
E.A.C. Inversiones Corporativas, S.L.	Director	Proprietary
Don Fernando Falcó y Fernández de Córdova	Director	Proprietary
Don Juan Castells Masana	Director	Proprietary

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NOMINATION AND REMUNERATION COMMITTEE

Name	Position	Type of director
Dominum Desga, S.A.	Chairman	Proprietary
Don Antonio Pérez Colmenero	Director	Proprietary
Cartera Deva, S.A.	Director	Proprietary
Dominum Dirección y Gestión, S.A.	Director	Proprietary
E.A.C. Inversiones Corporativas, S.L.	Director	Proprietary
Don Fernando Falcó y Fernández de Córdova	Director	Proprietary
Don Gonzalo Anes y Álvarez de Castrillón	Director	Independent
Don Rafael Montes Sánchez	Director	Proprietary
Don Robert Peugeot	Director	Proprietary

STRATEGY COMMITTEE

Name	Position	Type of director
B 1998, S.L.	Chairman	Proprietary
Cartera Deva, S.A.	Director	Proprietary
Dominum Desga, S.A.	Director	Proprietary
Dominum Dirección y Gestión, S.A.	Director	Proprietary
E.A.C. Inversiones Corporativas, S.L.	Director	Proprietary
Don Fernando Falcó y Fernández de Córdova	Director	Proprietary
Don Javier Ribas	Director	Independent
Don Juan Castells Masana	Director	Proprietary
Don Rafael Montes Sánchez	Director	Proprietary
Don Robert Peugeot	Director	Proprietary

B.2.2. Indicate which of the following functions are attributed to the Audit Committee:

Monitor the preparation and the integrity of the financial information prepared on the company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation scope, and the correct application of accounting principles.	Yes
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 reports on its activities; and verify that senior management are acting on the findings and recommendations of its reports.	Yes
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 firm.	Yes
Make recommendations to the board for the selection, appointment, re- appointment and removal of the external auditor, and the terms and conditions of his engagement.	Yes
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.	Yes
Monitor the independence of the external auditor In the case of groups, the Committee should urge the group auditor to take on the auditing of all component companies.	Yes
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 reports on its activities; and verify that senior management are acting on the findings and recommendations of its reports.	Yes

CORPORATE GOVERNANCE

B.2.3. Describe the rules that govern each board committee and their responsibilities:

Executive Committee

This Committee is governed by Article 36 of the Articles of Incorporation of FCC, which are extracted below:

1. "... The Executive Committee will be convened by the Chairman himself 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. 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 indicated in the announcement.

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. If the Chairman is absent, the meeting will be chaired by a committee member chosen by majority vote of those in attendance

The Chairman will give the floor to those attendees who wish to speak.

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 Articles of Incorporation."

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, a committee member will be chosen to perform his 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 as established in Article 35 of the Articles of Incorporation, although, except in the event of a justified emergency, every effort will be made to ensure at least ten days' advance notice. 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 one-half plus one of its members are present or represented at the meeting.
10. The 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 Articles of Incorporation and, supplementarily, by the provisions relating to the Board of Directors contained in the Articles of Incorporation and these Rules."

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Audit and Control Committee:

This committee is governed by Article 41 of the Rules of the Board of Directors. It must comprise at least three directors designated by the Board of Directors having regard to 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.

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 advisers will attend the meetings and may speak but not vote.

The basic 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.

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 separate and consolidated financial statements and directors' reports and the regular financial disclosures to the market.

Nomination and Remuneration Committee

This Committee is governed by Article 42 of the Rules of the Board of Directors.

1. "It will be composed of a minimum of three 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 Nomination and Remuneration 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.
2. The Nomination and Remuneration Committee will 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 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 Nomination and Remuneration Committee will step down from the Committee when they step down as directors or when decided by the Board of Directors."
3. The Nomination 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 balance of skills, knowledge and experience 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 Nomination and Remuneration Committee for its consideration.

   b) Examining or organising appropriately the succession of the Chairman and Chief Executive, making recommendations to the board so the handover proceeds in a planned and orderly manner.

CORPORATE GOVERNANCE

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 Nomination 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 contracts for senior executives, advising and proposing on multi-year incentive plans for the Company's senior management, particularly those related to the value of the shares.

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 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.

4. The Nomination and Remuneration Committee will regulate its own operations to the extent that they are not regulated in the Articles of Incorporation and these Rules, whose provisions relating to the operation of the Board of Directors will apply supplementarily inasmuch as this is possible considering the nature and functions of the Committee.

5. "The Nomination and Remuneration Committee will have access to all of the documentation and information needed to perform its functions. The members of the Nomination 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. Each year, the Committee will draft an action plan for the coming year which it will submit to the Board.

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Strategy Committee:

This Committee is governed by Article 43 of the Rules of the Board of Directors.

1. "Its members will be 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 deliberations 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 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 motions as may be necessary.
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. Each year, the Committee will draft an action plan for the coming year which it will submit to the Board.
9. The minutes of each committee meeting will be drafted and signed by the Committee members in attendance.
10. Any member of the Company'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 disposal.
11. The Strategy Committee will have access to all of the documentation and information needed to perform its functions.
12. The Strategy Committee will regulate its own operations to the extent that they are not regulated in these Rules and in the Articles of Incorporation, whose provisions relating to the operations of the Board of Directors will apply supplementarily inasmuch as this is possible considering the nature and functions of the Committee."

B.2.4. Indicate the advisory and consultative powers and, where applicable, any powers delegated to each committee:

The delegation of powers to the Board committees is governed by Article 40 of the Rules of the Board of Directors and Article 35 of the Articles of Incorporation.

All the duties and powers necessary to conduct the Company's business are permanently vested in the Executive Committee, except for those powers declared to be non-delegable under Article 141.1 of the Public Limited Companies Act and those reserved for the full Board of Directors, as set out in Article 7 of the Rules of the Board of Directors.

In the exercise of the powers and duties referred to above, the Executive Committee may empower others to act either individually or jointly with other representatives, setting the scope, limitations and conditions it deems pertinent. The Executive Committee may also revoke the powers thus granted.

Article 40.1 of the Rules of the Board of Directors establishes that "The Board may set up an Executive Committee in which it may permanently delegate all of the powers vested in the Board of Directors with the exception of those which, by law or under the Articles of Incorporation or these Rules, may not be delegated. Unless otherwise stipulated in the delegation of powers by the Board of Directors, the Executive Committee will have specific responsibility for deciding on investments, divestments, credits, loans, guarantee and surety lines and other financial facilities for unit amounts not exceeding the figure that is established in each case in accordance with Article 7.2.j).

In situations of emergency, the Executive Committee will exercise the following powers attributed to the Board of Directors, under Article 8 of these Rules, which must be reported to the Board of Directors for subsequent ratification: the appointment and removal of senior executives and their indemnity clauses, periodic public financial information, strategic investment and transactions, and those covered by Article 8.3.f)."

As regards the advisory and consultation powers of committees, see section B.2.3.

B.2.5. Indicate any rules governing the committees of the board of directors, where they are made available for consultation and any changes to these rules during the year. Also, indicate if an annual report on each committee's activities has been drafted voluntarily.

The Rules of the Board of Directors as amended on 5 May 2009 regulate the workings of the various Board committees: Executive Committee (Article 40), Audit and Control Committee (Article 41), Nomination and Remuneration Committee (Article 42) and Strategy Committee (Article 43).

As provided in Article 38.6 of the Rules of the Board of Directors ("The plenary 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. Also, based on a report drawn up by the Nomination 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."), on 27 January 2010 the Board of Directors evaluated its own performance and that of its Committees in 2009.

This evaluation covered not only the performance of the Board and all of its Committees (Executive Committee, Audit and Control Committee, Nomination and Remuneration Committee, and Strategy Committee), but also that of the Chairman and Chief Executive.

The outcome was that their performance was highly satisfactory. The Board of Directors, its Committees and the Chairman and Chief Executive discharged their duties and functions superbly, in line with all existing procedures, and they undertook to continuously improve their performance. The evaluation also highlighted that the various Committees supported the launch of various products aligned with Group strategy, which made the Board more efficient and transparent in pursuit of its primary goal: safeguarding the Company's interests, i.e. maximising the Company's economic value on a sustainable basis in accordance with Article 22.1 of the Rules of the Board of Directors and Recommendation 7 of the Unified Code of Corporate Governance for Listed Companies.

B.2.6. Indicate if the executive committee's composition reflects the composition of the board in terms of director type:

Yes		No	X

If not, detail the composition of the executive committee.

The composition of the Executive Committee is as follows: 83% external directors and 17% executive directors; the composition of the Board of Directors is: 90% external directors and 10% executive directors.

CORPORATE GOVERNANCE

C. RELATED PARTY TRANSACTIONS

C.1 Has the Board of Directors, in plenary session, reserved for itself the power to approve, subject to a favourable report by the Audit Committee or any other committee entrusted with such duties, the Company's transactions with directors, significant shareholders or shareholders with Board representation or with persons related to any of them?

Yes [x] No [ ]

C.2 Detail significant transactions involving a transfer of funds or liabilities between the company or subsidiaries in its group and significant shareholders of the company:

Name of significant shareholder	Name of group company or entity	Nature of relationship	Type of transaction	Amount (thousand euro)

C.3 Detail transactions involving a significant transfer of funds or liabilities between the company or subsidiaries in its group and directors or executives of the company:

Name of director or executive	Name of group company or entity	Nature of the transaction	Type of transaction	Amount (thousand euro)
B-1998, S.L.	FCC Medio Ambiente, S.A.	Contractual	Cleaning Services	3,282
Dominum Desga, S.A.	Servicios Especiales de Limpieza, S.A.	Contractual	Cleaning Services	7,262

C.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:

Name of group entity	Brief description of transaction	Amount (thousand euro)
—	—	—

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.

C.5 Identify any conflicts of interest of company directors, in accordance with Article 127 ter of the Public Limited Companies Act.

Yes [ ] No [x]

NOTE

The directors of Fomento de Construcciones y Contratas, S.A. have reported that they do not carry out, either for their own account or that of others, any activities that are identical, similar or complementary to the corporate purpose of the Company.

The other members of the Board of Directors do not hold interests in the share capital of companies whose corporate purpose is identical, similar or complementary to that of Fomento de Construcciones y Contratas, S.A.

During the year, neither the other directors of Fomento de Construcciones y Contratas, S.A. nor any duly authorised representatives thereof carried out transactions with the Company or any Group company that are outside its normal course of business or in conditions other than market conditions.

Information on members of the Board of Directors that serve on the boards of or are executives in other FCC Group companies is provided in section B.1.7. of this report.

These directors hold positions or perform duties and/or own interests of less than 0.01% in FCC Group companies in which Fomento de Construcciones y Contratas, S.A. directly or indirectly exercises a majority of voting rights.

C.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 Nomination 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 item 4 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.
- a. They are performed at market prices or rates generally set by the person supplying the goods or services.
- c. Their amount is no more than 1% of the company's annual revenues.

4. 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."

C.7 Is more than one Group company listed in Spain?

Yes [x] No [ ]

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 [x]

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

CORPORATE GOVERNANCE

D. RISK CONTROL SYSTEMS

D.1 Describe the risk policy of the company and/or its group, detailing and assessing the risks covered by the system, and justify why those systems conform to each type of risk.

1. Risk Management at FCC

As established in the eighth recommendation of the Unified Code of Good Corporate Governance published in 2006 by the Comisión Nacional del Mercado de Valores, and as described in the eighth article of the Board of Directors Regulations, 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.

The Board of Directors is supported in this regard by the different governing bodies and committees described in part D.3.

FCC's general commitment to risk management takes the form of a series of corporate policies, including those established in the Manual of General Guidelines, a specific, universal and dynamic risk management system and other risk control systems that are described later in this section.

2. General Rules of Organisation and Operation

The Group's general organisational and operating rules provide the framework applicable to all members of the organisation, the powers vested at each hierarchical level and the basic principles guiding the operating processes in order to mitigate key risks. These principles serve as the foundation for the more specific rules governing the processes in each business area or function. The Manual of General Guidelines, which encompasses all of these, is divided into different sections, chapters and parts. sections, chapters and part:

Section 10: Structure (governing bodies, organisation and functions)

Section 20: Personnel

Section 30: Investments

Section 40: Clients

Section 50: Purchases and supplier relations

Section 60: Legal aspects

Section 70: Proxies

Section 80: Communications and corporate image

Section 90: Information safety

Section 100: Various

3. Risk management system

3.1 Organisation and operation

The Group is moving toward a comprehensive risk management policy that will enable it to deal effectively with the financial and other risks to which its business operations are exposed. The chosen model includes the devising an advance risk map using Enterprise Risk Management (Coso II) methodology which provides management with valuable information and contributes to the definition of the Group's strategy. The tool will be used at the regularly schedule risk committee meetings to analyse and evaluate the risk maps of the different business areas.

Risk management was reinforced in 2010 with the addition of corporate level resources to the Corporate Risk Management and Management Control area which reports to the Corporate Administration and Information Technology Department.

Supported by the people responsible for risk management in the different business areas, whose activities its coordinates, management is currently in the process of redefining and improving both the definition and assignment of risk management in the operating area and the following risk management procedures and methodologies:

> Identifying key risks for the FCC Group based on the potential threat they pose to the achievement of the Group's objectives.

- 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.
- Categorising risk, having defined a new type which is summarised in part 3.2) below
- Optimising risk control through the establishment and implementation of action plans as needed.
- Mechanisms for periodically reporting the results of the risk evaluation and monitoring process.

3.2. Risk Classification

The FCC Group, in keeping with the best business practices in this field and applying the COSO II methodology, classifies risks as follows:

a. **Strategic risks.** These are the key risks faced by the Group 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.

b. **Operating risks.** These risks are related to operations management and the chain of value 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 supplies, collections processes and customer satisfaction.

c. **Compliance risks.** These are the risks affecting internal and external regulatory compliance, including those relative to the compliance with: applicable laws (quality, the environment, information safety, occupational risk prevention, etc.), contractual compliance with third parties and the FCC Group's Code of Ethics.

d. **Financial risk.** 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.

4. Risk control systems

4.1 Strategic risks

The key systems of controlling strategic risks include the following:

Strategic/market planning

The FCC Group's strategic planning process entails the identification of objectives to be met in each activity 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.

Progress toward the targets established during the planning process is reviewed periodically along with the evolution of risks, analysing irregularities revealed at all levels of responsibility and taking the appropriate corrective measures.

To mitigate the market risks inherent to each line of business, the Group maintains a diversified position between businesses related to civil works construction, environmental services, energy and others. The gross revenues generated by the first two lines of business are the most relevant, with similar percentages. These two business areas are therefore exposed to growth risks associated with transportation infrastructures, environmental activities and water, along with the recurring service concessions that are complementary to the construction business and more dependent on economic growth and capital investments.

In 2010, the Group took steps to substantially reinforce this balanced strategy by adding new lines of business and increasing geographical diversification.

Most notable among the additions was the renewable energies business, which includes developing and managing electricity production using renewable energy sources along with the provision of energy-efficiency services.

In other lines of business, those focusing on the management of transport infrastructure assets and the maintenance of industrial relations were reinforced.

Turning now to geographical diversification, in 2010 the Group reached a milestone in terms of the percentage of sales from foreign business, which accounted for 46% of the total, with special emphasis on the Group's two core areas, infrastructure construction and environmental services. The Group's foreign presence is concentrated in OECD countries and emerging economies, where the Group carefully analyses market, operating and financial risks.

Economic and budget control

Present both at the corporate level and in each operating unit, the economic and budget control system serves as the basis for economic planning, gathering, measuring, recording and calculating costs and production, analysing and monitoring deviations, and quantifying and controlling the resources invested.

Technological capacity

The 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, the FCC Group is very active in the field of technological research and innovation and also places a great deal of importance on the ongoing education of its personnel.

Reputation management

In 2010, the Group completed the definition of its reputational risk map. As a consequence, preventive and corrective actions were defined that are designed to deal with the possible contingencies without damaging the Group's reputation.

CORPORATE GOVERNANCE

Reputation management is part of the FCC Group's corporate responsibility work. Social responsibility policies are an integral part of the FCC Group's philosophy which holds that the operation of a business requires a firm commitment to the society.

Once again in 2010, the company's corporate responsibility performance and results have been recognised by a number of renowned independent observers. Most notable among them, the selective responsible investment indexes DJSI World and Stoxx. FTSE4good also recognised the company by including it in its selective international index, as did the Spanish FTSE Ibex 35. The Spanish Carbon Disclosure Project (CDP) report recognised FCC for its system of analysing risks and opportunities in the climate change field.

4.2. Operating risk control systems

Some of the most significant operating risk control systems for the FCC Group are enumerated below:

Contract management systems

The risks and opportunities arising during the contracting process constitute one of the main challenges faced by the FCC Group. 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. Additionally, the FCC Group is very active in the field of technological research and innovation and also places a great deal of importance on the ongoing education of its personnel to ensure that all proposals offer the greatest added value for the client.

Quality systems

Formal quality control systems are firmly in place in the different activity areas of the FCC Group. These systems have been ISO 9000 certified and regularly pass the periodic evaluations performed by external professionals.

These quality control systems are based on the assignment of responsibilities, the definition and documentation of procedures and the implementation of guidelines for detecting and correcting deviations.

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. One of the responsibilities of the quality assurance departments is to conduct quality assurance audits of the different operating units.

Environmental management systems

The FCC Group's business areas apply UNE-EN ISO 14001-certified environmental management systems based on:

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.

The basic tool for mitigating environmental risk is the environmental plan prepared by each operating unit, which sets out the following:

a. The environmental aspects of each activity and any applicable legislation.

b. Environmental impact evaluation criteria.

c. The measures needed to minimise environmental impact.

d. A system for tracking and measuring the specified targets

Internal Financial Reporting Control System (SCIIF)

As a consequence of the foreseeable incorporation of the 4th EU Directive into Spanish law in 2011, publicly listed companies shall not be obligated to itemise the information relative to the description of their internal control systems for regulated financial information (hereinafter SCIIF) in the Annual Corporate Governance Report. Following the modification in 2010 of part 4 of the Eighteenth Additional Provision of the Stock Market Act to bring it in line with the 8th EU Directive, the Audit Committees of listed companies have new internal control responsibilities within their organisations.

To help these companies comply with their new responsibilities, the CNMV asked the Expert Work Group to prepare a report to serve as a frame of reference and internal control guide on the reliability of financial reporting.

In this regard, in 2010 the FCC Group y Contratas, S.A. undertook a project to evaluate the current level of development of the SCIIF in relation to the good practices proposed in the report published by the CNMV and implement any measures which may be needed in this regard.

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Information security systems

Information system risks are associated with the FCC Group's reliance on information systems for its business and decision-making processes.

From the standpoint of the risks derived from the use of information technology, the in 2005 the FCC Group set up an operating unit with a mandate to analyse and mitigate the factors that can lead to security failure affecting its information systems.

For each new project that involves changes to the FCC Group's information system, the risks are analysed to determine the specific threats and define the pertinent measures.

With regard to information management risk, the 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) contained in the ISO 27000 family.

As a consequence of this policy, the Company has defined a Code of Conduct for the use of information technologies 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.

The efficiency of these measures is maximised by a four-tier classification system: Public Use, Internal Use, Confidential and Secret. Different protection measures have been established for each level to ensure that the level of security is commensurate with the sensitivity and/or criticality of the information in question.

At this time, the FCC Group is deploying a monitoring system known as "Data Leak Prevention" to detect and prevent the risk of data leaks through information systems. This system reinforces the classification system by analysing the information processed in the FCC Group's information systems to detect possible leaks of classified information.

The FCC Group has a Security Operation Centre (SOC) that operates around the clock to address the growing threat of attacks from the internet and information leaks. The SOC has the following capabilities:

a. Vulnerability detection

b. User account audits

c. Forensic analysis

d. Security event correlation

e. Incident management

f. Prevention information leaks

g. Mail filtering

In November 2010, the Group signed an agreement with Hewlett-Packard (HP) whereunder the latter will manage the Group's information infrastructure for the next seven years. As part of the agreement, investments were made to standardise the architecture of FCC's system 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 system while ensuring the most effective operation and management of its information system based on good practices for information technology service management.

The following are among the projects to be undertaken over the next 20 months:

- Consolidation of the centralised IT infrastructure in two high availability data centres in Madrid.
- Complete overhaul of the workstations in a virtualised environment or with automatic back-up to guarantee the availability of the information.
- Consolidation of operations in global centres with standard tools. Implementation of a single, common Service Desk through which all information system problems are channelled.

Implementation of a catalogue of services with unified quality standards that can be measure by means of pre-arranged Service Level Agreement (SLAs).

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Continuous staff training

There are training processes in place in each business area of the FCC Group with specific training plans that include periodic basic and refresher training and ad hoc training to cover specific needs at any given time. The quality assurance committees are responsible for establishing training plans, approving the implementation of training plans and ensuring that they are properly applied.

4.3. Risk control systems

The key systems of controlling regulatory compliance risks include the following:

Code of conduct / ethical channel

The FCC Grope has established a series of rules governing the Group's operations, including subsidiaries and investee companies and an ethical code of conduct which is mandatory for all employees. The existing regulatory framework was updated with the approval of the Code of Ethics and is applicable in all countries to all employees, directors, contractors and suppliers.

The Code of Ethics of the FCC Group is a tool for orienting and guiding the actions of FCC employees in particularly important matters of a corporate, environmental or ethical nature. The Group offers an on-line training tool for the Code of Ethics. In addition, all contracts signed by the Group and its business divisions include a clause obligating suppliers to know and abide by the FCC Code of Ethics. In 2010, the Group sponsored numerous activities designed to make the Group's Code of Ethics known to employees, including the development of an on-line training module.

The persons bound by the Code are obligated to report any violation of the Code of Ethics making use of the confidential channels and procedures established by the group without the fear of reprisals. The Group has established a general communication procedure for matters related to the Code of Ethics. As established in the Code of Ethics, the resolution of these matters is the responsibility of the Monitoring Committee of the Internal Code of Code.

FCC also has specific procedures in place to address financial and accounting irregularities. The Audit and Control Committee is responsible for settling these matters.

The group has also established a specific procedure for cases of on-the-job and sexual harassment. The Corporate Human Resources Department is responsible for settling these matters.

Occupational risk prevention systems

As one of the FCC Group's priorities is to guarantee the health and safety of its personnel and to strictly comply with all labour legislation, health and safety risk prevention systems are of the utmost importance to the Group, which has implemented occupational risk prevention system that have received ISO 18001 certification, successfully passing the periodic evaluations conducted by external professionals.

These systems are formally established and structured on the basis of:

a. The assignment of duties and responsibilities.

b. Application of comprehensive procedures to evaluate risks within the production processes in order to assess risks and establish health and safety plans.

c. Ongoing training supported by specialists in the field.

d. Regular reviews of the measures planned by safety specialists in the different operating units.

e. A safety audit system involving internal and external professionals.

Personal data protection

The processing of personal information is specifically regulated in the FCC Group's working environments. To manage the risk of data protection breaches, there is a programme to measure the impact on each business area and implement the necessary controls.

This programme defines the legal, organisational and technical controls needed in each case and maintains contacts with regulatory bodies and relevant interest groups in order to stay apprised of the legislative changes and doctrine that could affect the Group's data privacy practices.

An organisational structure has been established for publicising and implementing the management and control of the periodic awareness-raising and training activities offered in all areas of the Group and a computer tool for managing documentation and monitoring controls.

Fiscal risk control systems

The Fiscal Division establishes the Group's fiscal policy in the corresponding section of the Manual of General Guidelines and advises and coordinates fiscal efficiency in the acquisitions or reorganisations undertaken at the corporate or business area level.

To do so, it is supported by the tax management departments of the business areas and Central Services that are in charge of meeting formal tax obligations and requirements and documenting and filing tax returns, documenting transfer price policies and related party operations, etc.

In addition, in order to properly control the information on tax risks, in July 2010 the Board of Directors agreed that FCC would join the Good Tax Practices, which for FCC mean the ratification of its commitment to good corporate governance practices, to transparency and cooperation in tax matter, and to collaboration with the tax authorities in the detection of fraudulent practices. For the tax authorities, it means a commitment to bolster FCC's legal protection with regard to the application and interpretation of tax laws. In accordance with the terms of that Code, the Tax Division has informed the Audit and Control Committee of the Group's tax policies at the national and international levels.

Legal risk control systems

The FCC Group has implemented procedures to guarantee compliance with the laws regulating each one of the Group's business areas.

The different departments must stay abreast of regulatory changes, advising the Group's business units, issuing the standards needed to unify criteria and overseeing regulatory compliance.

At the international level, the Group's seeks local advice in relation to the specific laws affecting the FCC Group's business in each country.

On 23 June 2010, Law 5/2010 was published in the Official State Gazette. This law amended the Penal Code Act 10/1995 of 23 November which took effect on the 23rd December of the same year and established the criminal liability of legal entities.

Against the backdrop of this reform, in the last quarter of 2010 the Group undertook a project designed to ensure that the most appropriate standards are being applied in each business area. In addition to minimising the risk, these efforts would be considered extenuating circumstances.

4.4. Financial risk control systems

Financial risk refers to changes in the value of financial instruments and facilities contracted by the Group due to political, market and other factors, and the effect of such changes on the consolidated balance sheet.

The FCC Group's risk management philosophy is consistent with its business strategy, as it strives for maximum solvency and efficiency at all times. In that regard, the Group has set out stringent financial risk management and control criteria for identifying, measuring, analysing and controlling the risks faced in the course of FCC's operations. This risk policy is correctly integrated into the Group's organisational structure.

In keeping with the risk control policy, hedging operations contracted by the FCC Group are not speculative but rather aim to cover the risk associated with each transaction.

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

Capital risk

Capital risk The Group manages its capital to ensure that Group companies are able to continue as profitable businesses, while maximising shareholder returns.

The Group's overall strategy continues to focus on geographical diversification, developing and expanding activities in Europe, North and Central America and North Africa.

The operating areas and the Finance Department analyse the cost of capital and the associated risks in each investment project for subsequent approval or rejection by the corresponding committee or by the Board of Directors, based on any necessary reports from other operating areas of the Group.

The Financial Director, 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.

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Interest rate risk

The fluctuations and volatility of the money markets give rise to interest rate changes that entail variations in the finance charges related to the Group's debt. In order to ensure a position that is in the FCC Group's best interest, an interest-rate risk management policy is actively implemented.

Given the nature of the Company'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 Company's debt are partially tied to floating interest rates.

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 pay a fixed rate and receive a floating rate.

Foreign exchange 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 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 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 a matching of the cash flows to the financing. However, this is occasionally not possible where the currency of the country of origin of the investment is weak and long-term financing cannot be obtained in that currency. In these cases, financing is obtained either in the currency of the consolidated Group or in the most closely-related foreign currency.

Foreign currency risk is expressed as the portion of the Group's equity denominated in currencies other than the euro, as indicated in the note on "Equity".

Solvency risk

At 31 December 2010, the FCC Group's net financial debt was EUR 7,749 million.

The most relevant ratio for measuring solvency and repayment capacity is: the net debt / EBITDA ratio. The Group's ratios are reasonable and comply with the covenants agreed with lenders.

Liquidity risk

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

Despite the adverse situation reigning in the financial markets throughout 2010, the FCC Group has remained extremely well positioned and has anticipated any potential adversity by paying close attention to trends in those factors that may help to resolve liquidity shortfalls in the future and to the various sources of financing and their characteristics.

In order to reduce the liquidity risk this year, the Group refinanced two loans (FCC EUR 1,225 million and C.Portland EUR 150M million which were originally to mature in 2001. The maturity was extended to the year 2014.

Concentration risk

This risk arises from the concentration of financing transactions with common features and is broken down a follows:

- Sources of financing: The FCC Group obtains financing from a large number of domestic and international credit institutions.
- Markets/geographical area (Spanish, foreign): The FCC Group operates in a wide variety of markets in Spain and other countries; the Group's debt is denominated primarily in euros and various other currencies.
- Products: The FCC Group uses diverse financial products: loans, credit facilities, syndicated operations, assignments, discounts, etc.
- Currency: The FCC Group finances its operations using a number of different currencies depending on the country where the investment is being made. Most transactions take place in dollars, euros and pounds, with investments financed in the local currency wherever possible.

Risk-hedging inimical derivatives

Generally speaking, the financial derivatives contracted by the FCC Group are treated, from an accounting perspective, as provided for in the rules governing accounting hedges, as explained the notes to the annual accounts.

The main financial risk hedged by the FCC Group using derivatives is the variation in floating interest rates to which group companies' finance is referenced. At 31 December 2010, the FCC Group had arranged interest rate hedging transactions, mainly in the form of interest rate swaps in which Group companies, associates and jointly-operated companies pay fixed interest rates and receive floating rates.

The financial derivatives were measured by experts on the subject using generally accepted methods and techniques. These experts were independent from the Group and the entities financing it.

D.2 Have operating, technological, financial, legal, reputational, tax or other risks arisen during the year with an effect on the company and/or group:

Yes	X	No	

If so, indicate the circumstances giving rise to them and whether the established control systems worked.

Two risks related to the Group materialized in 2010:

Risk that materialised in the year

Operating risk due to investment delay.

Circumstances that gave rise to it

Investment delays in the construction of infrastructures for certain public sector clients in Spain as a result of the restrictions imposed on investments due to the economic and financial crisis.

How the control systems operated

This led to certain work having to be rescheduled over a longer period of time. This situation was mitigated by the increase in business outside of Spain and new contracts with new clients, the success of which is reflected in the fact that both the foreign construction business and the order book for work to be done abroad have increased significantly.

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Risk that materialised in the year

Delayed payment by certain public sector clients for environmental services rendered.

Circumstances that gave rise to it

Economic and financial crisis that has caused certain public sector clients to delay payment.

How the control systems operated

Standing committees have been created to monitor, control and minimise the volume of assets generated and thereby reduce the financial costs assumed and plan future expansion.

D.3 Are any committees or governing bodies entrusted with establishing and supervising these control mechanisms.

Yes [x] No [ ]

If so, detail their functions.

Name of Committee or Body

Audit and Control Committee

Description of functions

According to article 41 of the Board of Regulations 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 and the supervision of the company's internal audit services.

Name of Committee or Body

Executive Committee

Description of functions

The Board may permanent delegate in the Executive Committee each and every one of the powers of the Board, with the exception of those which reserved by law or the bylaws for the Board. Like the plenary board, the Committee ensures that the FCC Group's organisation structure, planning systems and management processes are designed to deal effectively with the different risks to which the Group's business is exposed.

Name of Committee or Body

Strategy Committee

Description of functions

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, the rest of the interest groups and society in general, as well as the Group's reputation.

Name of Committee or Body

Management Control and Risk Management

Description of functions

On the recommendation of the Audit and Control Committee, the Board of Directors agreed to assign the following corporate risk responsibilities to the Management Control and Risk Management Area:

- Identify the risks faced by the Company.
- Propose appropriate procedures for monitoring and controlling such risks and
- Implement the reporting systems needed to manage such risks.

The managers of the different business units collaborate with the management control on risk management, always in compliance with the principle contained in the risk management policies approved by the Board of Directors of the FCC Group at any given time.

D.4 Identify and describe the compliance processes for each legislative framework to which the company and/or group is subject.

The FCC Group has procedures in place to guarantee compliance with the regulations governing each of its economic activities. Different Group departments specialise in the regulations applicable to FCC and the Group (business, labour, tax, environmental, etc.). These departments are in charge of:

- Staying fully abreast of and up to date on the different regulations
- Overseeing regulatory compliance
- Drafting the standards needed to unify Group criteria
- Advising operating units

The economic activities carried out in countries outside of Spain receive local advice in relation to the specific laws affecting the FCC Group's business operations in those countries.

E. SHAREHOLDERS' MEETING

E.1 Is the minimum quorum required by the company for the general shareholders' meeting different from that set out in the Public Limited Companies Act.

Yes [x] No [ ]

	Quorum % different from that established as a general rule in Article 102 of the Public Limited Companies Act	Quorum % other than that established in Article 103 of the Public Limited Companies Act for the special cases set out in Article 103
Quorum required at first call	50	0
Quorum required at second call	45	45

The ordinary and extraordinary General Meetings are quorate when:

The shareholders present or represented on the first meeting date possess at least fifty percent of the share capital with voting rights. On the second meeting date, the General Meeting is quorate when the shareholders present or represented possess at least forty-five percent of the share capital with voting rights.

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, the overriding of the pre-emptive right to acquire new shares, the transfer of the company's domicile to another country and, in general, any amendment to the Articles of Incorporation, shareholders possessing at least fifty percent of the share capital with voting rights must be present or represented at the meeting on the first announced date. On the second scheduled meeting date, it will suffice for shareholders accounting for at least forty-five percent (45%) of the subscribed voting capital to be present or represented.

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When the shareholders in attendance or represented on the second announced meeting date account for less than fifty percent of the subscribed capital with voting rights, resolutions may only be validly passed with the favourable vote of two-thirds of the share capital present or represented at the Meeting.

E.2 Does the procedure used by the company for passing resolutions differ from that set out in the Public Limited Companies Act:

Yes ☐ No ☒

Describe how they differ from the provisions envisaged in the Public Limited Companies Act.

	Supermajority other than that established in Article 103.2 of the Public Limited Companies Act for the cases set out in Article 103.1	Other cases of a supermajority
% established by the company for approving resolutions		

E.3 Detail shareholders' rights in relation to shareholders' meetings that differ from those established in the Public Limited Companies Act.

There are no differences with respect to the rights set out in the Public Limited Companies Act.

E.4 Indicate any measures adopted to encourage shareholders to participate in shareholders' meetings.

The Rules of the General Meeting establish a series of measures intended to encourage shareholder participation at the meetings. These measures are defined in the shareholders' information rights regulated in the following articles:

Article 6. Information available as soon as the General Meeting is announced

As from the date of the meeting announcement, the Company will make available to its shareholders, at its registered offices, at the National Securities Market Commission, on the stock exchanges where its stocks are traded and on the Company's website, the following:

a) The full text of the announcement.

b) The text of all of the motions to be submitted by the Board of Directors in relation to the items on the agenda.

When the proposal consists of the appointment or ratification of directors, the following information with regard to the directors will also be included:

(i) professional and biographical profile;

(ii) other Boards of Directors to which they belong, both listed and unlisted companies;

(iii) indication of the category of director to which they belong, specifying, in the case of proprietary directors, the shareholder at whose request the appointment, ratification or re-appointment has been proposed, or with whom they have ties;

(iv) date of their first appointment as a director of the Company, and date of their subsequent appointments;

(v) Company shares and share options which they possess.

c) The documents or information which by law must be made available to the shareholders on the items on the meeting agenda as from the date of the announcement of the General Meeting of Shareholders.

d) Information on the channels of communication between the company and its shareholders for the purposes of obtaining information or making suggestions, in accordance with the applicable regulations.

Article 7. Right to Information prior to the General Meeting of Shareholders

1. Up to seven calendar days before the first scheduled date for the Meeting, shareholders may request any information or explanations they require and raise any questions they consider pertinent regarding the items on the agenda or the information accessible to the public reported by the Company to the National Securities Market Commission since the last General Meeting.

2. Information requests may be made by e-mail to the address provided for this purpose on the Company's website for each General Meeting of Shareholders or in writing to the Stock Market and Investor Relations Department at the Company's registered offices, delivered by hand, post or courier. The provisions of this article are understood without prejudice to the shareholders' right to obtain a printed copy of the documents and to request that the documents be sent to them, free of charge, when so stipulated by law.

3. Once the identity and status of the requesting shareholder is verified, the information requests regulated in this article will be answered up to the date of the General Meeting of Shareholders but prior to the start of the meeting.

4. The Chairperson may refuse to supply the requested information when, in his opinion, the publication of the requested information might be detrimental to the Company's interests, except when the request is backed by shareholders representing at least one-fourth of the share capital.

5. The Board of Directors may empower any of its members, its Secretary and Vice-Secretary to answer shareholders' requests for information through the Stock Market and Investor Relations Department.

Article 14. Information

1. The Directors must provide the information requested by shareholders, except under the circumstances envisaged in Article 7.4 of these rules or when the requested information is not available during the meeting. In this case, the information will be provided in writing within seven days from the meeting date, to which end the shareholders will indicate the mailing address where the information should be sent.

2. The requested information or clarifications will be provided by the Chairman or, at the Chairman's request, by the Managing Director, the Chairman of the Audit Committee, the Secretary, a Director or any employee or expert on the subject in question, in accordance with Article 9.2 of these Rules.

Article 15. Voting on Proposals

1. Upon conclusion of the shareholders' addresses and once the questions have been answered as provided for in these Rules, the proposed resolutions in the agenda and any others which by law need not be included in the agenda will be voted on.

2. The Secretary will ask the shareholders whether or not they wish to have the proposed resolutions read, the text of which was delivered to the shareholders before the meeting and is available on the Company's website. If any shareholder wishes them to be read or if the Chairman deems it appropriate, the proposed resolutions will be read aloud. In any event, the shareholders will be informed of the agenda item to which each proposed resolution refers.

3. Notwithstanding the alternative systems which may be employed by the Chairman, the procedure for voting on the proposed resolutions referred to above will be as follows:

a) The system for voting on the proposed resolutions relating to the items on the agenda will be by a negative deduction system. This means that, for each proposal, the votes corresponding to all of the shares present and represented will be considered as votes in favour, deducting those corresponding to the shares whose owners or representatives state that they are voting against or abstaining, to which will be added the votes corresponding to proxies received by the Board of Directors, indicating whether voters are against the motion or abstentions. Votes against and abstentions will be counted separately.

b) The system for voting on the proposed resolutions relating to items not on the agenda, when such proposals may legitimately be voted upon, will be a positive deduction system. This means that for each proposal, the votes corresponding to all of the shares present and represented will be considered votes against, deducting those corresponding to the shares whose owners or representatives state that they are voting for the proposal or abstaining.

c) When technically possible and provided that compliance with all legal requirements can be guaranteed, the Board of Directors may establish the use of electronic vote counting systems.

d) If, in accordance with the terms of Article 5 of these Rules, the meeting announcement makes provisions for voting electronically using one or more distance voting methods, and without detriment to the specific instructions for each particular case in order to be valid and accepted by the Company, the document containing the vote must contain the following information at the very least:

(i) Meeting date and agenda.

(ii) The shareholder's identity.

(iii) The number of shares owned.

(iv) The shareholder's vote on each of the items on the agenda.

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e) Issues which are substantially independent will be voted on separately so that the shareholders can exercise separately their voting preferences; this rule will be applied when adopting resolutions on: (i) the appointment or ratification of directors, which must be voted on individually; and (ii) amendments to the Articles of Incorporation where each article or group of articles is substantially independent.

f) Provided that it is legally possible and that the requirements provided for in this respect are met, financial intermediaries who are legitimised as shareholders, but who act on behalf of different customers, will be allowed to split the vote as per the instructions of their customers.

4. The statements containing votes submitted to the notary or the meeting officers as envisaged in paragraph 3 above may be made individually for each of the proposals or jointly for several or all of them, indicating to the notary or the officers the identity of the shareholder or representative, the number of shares in question, and whether the shareholder/representative votes in favour or against, or abstains.

E.5 Indicate if the position of chairperson of the shareholders' meeting coincides with that of the chairperson of the board of directors. Detail any measures adopted to guarantee the independence and smooth transaction of the shareholders' meeting:

Yes	X	No	

Detail the measures

Article 10.2 of the Rules of the General Meeting of Shareholders establishes that, "2. The General Meeting of Shareholders is presided over by the Chairman and, in his absence, by the Vice-Chairmen of the Board of Directors, in order; if there is no pre-set order, it will go in order of seniority on the Board. If there is no Vice-Chairman in attendance, the General Meeting will be chaired by the oldest director."

Measures to guarantee the independent and good working of the General Meeting:

The Rules of the General Meeting of Shareholders, which are available on the company's web site, contain a detailed set of measures to guarantee the independence and good working of the General Meeting.

They include, notably, Article 7 "Right to Information prior to the General Meeting of Shareholders

1. Up to seven calendar days before the first scheduled date for the Meeting, shareholders may request any information or explanations they require and raise any questions they consider pertinent regarding the items on the agenda or the information accessible to the public reported by the Company to the National Securities Market Commission since the last General Meeting.

2. Information requests may be made by e-mail to the address provided for this purpose on the Company's website for each General Meeting of Shareholders or in writing to the Stock Market and Investor Relations Department at the Company's registered offices, delivered by hand, post or courier. The provisions of this article are understood without prejudice to the shareholders' right to obtain a printed copy of the documents and to request that the documents be sent to them, free of charge, when so stipulated by law.

3. Once the identity and status of the requesting shareholder is verified, the information requests regulated in this article will be answered up to the date of the General Meeting of Shareholders but prior to the start of the meeting.

4. The Chairperson may refuse to supply the requested information when, in his opinion, the publication of the requested information might be detrimental to the Company's interests, except when the request is backed by shareholders representing at least one-fourth of the share capital. The Board of Directors may empower any of its members, its Secretary and Vice-Secretary to answer shareholders' requests for information through the Stock Market and Investor Relations Department.

Article 23 of the Articles of Incorporation establishes shareholders' right to information:

Shareholders may request, either in writing or using other electronic or distance communication media, up to seven calendar days before the date of the General Meeting on first call, any information or explanations they require or pose any questions they may have on the agenda items or about the information available to the public provided by the Company to the National Securities Market Commission since the last General Meeting was held. The information so requested will be provided by the directors in writing no later than the date of the General Meeting.

Any information or explanations requested verbally from the Chairman by the shareholders in relation to the items on the agenda during the General Meeting itself before the Meeting turns to the items contained in the agenda, or requested in writing up to the seventh day before the scheduled meeting date, will be provided verbally during the General Meeting by any one of the directors in attendance, at the Chairman's request. If the requested information or explanations refer to items falling under the jurisdiction of the Audit Committee, they shall be provided by any one of the members or advisors to the Committee in attendance at the meeting. If in the Chairman's opinion it is not possible to provide the shareholder with the requested information or explanations during the Meeting, they will be provided in writing to the requesting shareholder within seven calendar days of the Meeting date.

The Directors are obliged to provide the information referred to in the two preceding paragraphs unless, in the Chairman's opinion, the publication of the requested information could be harmful to the Company's interests.

This exception shall not apply when the request is supported by shareholders representing at least one-fourth of the share capital.

The Company has a website which contains the legally-required information and through which the Company can respond to the shareholders' requests for information, according to the legislation in force at any given time.

E.6 Indicate any amendments to the shareholders' meeting rules in the year.

None.

E.7 Indicate the attendance of the shareholders' meetings held in the year of this report:

Attendance information					
			% distance vote:		
Date of shareholders' meeting:	% of attendance	% by proxy:	Electronic votin	Other	Total %
27-05-2010	54.929	11.006			65.935

NOTE

The final attendance list was as follows:

- 129 shareholders in attendance controlling 69,926,077 shares accounting for 54.929 % of the share capital.
- 1,425 shareholders represented controlling 14,011,353 shares accounting for 11.006% of the share capital.

The company held 9,519,148 shares of treasury stock, equivalent to 7.478% of the share capital.

The total number of shares present or represented at the meeting was 93,456,578 shares, accounting for 65.935% of the subscribed share capital and valued at EUR 93,456,578 Euros.

E.8 Briefly indicate the resolutions adopted by the shareholders' meetings held in the year of this report and the percentage of votes that approved each resolution.

1. Financial statements of the company and its consolidated Group and the directors' reports for 2010.

Against	Abstentions	For	Votes cast
0.00963%	0.00013%	89.80462%	

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2. Distribution of income.

Against	Abstentions	For	Votes cast
0.03604%	0.00000%	89.77832%	

3. Appointment and re-election of income.

3.A Re-election of the proprietary director DOMINUM DIRECCIÓN Y GESTIÓN, S.A.

Against	Abstentions	For	Votes cast
2.71766%	0.08159%	87.01511%	

3.B Re-election of the proprietary director CARTERA DEVA, S.A.

Against	Abstentions	For	Votes cast
2.77275%	0.03182%	87.00979%	

3.C Re-election of the proprietary director LARRANZA XXI, S.L.

Against	Abstentions	For	Votes cast
2.35523%	0.00037%	87.45876%	

3.D Re-election of the proprietary director ROBERT PEUGEOT

Against	Abstentions	For	Votes cast
2.81211%	0.03182%	86.97043%	

3.E Re-election of the proprietary director
FERNANDO FALCÓ Y FERNÁNDEZ DE CÓRDOVA

Against	Abstentions	For	Votes cast
2.84356%	0.00037%	86.97043%	

3.F Re-election of the proprietary director MARCELINO OREJA AGUIRRE

Against	Abstentions	For	Votes cast
2.39226%	0.00037%	87.42175%	

3.G Re-election of the proprietary director JUAN CASTELLS MASANA

Against	Abstentions	For	Votes cast
2.84356%	0.00037%	86.97043%	

3.H Re-election of the proprietary director D. ANTONIO PÉREZ COLMENERO

Against	Abstentions	For	Votes cast
2.66989%	0,03182%	87.11265%	

3.I Re-election of the independent director
GONZALO ANES ALVAREZ DE CASTRILLÓN

Against	Abstentions	For	Votes cast
2.68274%	0.00037%	87.13125%	

3.J Re-election of the independent director FELIPE BERNABÉ GARCÍA PEREZ

Against	Abstentions	For	Votes cast
2.30870%	0.08159%	87.42407%	

3.K Election of the independent director JAVIER RIBAS

Against	Abstentions	For	Votes cast
0.06277%	0.00037%	89.75122%	

3.L Election of the independent director HENRI PROGLIO

Against	Abstentions	For	Votes cast
0.21154%	0.00037%	89.60245%	

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4. Extension of the period granted to the Board of Directors by the Ordinary General Meeting of Shareholders on 10 June 2009 to execute the capital reduction by retiring treasury stock.

Against	Abstentions	For	Votes cast
0.00000%	0.00013%	89.81423%	

5. Renewal of the authorisation granted to the Board of Directors, with powers of substitution, to increase the share capital on one or more occasions pursuant to the terms of article 153.1.b) of the Public Limited Companies Act.

Against	Abstentions	For	Votes cast
0.60438%	0.13219%	89.07779%	

6. Delegation of the Board of Directors, with powers of substitution, to issue fixed income securities or similar debt instruments, simple or collateralised, up to a limit of EUR 500,000 thousand (EUR 500,000 thousand).

Against	Abstentions	For	Votes cast
0.28138%	0.08759%	89.44541%	

7. Delegation of the Board of Directors to issue fixed income securities that may be converted into or exchanged for Company shares up to a limit of three million euros (EUR 300,000 thousand). Share buyback and capital reduction plan.

Against	Abstentions	For	Votes cast
0.53771%	0.00636%	89.27029%	

8. Re-election of the Company's and consolidated Group's auditors.

Against	Abstentions	For	Votes cast
0.11763%	0.00003%	89.69670%	

9. To authorise the directors develop, notarise, register, correct and enforce the resolutions adopted.

Against	Abstentions	For	Votes cast
0.00003%	0.00000%	89.81433%	

10. Approval of the meeting minutes

There was no vote on this agenda item since the minutes were prepared by the notary public of Barcelona, José Javier Cuevas Castaño.

E.9 Do the Articles of Incorporation establish a minimum number of shares required to attend the general shareholders' meeting?

Yes ☐ No ☒

Number of shares required to attend the Shareholders' Meeting	1

E.10 Indicate and explain the company's policy on delegating votes in the shareholders' meeting.

Notwithstanding the provisions of the Articles of Incorporation with respect to proxy voting, the Board of Directors does not require unnecessary formalities in the proxy voting procedure which might hinder the rights of shareholders wishing to exercise their right to attend the General Meeting. Nevertheless, pertinent procedures are in place to verify the validity of proxy authorisations.

E.11 Indicate if the company is aware of the institutional investors' policy of participation in company decisions:

Yes ☐ No ☒

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E.12 Indicate the web site and the way in which to access corporate governance content on the company's web site.

The Fomento de Construcciones y Contratas, S.A. website home page, www.fcc.es, features links to specific sections entitled "Information for Shareholders and Investors" and "Corporate Responsibility," which include the information required by Law 26/2003 of 18 July, Ministry of Economy Order 3722/2003 of 26 December, National Securities Market Commission Circular 1/2004 of 17 March, Ministry of Economy and Finance Order 3050/2004 of 15 December, and Royal Decree 1333/2005 of 11 November.

These pages are just two clicks away from the home page. The contents are structured and prioritised under rapid access titles. All pages are printable.

The FCC website has been designed and programmed following the guidelines of the Web Accessibility Initiative (WAI), which sets the international standards for creating web content that can be accessed worldwide. Technosite accessibility consultants performed a technical analysis of the FCC Group's website accessibility and determined that the site meets all of the priority 2 and priority 1 checkpoints established in the W3C's Web Accessibility Guidelines 1.0 ("WAI Guidelines").

The site features a link to the regulatory disclosures submitted by Fomento de Construcciones y Contratas, S.A. to the National Securities Market Commission.

F. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the company's degree of conformance to the recommendations of the Unified Code of Corporate Governance.

In the event of not complying with some recommendations, detail the recommendations, rules, practices or criteria applied by the company.

1. The Articles of Incorporation 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 sections: A.9, B.1.22, B.1.23 y E.1, E.2.

Compliant	Partially compliant	Explain	Not applicable
X			

2. When a dominant 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 sections: C.4 y C.7

Compliant	Partially compliant	Explain	Not applicable
		X	

Article 7.2.i) of the Rules of the Board of Directors establishes that the Board of Directors is responsible for "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 Managing Director, 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".

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3. Even when not expressly required under company law, any decisions involving a fundamental corporate change should be submitted to the General Shareholders' Meeting for approval or ratification. In particular:

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 originating firm, 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 the company's liquidation.

Compliant	Partially compliant	Explain	Not applicable
	X		

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 the Company's liquidation.

To avoid impairing the Board of Directors' ability to operate, this does not include subsidiarisation operations, since these operations often require quick decisions 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 Shareholders' Meeting, including the information stated in Recommendation 28, should be made available at the same time as the publication of the Meeting notice.

Compliant	Partially compliant	Explain	Not applicable
X			

5. Separate votes should be taken at the General Shareholders' Meeting on materially separate items, so shareholders can express their preferences in each case. 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 Incorporation, with votes taken on all articles or groups of articles that are materially different.

See section: E.8

Compliant	Partially compliant	Explain	Not applicable
X			

6. Companies should allow split votes, so financial intermediaries acting as nominees on behalf of different clients can issue their votes according to instructions.

See section: E.4

Compliant	Partially compliant	Explain	Not applicable
X			

7. The Board of Directors should perform its duties with unity of purpose and independent judgement, according 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.

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	Partially compliant	Explain	Not applicable
X			

8. The Board should see the core components of its mission as approving the company's strategy and authorising the organisational resources to carry it forward, and ensuring that management meets the objectives set while pursuing the company's interests and corporate purpose. As such, 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) Investment and financing policy;

iii) Design of the structure of the corporate group;

iv) Corporate governance policy;

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v) Corporate social responsibility policy;

vi) Remuneration and evaluation of senior officers;

vii) Risk control and management, and the periodic monitoring of internal information and control systems.

viii) Dividend policy, as well as the policies and limits applying to treasury stock.

See sections:B. 1.10, B.1.13, B.1.14 y D.3

b) The following decisions:

i) On the proposal of the company's chief executive, the appointment and removal of senior officers, and their compensation clauses.

See section: B.1.14.

ii) Directors' remuneration and, in the case of executive directors, the additional consideration for their management duties and other contract conditions.

See section: B. 1.14.

iii) The financial information that all listed companies must periodically disclose.

iv) Investments or operations considered strategic by virtue of their amount or special characteristics, unless their approval corresponds to the General Shareholders' Meeting;

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 comparable nature whose complexity might impair the transparency of the group.

c) Transactions which the company conducts 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 no 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 handling the same function; and that the directors involved should neither exercise nor delegate their votes, and should withdraw from 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 sections:C. 1 y C.6

Compliant	Partially compliant	Explain	Not applicable
X			

9. In the interests of maximum effectiveness and participation, the Board of Directors should ideally comprise no fewer than five and no more than fifteen members.

See section: B.1.1

Compliant	Partially compliant	Explain	Not applicable
		X	

Article 27 of the Articles of Incorporation states that the Board of Directors shall comprise a minimum of five and a maximum of 22 members. At 31 December 2009, there were 20 directors.

Given the characteristics of the Company, the size of the Board is considered to be appropriate for proper management, direction and administration of the Company's businesses. Furthermore, the size of the Board makes it possible for different types of directors to sit on the Board without jeopardising the Board's effectiveness.

10. External directors, proprietary 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.2, A.3, B.1.3., B.1.14

Compliant	Partially compliant	Explain	Not applicable
X			

11. In the event that an external director can be deemed neither proprietary nor independent, the company should disclose this circumstance and the links that person maintains with the company or its senior officers, or its shareholders.

See section: B.1.3

Compliant	Partially compliant	Explain	Not applicable
			X

12. That among external directors, the relation between proprietary members and independents should match the proportion between the capital represented on the board by proprietary directors and the remainder of the company's capital.

This proportional criterion can be relaxed so the weight of proprietary directors is greater than would strictly correspond to the total percentage of capital they represent:

1. In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings, despite the considerable sums actually invested.
2. In companies with a plurality of shareholders represented on the board that are not otherwise related.

See sections:B.1.3, A.2 y A.3

Compliant	Partially compliant	Explain	Not applicable
X			

13. The number of independent directors should represent at least one third of all board members.

See section: B.1.3

Compliant	Partially compliant	Explain	Not applicable
		X	

Article 6.3 of the Rules of the Board of Directors establishes that the Board of Directors must have an appropriate number of independent directors to ensure a reasonable balance between proprietary and independent directors, and that external directors must represent an ample majority on the Board.

There are five independent directors on the Board. While they do not represent one-third of the total number of directors, as suggested in the recommendation, it is believed that in view of the current capital structure of the Company and pursuant to the OECD Principles of Corporate Governance and the Recommendation of the European Commission of 15 January 2006, there is a "sufficient number" of independent directors to guarantee that the interests of other shareholders are adequately protected.

14. The nature of each director should be explained to the General Meeting of Shareholders, 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 Nomination Committee. That Report should also disclose the reasons for the appointment of proprietary directors at the urging 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 proprietary directorship.

See sections:B.1.3 y B.1.4

Compliant	Partially compliant	Explain	Not applicable
X			

15. When there are few or no women directors, the board should state the reasons for this situation and the measures taken to correct it; in particular, the Nomination Committee should take steps to ensure that:

a) The process of filling board vacancies has no implicit bias against women candidates;

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b) The company makes a conscious effort to include women with the target profile among the candidates for board places.

See sections: B.1.2, B.1.27 y B.2.3.

Compliant [x] Partially compliant [ ] Explain [ ] Not applicable [ ]

16. 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, 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 section: B.1.42

Compliant [x] Partially compliant [ ] Explain [ ] Not applicable [ ]

17. When a company's Chairman is also its chief executive, an independent director should be empowered 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.

See section: B.1.21

Compliant [x] Partially compliant [ ] Explain [ ] Not applicable [ ]

18. The Secretary 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 Articles of Incorporation and the Rules of the General Shareholders' Meeting, the Board of Directors and others;

c) Are informed by those good 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 Nomination Committee and approved by a full board meeting; the relevant appointment and removal procedures being spelled out in the Rules of the Board of Directors.

See section: B.1.34

Compliant [x] Partially compliant [ ] Explain [ ] Not applicable [ ]

19. 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, to which each director may propose the addition of other items.

See section: B.1.29

Compliant [x] Partially compliant [ ] Explain [ ] Not applicable [ ]

20. 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: B.1.28 y B.1.30

Compliant [x] Partially compliant [ ] Explain [ ] Not applicable [ ]

21. 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 meeting, the person expressing them can request that they be recorded in the minute book.

Compliant [x] Partially compliant [ ] Explain [ ] Not applicable [ ]

22. 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 Nomination 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 the same.

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See section: B.1.19

Compliant	X	Partially compliant		Explain		Not applicable	

23. 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 Incorporation or Rules of the Board of Directors indicate otherwise, such requests should be addressed to the Chairman or Secretary.

See section: B. 1.42

Compliant	X	Partially compliant		Explain		Not applicable	

24. 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:B.1.41

Compliant	X	Partially compliant		Explain		Not applicable	

25. Companies should organise induction programmes for new directors to acquaint them rapidly with the workings of the company and its corporate governance rules. Directors should also be offered refresher programmes when circumstances so advise.

Compliant	X	Partially compliant		Explain		Not applicable	

26. Companies should require their directors to devote sufficient time and effort to perform their duties effectively, and, as such:

a) Directors should apprise the Nomination Committee of any other professional obligations, in case they might detract from the necessary dedication;

b) Companies should lay down rules about the number of directorships their board members can hold.

See sections: B.1.8, B.1.9 y B. 1. 17

Compliant	X	Partially compliant		Explain		Not applicable	

27. The proposal for the appointment or re-appointment of directors which the board submits to the General Shareholders' Meeting, as well as provisional appointments by the method of co-optation, should be approved by the board:

a) On the proposal of the Nomination Committee, in the case of independent directors.

b) Subject to a report from the Nomination Committee in all other cases.

See section: B.1.3

Compliant	X	Partially compliant		Explain		Not applicable	

28. Companies should post the following director particulars 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, proprietary or independent; in the case of proprietary 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 on the same.

Compliant	X	Partially compliant		Explain		Not applicable	

29. Independent directors should not stay on as such for a continuous period of more than 12 years.

See section: B.1.2

Compliant	X	Partially compliant		Explain		Not applicable	

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30. Proprietary 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 proprietary directors, the latter's number should be reduced accordingly.

See sections: A.2, A.3 y B.1.2

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable [ ]

31. The Board of Directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the Articles of Incorporation, except where just cause is found by the board, based on a proposal from the Nomination Committee. In particular, just cause will be presumed when a director is in breach of his or her fiduciary duties or comes under one of the disqualifying grounds enumerated in section III.5 of this Code.

The removal of independents 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 12.

See sections: B.1.2, B.1.5 y B.1.26

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable [ ]

32. Companies should establish rules obliging directors to inform the board of any circumstance that might harm the organisation'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 trial.

The moment a director is indicted or tried for any of the crimes stated in Article 124 of the Public Limited Companies Law, the board should examine the matter 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: B.1.43, B.1.44

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable [ ]

33. 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; director or otherwise.

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable [ ]

34. 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 significant event, the motive for the same must be explained in the Annual Corporate Governance Report.

See section: B.1.5

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable [ ]

35. The company's remuneration policy, as approved by its Board of Directors, should specify at least the following points:

a) the amount of the fixed components, itemised where necessary, of board and board committee attendance fees, with an estimate of the fixed annual payment to which they give rise;

b) Variable components, in particular:

i) The types of directors they apply to, with an explanation of the relative weight of variable to fixed remuneration items.

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ii) Performance evaluation criteria used to calculate entitlement to the award of shares or share options or any performance-related remuneration;

iii) The main parameters and grounds for any system of annual bonuses or other non-cash benefits; and

iv) An estimate of the sum total of variable payments arising from the remuneration policy proposed, as a function of degree of compliance with pre-set targets or benchmarks.

c) The main characteristics of providential systems (e.g. supplementary pensions, life insurance and similar arrangements), with an estimate of their amount or annual equivalent cost.

d) The conditions applicable to the contracts of executive directors performing senior management functions, including:

i) Duration;

ii) Notice periods; and

iii) Any other clauses covering hiring bonuses, as well as indemnities or "golden parachutes" in the event of early termination of the contractual relation between company and executive director.

See section: B. 1. 1 5

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable [ ]

36. Remuneration comprising the delivery 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 delivery of shares is excluded from this limitation when directors are obliged to retain them until the end of their tenure.

See sections: A.3, B.1.3

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable [ ]

37. 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 [X] Partially compliant [ ] Explain [ ] Not applicable [ ]

38. In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the external auditor's report.

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable [ ]

39. In the case of variable awards, 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, atypical or exceptional transactions or circumstances of this kind.

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable [ ]

40. The board should submit a report on the directors' remuneration policy to the advisory vote of the General Shareholders' Meeting, as a separate point on the agenda. This report can be supplied to shareholders separately or in the manner each company sees fit.

The report will focus on the remuneration policy the board has approved for the current year with reference, as the case may be, to the policy planned for future years. It will address all the points referred to in Recommendation 35, except those potentially entailing the disclosure of commercially sensitive information. It will also identify and explain the most significant changes in remuneration policy with respect to the previous year, with a global summary of how the policy was applied over the period in question. The role of the Remuneration Committee in designing the policy should be reported to the Meeting, along with the identity of any external advisors engaged.

See section: B.1.16

Compliant [ ] Partially compliant [ ] Explain [X] Not applicable [ ]

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At the time the Ordinary General Meeting of Shareholders scheduled for 2010 was announced, a report on the Board of Directors remuneration policy was made available to the shareholders. That report was approved by the Board of Directors on 21 April 2010 and it was not submitted to the General Meeting for approval.

The report discussed the following:

a. the procedures applied in preparing the report

b. the objective and structure of the remuneration policy

c. remuneration of directors for their membership of the Board

d. the remuneration of executive directors for performance of executive and managerial duties

- structure of the remuneration
- basic conditions of executive director contracts.

41. The notes to the annual accounts should list individual directors' remuneration in the year, including:

a) A breakdown of the compensation obtained by each company director, to include where appropriate:

i) Participation and attendance fees and other fixed director payments;

ii) Additional compensation for acting as chairman or member of a board committee;

iii) Any payments made under profit-sharing or bonus schemes, and the reason for their accrual;

iv) Contributions on the director's behalf to defined-contribution pension plans, or any increase in the director's vested rights in the case of contributions to defined-benefit schemes;

v) Any severance packages agreed or paid;

vi) Any compensation they receive as directors of other companies in the group;

vii) The remuneration executive directors receive in respect of their senior management posts; Any kind of compensation other than those listed above, of whatever nature and provenance within the group, especially when it may be accounted a related-party transaction or when its omission would detract from a true and fair view of the total remuneration received by the director.

b) An individual breakdown of deliveries to directors of shares, share options or other share-based instruments, itemised by:

i) Number of shares or options awarded in the year, and the terms set for their execution;

ii) Number of options exercised in the year, specifying the number of shares involved and the exercise price;

iii) Number of options outstanding at the annual close, specifying their price, date and other exercise conditions;

iv) Any change in the year in the exercise terms of previously awarded options.

c) Information on the relation in the year between the remuneration obtained by executive directors and the company's profits, or some other measure of enterprise results.

Compliant		Partially compliant		Explain	X	Not applicable	

In section B.1.11 and subsequent sections of this Annual Corporate Governance Report, the Company provides the required information on directors' remuneration (the different types of remuneration received by the directors for membership of the Board of FCC or of Group companies, remuneration by type of director, and golden parachute clauses in favour of executive directors) and the process for establishing directors' remuneration (Board approval of a detailed report on the remuneration policies submitted by the Nomination and Remuneration Committee).

Therefore, it is believed that the Company has offered sufficiently detailed information on the various aspects of the remuneration paid to directors for the performance of their duties, both collectively and by category. However, for reasons of security and privacy, it is not considered necessary to itemise the specific amount of individual remuneration received by each director.

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42. When the company has an Executive Committee, the breakdown of its members by director category should be similar to that of the board itself. The Secretary of the board should also act as secretary to the Executive Committee.

See sections: B.2.1 y B.2.6

Compliant [ ] Partially compliant [X] Explain [ ] Not applicable [ ]

The composition of the Executive Committee is as follows: 83% external directors and 17% executive directors; the composition of the Board of Directors is: 90% external directors and 10% executive directors.

The Secretary of the Board is the Secretary of the Executive Committee.

43. The board should be kept fully informed of the business transacted and decisions made by the Executive Committee. To this end, all board members should receive a copy of the Committee's minutes.

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable [ ]

44. In addition to the Audit Committee required under the Securities Market Law, the Board of Directors should form a committee, or two separate committees, of Nomination and Remuneration.

The rules governing the make-up and operation of the Audit Committee and the committee or committees of Nomination and Remuneration 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, having regard to the directors' knowledge, skills and experience and each Committee's area of competence; discuss their proposals and reports; and be apprised, at the first board meeting following each committee meeting, of the business transacted, the committees being responsible before the Board for their performance.

b) These committees should be formed exclusively of 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 chairs must be independent directors.

d) These committees may engage external advisors when they feel this is necessary for the discharge of their duties.

e) Committee meetings should be minuted and a copy sent to all board members.

See sections:B.2.1 y B.2.3

Compliant [ ] Partially compliant [X] Explain [ ] Not applicable [ ]

The Board took into account the knowledge, aptitudes 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 gave 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 Gonzalo Anes y Álvarez de Castrillón, and independent director of FCC.

45. The job of supervising compliance with internal codes of conduct and corporate governance rules should be entrusted to the Audit Committee, the Nomination Committee or, as the case may be, separate Compliance or Corporate Governance committees.

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable [ ]

46. 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 [X] Partially compliant [ ] Explain [ ] Not applicable [ ]

47. 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.

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable [ ]

CORPORATE GOVERNANCE

48. 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	Partially compliant	Explain	Not applicable
X			

49. 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 sees as acceptable;

c) Measures in place to mitigate the impact of risk events 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: D

Compliant	Partially compliant	Explain	Not applicable
X			

50. The Audit Committee's role should be:

1. With respect to internal control and reporting systems:

a. Monitor the preparation and the integrity of the financial information prepared on the company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.

b. Review internal control and risk management systems on a regular basis, so main risks are properly identified, managed and disclosed.

c. 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 management are acting on the findings and recommendations of its reports.

d. 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 firm.

2. With respect to the external auditor:

a. Make recommendations to the board for the selection, appointment, re-appointment and removal of the external auditor, and the terms and conditions of the engagement.

b. 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.

c. Monitor the independence of the external auditor, to which end:

i) The company should notify any change of auditor to the CNMV as a regulatory disclosure, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.

ii) The Committee should ensure that the company and the auditor adhere to current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, other requirements designed to safeguard auditors' independence;

iii) Investigate the issues giving rise to the resignation of any external auditor.

d. In the case of groups, urge the group auditor to take on the audit of all component companies.

See sections:B.1.35, B.2.2, B.2.3 y D.3

Compliant	Partially compliant	Explain	Not applicable
X			

51. 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.

CORPORATE GOVERNANCE

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable [ ]

52. 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:B.2.2 y B.2.3

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable [ ]

53. The Board of Directors should seek to present the annual accounts to the General Shareholders' Meeting 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: B.1.38

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable [ ]

54. The majority of Nomination Committee members – or Nomination and Remuneration Committee members as the case may be – should be independent directors.

See section: B.2.1

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable [ ]

As indicated under Recommendation 44, when appointing committee members and chairs, the Board focuses more on the skills, experience and qualifications that will enable the different committees to best perform their duties than on the category of director.

All members of the Nomination and Remuneration Committee are external directors and one of them, Gonzalo Anes, is an independent director.

55. The Nomination Committee should have the following functions in addition to those stated in earlier recommendations:

a) Evaluate the balance of skills, knowledge and experience 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: B.2.3

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable [ ]

56. The Nomination 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 Nomination Committee for its consideration.

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable [ ]

57. The Remuneration Committee should have the following functions in addition to those stated in earlier recommendations:

CORPORATE GOVERNANCE

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:B.1.14, B.2.3

Compliant [x] Partially compliant [ ] Explain [ ] Not applicable [ ]

58. The Remuneration Committee should consult with the Chairman and chief executive, especially on matters relating to executive directors and senior officers.

Compliant [x] Partially compliant [ ] Explain [ ] Not applicable [ ]

EXECUTIVE PERSONNEL

EXECUTIVES

EXECUTIVE PERSONNEL

Chairman and Managing Director	**Baldomero Falcones Jaquotot**
Environment and Water	
Chairman of FCC Servicios	José Luis de la Torre Sánchez
Administración y Finanzas	Alberto Alcañiz Horta
Information Systems and Technologies	Manuel Miranda Acuña
Environment	
Corporate Manager	Agustín García Gila
Administration and Finance	Juan Ricote Garbajosa
Zone I.-	Jordi Payet Pérez
Aragón - Rioja	Manuel Liébana Andrés
Barcelona capital	Pablo Martín Zamora
Barcelona exterior	Martín Juanola Carceles
Lleida-Tarragona	Jesús Padulles Caba
Levante I	Salvador Otero Caballero
Levante II	Francisco Javier del Olmo Gala
Municipal de Serveis, S.A.	Miquel Boix Moradell
Tirssa	Juan Almirall Sagué
Tirmesa	Ángel Fernández Omar
Zone II.	Faustino Elías Morales
Andalucía I	Blas Campos Gabucio
Andalucía II	Manuel Calderón Capilla
Canarias	Miguel Ángel Castanedo Samper
Murcia-Almería	José Alcolea Heras
Zone III.	Jesús Medina Peralta
Castilla y León	Antonio Rodríguez Gómez
Centro	José María Moreno Arauz
Galicia	Guillermo de Cal Alonso
Guipúzcoa-Navarra	Ignacio Eguiguren Tellechea
Madrid	Raúl Pérez Vega
Norte	Ernesto Barrio Vega
Vizcaya	Eladio Orive Fernández
Central Services	
Technical Services	Alfonso García García
Machinery	Antonio Bravo Díaz
Supplies	Santiago Muñoz Crespo
Studies	Antonio Pousa Blasco
Quality Assurance and Environment	José María López Pérez
Waste Treatment	Sylvain Cortés
Servicios Técnicos	Juan José González Vallejo
Coordination and Development	Catherine Milhau
Information Systems and Technologies	Ignacio Arespacochaga Maroto
Industrial Waste	
Corporate Manager	Aurelio Blasco Lázaro
Administration and Finance	Domingo Bauzá Mari
Activity Manager	Íñigo Sánz Pérez
Cataluña	Felip Serrahima Viladevall
Aragón	Julián Imaz Escorihuela
Centro y Levante	Javier Fuentes Martín
North	Iñaki Díaz de Olarte Barea
South	Manuel Cuerva Sánchez
Papel y Cartón	Javier Montero Sánchez
Development	Mª Jesús Kaifer Brasero
ECODEAL	Manuel Simôes
Manager, USA	Kenneth D. Cherry
Studies	Antonio Sánchez-Trasancos Álvarez
Water Management	
Corporate Manager	Fernando Moreno García
Administration and Finance	Isidoro Marbán Fernández
Deputy Manager, Development and International	Miguel Jurado Fernández
European Zone	Roberto Pérez Muñoz
Italy	Roberto Pérez Muñoz
Sm Vak	Miroslav Kyncl
Portugal and Extremadura	Jesús Rodríguez Sevilla
Concessions	Luis de Lope Alonso
Industrial Water	Luis de Lope Alonso
Aqualia Infraestructuras	Javier Santiago Pacheco
Central Zone	Félix Parra Mediavilla
Levante	Manuel Calatayud Ruiz
Castilla-La Mancha	Matias Loarces Úbeda
Centre and Canary Islands	Higinio Martínez Marín

EXECUTIVE PERSONNEL

Northern Zone	Santiago Lafuente Pérez-Lucas
Galicia	José Luis García Ibañez
Castilla y León	Juan Carlos Rey Fraile
Asturias	Francisco Delgado Guerra
North	Fernando de la Torre Fernández
Southern Zone	Lucas Díaz Gázquez
Eastern Zone	Juan Luis Castillo Castilla
Cataluña	Juan Luis Castillo Castilla
Balearic Islands	Eduardo del Castillo Fernández
Technical Manager	Pedro Rodríguez Medina
Studies	Alejandro Benedé Angusto
Innovation and Technology	Frank Rogalla
Service Management	Enrique Hernández Moreno
Marketing and Communication	José Arce de Gorostizaga
Contracting	Antonio Vassal´lo Reina
Commercial	Cecilio Sánchez Martín
Management Control	Manuel Castañedo Rodríguez

International	
International Manager	Tomás Núñez Vega
Assistant Manager	Felipe Urbano de Saleta
Operations	Agustín Serrano Minchán
Austria and Central Europe	
CEO	Petr Vokral
CFO	Björn Mittendorfer
Austria, Hungary	Leitner Wolfgang
Czech Rep., Slovakia, Poland	Arnost Kastner
Romania, Bulgaria, Serbia	Jakub Koznarek
Energy Recovery, RSU	Gerhard Ganster
Egypt	Manuel Ramírez Ledesma
United Kingdom	
CEO	Paul Taylor
CFO	Vicente Orts Llopis
Development Manager	Andy Ryan
Treatment and Recycling	Chris Ellis
Manager, PFI	John Plant

Proactiva Medio Ambiente, S.A.	
Chairman	Olivier Orsini
Assistant Corporate Manager, Operations	Ramón Rebuelta Melgarejo
Assistant Corporate Manager, Finance	Marcos García García
Manager, México	Roberto Gómez Morodo
Manager, Venezuela	Fernando Moncaleano
Manager, Brasil	Régis Hahn
Manager, Argentina	Juan Carlos Hegouaburu
Manager, Colombia	José Quevedo
Manager, Chile	José Blanco Peris
Manager, Peru	Marlik Bentabet
Manager, Ecuador	Óscar García Poveda

Versia	
Chairman of FCC Versia, S.A.	José Luis de la Torre Sánchez
Corporate Manager	Carlos Barón Thaidigsmann
Administration and Finance	Juan Carlos Andradas Oveja
Information Systems and Technologies and RSC	Fernando del Caño Palop
Zone I	Vicente Beneyto Perles
Car Parks and Services	José María Paz Sánchez
Conservation and Systems	Ángel Luis Pérez Buitrago
Sistemas y Vehículos de Alta Tecnología (SVAT)	Ignacio Cabanzón Alber
Handling-Flightcare	Ángel Felipe Marcos Fernández
Corporación Europea de Mobiliario Urbano (CEMUSA)	Eric Marotel Guillot
FCC Logística, S.A.	Luis Marceñido Ferrón

Construction	
Chairman of FCC Construcción	José Mayor Oreja
Corporate Manager of FCC Construcción	Avelino Juan Acero Díaz
Administration and Finance	Cesar Mallo Arias
Information Systems and Technologies	Tim Riewe
Assistant Corporate Manager of Construction and Area III	Jordi Piera Coll
Deputy Corporate Managers	
· Area I: Zones I, IV, VII and VIII	Javier Lázaro Estarta

EXECUTIVE PERSONNEL

· Area II: Zones II, IX and Europe	Alejandro Tuya García
· Area III: Zones V y VI	Jordi Piera Coll
· Area IV: Investee Companies and Concessions	Santiago Ruiz González
· Studies and Contracts	Pedro Gómez Prad
· Technical Services	José Luis Álvarez Poyatos
· Corporate Affairs	José Ramón Ruiz Carrero
Area I	Javier Lázaro Estarta
Zone I - Andalucía	José María Torroja Ribera
	Francisco Campos García (Subdirector)
· Andalucía West Building	
	Jaime Freyre de Andrade Calonge (O.C.)
	Jesús Amores Martín (E.)
· Andalucía East Building	
	José Antonio Madrazo Salas (O.C.)
	André García Sáiz (E.)
Zone IV - Canary Islands	Juan Madrigal Martínez-Pereda
· Las Palmas	Enrique Hernández Martín
Zone VII - Civil Engineering Works Central and North	Antonio Pérez Gil
· Castilla-La Mancha and Extremadura	Aurelio Callejo Rodríguez
· Madrid Civil Engineering Works	Ángel Serrano Manchado
· País Vasco and Rioja	Norberto Ortega Lázaro
· Portugal	Antonio Ribeiro Mendes
Zone VIII - Northwestern	Javier Hidalgo González
· Castilla y León	
	José Manuel San Miguel Muñoz (O.C.)
	Florentino Rodríguez Palazuelos (E.)
· Galicia	Juan Sanmartín Ferreiro
· Norte	Guillermo Castanedo Elizalde
Area II	Alejandro Tuya García
Zone II - Building Madrid	Emilio Giraldo Olmedo
· Madrid Building I	Alfonso García Muñoz
· Madrid Building II	Francisco Mérida Hermoso

· REHAVIVA	Francisco Pelluz Cuesta
· Development and Arrangement	Carlos García León
Zone IX - Transport	Alejandro Cisneros Müller
· Transport	Alberto Enciso García
European Zone	Alcibíades López Cerón
· Europe Construction	Lorenzo Aníbal-Álvarez Díaz-Terán
· Romania	Sébastien Picaut
· Polonia	Miguel Ángel Mayor Gamo
· UK and Irland	Rafael Foulquie Echevarría
· Alpine Liaison	Ramón G. Gómez Andrío
· ALPINE - Director	Francisco Javier Córdoba Donado
· ALPINE - Administration and Finance	Enrique Sanz Herrero
Area III	Jordi Piera Coll
Zone V - Levante	Teodoro Velázquez Rodríguez
· Valencia Civil Engineering Works	Rafael Catalá Reig
· Valencia Building	Leopoldo Marzal Sorolla
· Balearic Islands	Miguel Ángel Rodríguez Rodríguez
· Murcia	Juan Antonio López Cánovas
· Aragón and Navarra	Roberto Monteagudo Fernández
Subsector Middle East	Leopoldo Marzal Sorolla
· Catar	Iván Morales Puigcerver
Zone VI - Cataluña	Francisco Vallejo Gómez
· Cataluña Building	Jordi Marí Escanellas
· Cataluña Civil Engineering Works I	Josep Torrens Fonts
· Cataluña Civil Engineering Works II	José Luis Negro Lorenzo
Subsector North Africa	Francisco José Diéguez Lorenzo
Area IV	Santiago Ruiz González
· Servicios Industriales y Energéticos (SIE)	Antonio Alfonso Avello
· Actividades de Construcción Industrial (ACI)	Pablo Colio Abril
· Mantenimiento de Infraestructuras (MATINSA)	Miguel Cañaza Echániz
· Prefabricados DELTA y MEGAPLAS	Rafael Villa López
· Proyectos y Servicios (PROSER)	Amalio Aguilar Bustillos
· Specialised Construction	José Miguel Janices Pérez
· Technical Manager	Miguel Ángel Lobato Kropnick

EXECUTIVE PERSONNEL

· Concessions	Félix Corral Fernández
American Zone	
Assistant to the Chairman	Eugenio del Barrio Gómez
· México and US	Pedro D. Z. Carneiro Chaves
· Central America	Julio Casla García
· Brasil	Antonio José A. S. Tenreiro
Subdirector General Director de los Servicios Técnicos	José Luis Álvarez Poyatos
· Support Construction	Jesús Mateos Hernández-Briz
· Specialised Construction	Luis Viñuela Rueda
· Innovation and Technology	Francisco Esteban Lefler
· Machinery	José Manuel Illescas Villa
Institutional Relations	Julio Senador-Gómez Odériz

Infrastructure Concessions

Globalvía	
Chairman	Juan Béjar Ochoa
Corporate Manager	Luis Sánchez Salmerón

Cement

Chairman and Managing Director Cementos Portland Valderrivas, S.A.	Dieter Kiefer
Corporate Manager for Sales, Spanish and UK Market	Antonio Crous
Corporate Manager, US Market	Duncan Cage
Corporate Manager, Africa	François Cherpion
Corporate Manager for Operations, Spanish Market	Francisco Zunzunegi
Corporate Manager for Environment, Technology and Innovation	José Ignacio Elorrieta
Corporate Manager, Legal Affairs	José Luis Gómez Cruz
Corporate Manager for Administration and Finance	Jaime Úrculo Bareño
Corporate Manager for Planning and Control and Assistant to the Chairman	José Manuel Revuelta
Corporate Manager for Human Resources, Information Systems and General Services	Fernando Dal-Re
Corporate Manager for Internal Auditing	Fernando Robledo

Energy and Sustainability

Corporate Manager	Eduardo González Gómez
Administration and Finance	José María Tomás Moros
Renewable Energy Sources	Juan Cervigón Simó
Waste Recovery and Sustainability	Carlos Urcelay Gordobil
Planning and Investments	Alejandro Seco Barragán
Construction and termosolares	Hermenegildo Franco Martínez-Falero

Real Estate

Realia	
Chairman of Realia Business, S.A.	Ignacio Bayón Mariné
Corporate Manager	Íñigo Aldaz Barrera
Secretary of the Board of Directors	Jesús Rodrigo Fernández
Area Managers:	
Strategy and Investor Relations	Jaime Llorens Coello
Administration and Finance	Juan Antonio Franco Díez
Assets	Agustín González Sánchez
SIIC de París	Jorge Sanz Marcelo
Promotion	Ana Hernández Gómez
Legal Affairs Manager	José María Richi Alberti
Marketing and Communication	María Prieto Peña
Torre Picasso	
Corporate Manager	Guillermo Alcaide García

General Secretary 's Office

General Secretary	Felipe B. García Pérez
Corporate Legal Affairs Manager	José María Verdú Ramos
Madrid Legal Affairs Office	Javier Gil-Casares Armada
Barcelona Legal Affairs Office	Esteban Correa Artés
Construction	Nicolás Ossorio Martín
Services	Alfonso Goncer Coca
Versia	Juan de los Ríos Jimeno
FCC Europe	Astrid Menacho Erxleben
Energy	Mar Sáez Ibeas
Corporate Expenses and General Services	José María Seoane Yarza
	Francisco J. Sánchez Pérez (Subdirector)

EXECUTIVE PERSONNEL

Administration and Information Technologies	
Corporate Manager	Antonio Gómez Ciria
Deputy Corporate Manager, Administration	Juan José Drago Masià
Administrative Coordination	Alberto Farré Ramos
Taxes	Miguel Mata Rodríguez
International Taxes	Natalia Soto Reumkens
Administrative Organisation and Budgets	José Mª Alamañac Gil
Innovation Management	Enrique Unamunzaga Guisasola
Information Systems and Technologies	Javier López Costa
Process Reengineering and Corporate Applications	Manuel Argüello Pastor
Infrastructure and Telecoms Use	Marcos Navarro Alcaraz
Management Systen	Rafael Gómez-Acebo
TI Administration	Alfredo García López
Information Security and IT Risk Management	Gianluca D'Antonio
Procurement Management	Juan Carlos Montejano Domínguez
Subcontracts Procurement	David Álvarez Rodríguez
Purchase of Vehicles and Machinery	Jaime Peromarta Regert
Purchasing Services and Supplies	Fernando Moncho Raynaud
Purchase of technical equipment and IT	Laura Lloro Modrego
Control and Risk Management	Raúl González Lorente
Control Management	José Martín Vázquez
Risk Management	José Ignacio Domínguez Hernández
Finance	
Corporate Manager	Víctor Pastor Fernández
Finance Manager	Manuel Somoza Serrano
	Esther Alcocer Koplowitz (Adjunta)
	Alicia Alcocer Koplowitz (Adjunta)
Stock Market and Investor Relations	Miguel Coronel Granado
Financing National and Afigesa	José Manuel Carrasco Delgado
International Financing	José Liébana Alcantarilla
Structured Financing	Francisco Vila Meizoso
Studies and Projects	Jesús González García
Control Financing	Mariano Pérez Lorrio
Treasury	Diego Salgado Otones
Insurance	Miguel Ángel Jabal Madrid
Human Resources	
Corporate Manager	Francisco Martín Monteagudo
Organisation Processes and Services	José María Merino Matesanz
Training and Development	Alfredo Amores Gorospe
Organisation and Compensation	Ana Valderrábano González
Screening and Hiring	Germán García Caballero
Employee Services	Emilio Hermida Alberti
Personnel Administration	Juan María Egido García
Labour-Related Legal Affairs	Álvaro García-Orea Álvarez
Employee Office	Carlos Cobián Babé
Occupational Risk Prevention	Juan Carlos Sáez de Rus
Labour Relations	Luis Suárez Zarcos
Medical Services	Rafael Echevarría de Rada
Integral Reporting System and Scorecard	Miguel Jesús Rubio Ruiz
Safety	Eduardo del Rosal Vergara
Internal Audits	
Corporate Manager	Miguel Hernanz Sanjuán
Deputy Manager, Internal Audits, Domestic Area	María Jesús Fernández López
Deputy Manager, Internal Audits, International Area	Sara Megía Recio
Communication and Corporate Responsibility	
Corporate Manager	José Manuel Velasco Guardado
Information Relations	Julio Pastor Bayón
Corporate Responsibility	Juan Pablo Merino Guerra
Corporate Marketing and Branding	Javier López-Galiacho Perona

Citizen Services

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