Expansion of the A465 highway sections 5 and 6
Wales. United Kingdom

1H2020 Earnings
Report

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1. SIGNIFICANT EVENTS

FCC Medio Ambiente strengthens its presence in Spain and the US with new contracts

The Group's Environmental area consolidates its presence in the northwest of Spain after being awarded with the street cleaning contract in Coruña and the extension of the urban waste collection, street cleaning and vehicle collection and deposit contracts in Oviedo. The road cleaning contract of Coruña will employ more sustainable, electric and compressed natural gas vehicles, classified as "Zero Emission" or "Eco" vehicles, allowing the city to make progress in the innovation and sustainability of services. The total combined portfolio is worth more than EUR 207 million.

In addition, Omaha (Nebraska, United States) granted FCC Environmental Services a five-year contract to manage recyclable materials in February. This is addition to two other contracts granted in the same city in 2019, to collect municipal solid wastes (US$ 560 million) and residential green waste. It was also awarded a three-year contract to treat and sell recyclable waste in Huntsville, Texas. Recyclable waste will be processed at the Houston plant. This all means that recycling services will be provided to more than 4.5 million people in the state of Texas and nearly 8.5 million in the country as a whole.

FCC Construcción signs new contracts in Mexico and Norway

FCC Construcción has signed a contract for the design, construction and maintenance of section 2 of the Maya Train, state of Campeche, in Mexico, in collaboration with Carso Infraestructuras y Construcción (CICSA), which will have a length of 200 kilometres. The contract is worth over EUR 700 million and will have a 28-month execution period, adding five years for the maintenance of the section. This project will join the many other projects executed on infrastructures, with more than 2,600 kilometers of railways currently under way.

Additionally, the company was awarded with the project for the construction of a motorway in Norway during this period, worth EUR 253 million. This is the first contract awarded in Norway and includes the design and construction of a section of the E6 (Ulsberg-Vindas) with 25 kilometres of the new route and a 47-month execution period. Therefore, at the end of the first half of the year, the area's international project portfolio value increased by 10.2% as compared to the end of last year, which allowed the total portfolio to increase by 3.7%, totalling EUR 5,833.2 million.

FCC Aqualia enters into concession agreements in Latin America and boosts its presence in the Middle East

FCC Aqualia acquired various assets in Colombia, allowing it to provide a comprehensive water management service to more than 450,000 inhabitants across 13 municipalities. Twelve of the concessions were in the Córdoba Department and one was acquired through a public bidding process, the Villa del Rosario concession in the city of Cúcuta. Together, these concessions add up to a portfolio of over EUR 360 million in revenues.

In addition, the company boosted its presence in Saudi Arabia last January by acquiring 51% of two companies belonging a local group, Qatarat Saqia Desalination Company Ltd and Haaisco, totalling EUR 16.1 million. Qatarat is the concession holder responsible for managing the desalination plant at Jeddah airport until 2029, on the Red Sea coast and Haaisco operates several desalination plants. The combined portfolio amounts to more than EUR 180 million in revenues.

FCC named preferred bidder for the A465 highway project in Wales (United Kingdom)

FCC has been named as preferred bidder for the A465 sections 5 and 6 highway improvement project in Wales, United Kingdom. FCC is part of the Future Valleys consortium, together with other local and international partners. The project, delivered with a PPP model, consists of an 18km upgrade of the A465 highway, and is important for the improvement of mobility and connectivity in the region, with an estimated investment of over 600 million euro.

FCC distributes a scrip dividend of € 0.4 per share for the financial year 2019

FCC's General Shareholders' Meeting held on 2 June approved all items on the agenda, including the distribution of a scrip dividend. Consequently, FCC paid €0.40 per share last month to those shareholders who chose to receive the company's scrip dividend in cash. However, 98.7% of the shareholders chose to receive the equivalent amount in new shares issued by the company. This is the second consecutive year that the FCC Group has applied this type of scrip dividend system, which the vast majority of shareholders use in its formula of new shares issued, which backs the Group's reinvestment and financial strengthening policy.

EXECUTIVE SUMMARY

- ◊ The Group's revenues were EUR 2,822.2 million, 5.7% less than 2019. This is due to the impact of the measures taken since mid-March to combat the COVID-19 sanitary crisis. The effect was lower in activities related to Utilities (in particular, Environment and Water), largely thanks to their essential services nature, with a bigger effect in those related to the construction cycle, with a combined reduction of Construction and Cement revenues of 13.1% during the first half of the year.

- ◊ The gross operating profit dropped by 6%, with EUR 433.6 million, derived from the lower volume of earnings. As a whole, the performance of the different activities has strengthened the weight of the "utilities", in addition to the increase in Transport concessions, with a combined 87% of the total operating result of the period.

- ◊ The net profit for the first half of the year includes both the effect on the operating profit of the sanitary measures taken and the behaviour of the exchange differences recorded, EUR -27.2 million in this first half of 2020 compared to EUR 9.7 million in 2019, resulting in a reduction in attributable net profit to EUR 75.9 million.

- ◊ The Group's financial position has remained without major changes with respect to the end of the first quarter of the year and the net financial debt closed at EUR 3,789.8 million last June, 5.9% higher than at the end of 2019.

- ◊ The Group's income backlog ended the first half of the year at EUR 31,398.4 million, with no significant changes compared to December 2019. By contribution volume Water stands out, accounting for 49% of the consolidated total.

KEY FIGURES

(Millions of Euros)	**Jun. 20**	**Jun. 19**	**Chg. (%)**
Net turnover (NT)	2,822.2	2,993.8	-5.7%
Gross Operating Profit (EBITDA)	433.6	461.3	-6.0%
EBITDA Margin	15.4%	15.4%	*0.0 p.p*
Net Operating Profit (EBIT)	187.9	244.8	-23.2%
EBIT Margin	*6.7%*	*8.2%*	*-1.5 p.p*
Income attributable to equity holders of the parent company	75.9	128.9	-41.1%

(Millions of Euros)	**Jun. 20**	**Dec. 19**	**Chg. (%)**
Equity	2,513.5	2,473.8	1.6%
Net financial debt	3,789.8	3,578.7	5.9%
Backlog	31,398.4	31,038.4	1.2%

2. SUMMARY BY BUSINESS AREA

(Millions of Euros)

Zone	Jun. 20	Jun. 19	Chg. (%)	% of 2020 total	% of 2019 total
REVENUES BY BUSINESS AREA					
Environment	1,389.5	1,461.1	-4.9%	49.2%	48.8%
Water	562.4	559.4	0.5%	19.9%	18.7%
Construction	675.3	769.6	-12.3%	23.9%	25.7%
Cement	173.3	207.5	-16.5%	6.1%	6.9%
Transportation Concessions	51.9	16.3	N.A.	1.8%	0.5%
Corporate serv., etc.	(30.2)	(20.1)	50.2%	-1.1%	-0.7%
Total	**2,822.2**	**2,993.8**	**-5.7%**	**100.0%**	**100.0%**
REVENUE BY GEOGRAPHICAL AREA					
Spain	1,689.4	1,647.6	2.5%	59.9%	55.0%
United Kingdom	322.5	383.2	-15.8%	11.4%	12.8%
Rest of Europe and Others	339.3	307.6	10.3%	12.0%	10.3%
Middle East and Africa	230.1	283.5	-18.8%	8.2%	9.5%
Latin America and the US	101.0	228.6	-55.8%	3.6%	7.6%
Czech Republic	139.9	143.3	-2.4%	5.0%	4.8%
Total	**2,822.2**	**2,993.8**	**-5.7%**	**100.0%**	**100.0%**
EBITDA*					
Environment	214.6	225.4	-4.8%	49.5%	48.9%
Water	125.6	126.2	-0.5%	29.0%	27.4%
Construction	17.4	46.8	-62.8%	4.0%	10.1%
Cement	26.0	41.7	-37.6%	6.0%	9.0%
Transportation Concessions	36.8	9.3	N.A.	8.5%	2.0%
Corporate serv., etc.	13.2	11.9	10.9%	3.0%	2.6%
Total	**433.6**	**461.3**	**-6.0%**	**100.0%**	**100.0%**
OPERATING PROFIT/(LOSS)					
Environment	94.4	106.0	-10.9%	50.2%	43.3%
Water	69.2	77.4	-10.6%	36.8%	31.6%
Construction	0.7	35.1	-98.0%	0.4%	14.3%
Cement	9.4	23.3	-59.7%	5.0%	9.5%
Transportation Concessions	10.7	1.2	N.A.	5.7%	0.5%
Corporate serv., etc.	3.5	1.8	94.4%	1.9%	0.7%
Total	**187.9**	**244.8**	**-23.2%**	**100.0%**	**100.0%**

Zone	Jun. 20	Dec. 19	Chg. (%)	% of 2020 total	% of 2019 total
NET FINANCIAL DEBT*					
With Recourse	170.2	(12.8)	N.A.	4.5%	-0.4%
Without Recourse					
Environment	1,335.1	1,332.2	0.2%	35.2%	37.2%
Water	1,285.8	1,214.5	5.9%	33.9%	33.9%
Construction	0.0	0.0	N.A.	0.0%	0.0%
Cement	281.9	293.0	-3.8%	7.4%	8.2%
Transp. Concessions	716.7	751.8	-4.7%	18.9%	21.0%
Total	**3,789.8**	**3,578.7**	**5.9%**	**100.0%**	**100.0%**
BACKLOG*					
Environment	10,146.6	10,366.2	-2.1%	32.3%	33.4%
Water	15,382.1	15,018.3	2.4%	49.0%	48.4%
Construction	5,833.2	5,623.2	3.7%	18.6%	18.1%
Real Estate	36.5	30.7	18.9%	0.1%	0.1%
Total	**31,398.4**	**31,038.4**	**1.2%**	**100.0%**	**100.0%**

** See page 29 for a definition of the calculation in accordance with ESMA rules (2015/1415en))*

3. INCOME STATEMENT

(Millions of Euros)	**Jun. 20**	**Jun. 19**	**Chg. (%)**
Net turnover	**2,822.2**	**2,993.8**	**-5.7%**
Gross Operating Profit (EBITDA)	**433.6**	**461.3**	**-6.0%**
EBITDA Margin	***15.4%***	***15.4%***	***0.0 p.p***
Depreciation and amortisation	(252.4)	(220.2)	14.6%
Other operating income	6.8	3.8	78.9%
Net Operating Profit (EBIT)	**187.9**	**244.8**	**-23.2%**
EBIT margin	***6.7%***	***8.2%***	***-1.5 p.p***
Financial income	(67.5)	(76.6)	-11.9%
Other financial results	(27.3)	(2.0)	N.A.
P/L of companies accounted for by the equity method	41.1	46.2	-11.0%
Profit/(loss) before tax from continuing activities	**134.3**	**212.4**	-36.8%
Corporate income tax expense	(32.0)	(52.1)	-38.6%
Income from continuing operations	**102.3**	**160.4**	**-36.2%**
Net Income	**102.3**	**160.4**	**-36.2%**
Non-controlling interests	(26.4)	(31.4)	-15.9%
Income attributable to equity holders of the parent company	**75.9**	**128.9**	**-41.1%**

4.1 Revenue

The Group's consolidated revenues amounted to EUR 2,822.2 million in the first half of the year, 5.7% less than during the same period of the previous year, partially due to the impact on all activities related to the measures decreed since mid-March, in most of the countries in which the Group operates, to contain the sanitary crisis generated by COVID-19. Overall, the Concessions area increased its contribution to earnings, after the acquisition of the majority of the Cedinsa group in November last year, along with relatively stable behaviour in the Water and Environment areas.

According to the different business areas, the one with the highest contribution, Environment, recorded a contraction in revenues of 4.9%, mainly due to the impact suffered by lower volumes in the field of waste treatment and industrial waste management.

The Water area has grown by 0.5%, thanks to the combination of the stability of its comprehensive cycle concession business and the contribution of operations in the same field both in France, after the acquisition of the French company SPIE in June 2019, and in Saudi Arabia and Colombia.

In Construction, there has been a 12.3% drop in activity, concentrated in international projects. In Spain, the increase in activity in new contracts has allowed to offset and improve upon the effects of lockdown decreed in March. On the contrary, International has suffered a more severe drop in activity, with the resulting slower pace of progress in various contracts.

Likewise, in the Cement area, revenues decreased by 16.5%, caused by the reduction in volumes invoiced and due to the reduction in the number of days of operations allowed in the months of March and April and lower demand on account of the temporary restrictions mentioned above.

Revenue breakdown, by region			
(Millions of Euros)	**Jun. 20**	**Jun. 19**	**Chg. (%)**
Spain	1,689.4	1,647.6	2.5%
United Kingdom	322.5	383.2	-15.8%
Rest of Europe and Others	339.3	307.6	10.3%
Middle East & Africa	230.1	283.5	-18.8%
Latin America and the US	101.0	228.6	-55.8%
Czech Republic	139.9	143.3	-2.4%
Total	**2,822.2**	**2,993.8**	**-5.7%**

By business area in Spain, revenues increased 2.5% to EUR 1,689.4 million. Environment suffered a 2.9% drop, explained by the impact of less activity in industrial waste management and in other lesser non-essential municipal urban services. Water recorded a 4.2% contraction, due to a slight reduction in volumes invoiced, caused by the drop in economic activity in non-residential customers, along with a lower contribution from Technology and Networks. The revenues of the Construction area increased by an outstanding 25.8%, so the momentum of the activity related to new contracts awarded throughout the previous year more than offset the restriction measures on non-essential activities imposed between the months of March and May. However, the Cement area, which started the year with a more moderate rate of increase in activity, did show the effect of these measures, with a 14.4% drop in the period due to lower demand. Lastly, there has been a considerable increase in the contribution from the Concessions area, to EUR 50.9 million, due to the contribution from the Cedinsa subgroup, after acquiring its control at the end of last year and being included since then due to global consolidation.

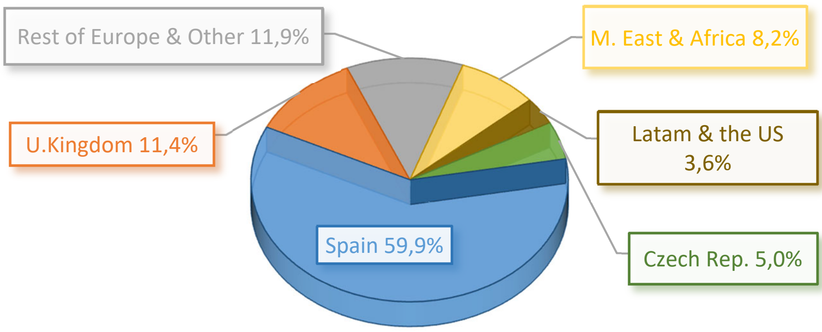
Moreover, in the United Kingdom, with activity mainly in the Environment area, revenues dropped by 15.8% due to the lower contribution of the Edinburgh treatment and recovery plant, after the completion of its construction phase and start of operations in mid-2019, as well as the effect of lower revenues generated in the waste treatment and reduction activity linked to lockdown decreed in the period.

In all other geographical areas within the EU, the increase in the Rest of Europe and Others stood out with 10.3%, due to the greater contribution in Construction from new contracts in the Netherlands and the construction pace in others, such as Belgium and Portugal, combined with an upturn in activity in Environment in some countries where the Group operates, mainly Poland. In the Czech Republic, a 2.4% drop was recorded, largely due to the fall in the exchange rate during the period, with no noteworthy changes in the Environment and Water activities.

Outside the EU, the Middle East and Africa reflected the effect of strict lockdown measures taken during the period in some of the Group's main countries of operations, especially Saudi Arabia. With a change in trends compared to previous periods, the 18.8% drop in activity was mainly found in the Construction area, while other activities, such as Water, maintained an increasing level of activity, with greater activity in Technology and Networks, along with higher revenues in the operation of treatment plants in Saudi Arabia, the United Arab Emirates and Algeria. Revenues in this geographical area did not vary greatly in all other business areas.

Revenues in Latin America and the US decreased by 55.8%, mainly due to the lower rate of contribution from projects in Panama in Construction and to the severe measures taken to fight against the pandemic, together with a lower contribution from projects executed in Colombia and Ecuador in the Water area, and to a lesser extent due to the decrease in exports in Cement. In the United States, revenues increased in the Environment area due to the new contracts awarded in Florida and Texas.

% Revenue by Geographical Area



4.2 Gross Operating Profit (EBITDA)

Gross operating income rose to EUR 433.6 million in the period, representing a reduction of 6% when compared to the first half of the previous year. This drop is explained by the contraction of earnings already mentioned in the different business areas and is modulated by a greater contribution from the Concessions area (as a result of the incorporation of Cedinsa on 1 November 2019).

By business area, the most noteworthy developments have been:

The Environment area suffered a 4.8% drop in activity, with revenues totalling EUR 214.6 million due to a moderate contraction in the contribution in Spain, as compared to a more sustained contribution in international operations, given that the impact of the slower pace and volume of activity was offset by the commissioning of a new plant in the United Kingdom and the effect of the scheduled shutdown of a treatment plant in the same market in 2019, with a negative impact of EUR 5.5 million. Therefore, the operating margin remained stable at 15.4% in this period, reaching the same levels as the previous year.

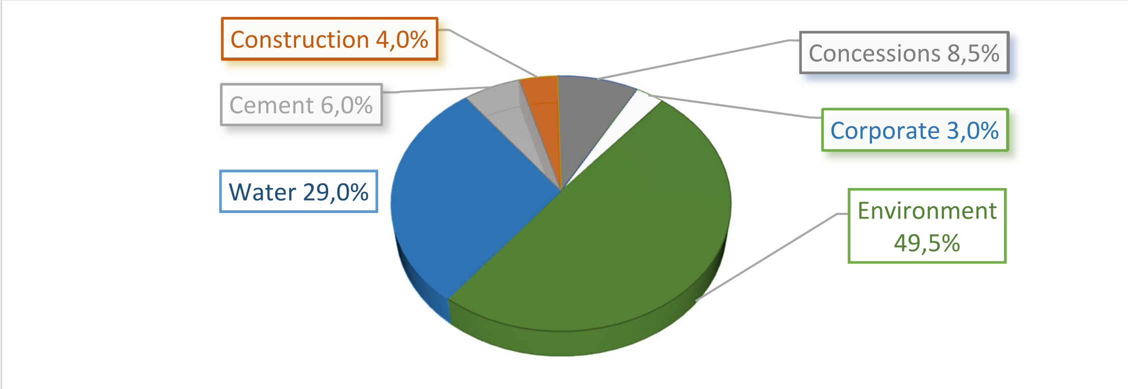
The Water area recorded EUR 125.6 million, similar to the previous year, driven particularly by the greater contribution from the concessions and services activity, as well as by remarkable growth due to new additions in France and Saudi Arabia both in BOT concessions and the comprehensive water cycle. Overall, the operating margin has remained at a similar level (22.3% in the period).

In Concessions, the differential contribution from the concessionaire group Cedinsa, which amounted to EUR 31.5 million, drove up EBITDA to EUR 36.8 million, compared to EUR 9.3 million in the same period last year.

The performance and contribution of the areas of activity linked to the construction cycle have already clearly shown the big impact of the general restriction measures on activity mentioned above.
Therefore, the Construction area's revenues totalled EUR 17.4 million, compared to EUR 46.8 million during the previous year, mainly due to lower activity in the international area, with a 2.6% reduction of margins during the period.

Revenues of the Cement area fell to EUR 26 million versus EUR 41.7 million in 2019, largely due to the reduction in demand along with the invalid sale of CO_2 rights in this half, compared to EUR 3.2 million in the same period of the previous year.

% EBITDA by Business Area



As a result of the performance in several utilities areas, Environment and Water (together with Concessions) increased their contribution to the operating profit to 87% in the first half of the year, compared to 13% from those linked to the demand for infrastructure construction and building and other activities.

4.3 Net Operating Profit (EBIT)

The net operating profit was EUR 187.9 million, 23.2% lower than the results of 2019. No noteworthy impact was found in other operating profits or changes in the amortisation criteria and contribution of assets to the generation of income, whereas the EBIT showed the impact of the gross operating profit changes together with the greater allocation corresponding to the transport concession assets affected by the operating activity after it entered into consolidation at the end of last year.

4.4 Earnings before taxes (EBT) from continuing operations

Profit before tax for continued activities stood at EUR 134.3 million, 36.8% down from 2019, due to the fact that the operational processes were accompanied by the impact of the exchange rate, with negative differences this year compared to its positive contribution during the previous one.

4.4.1 Financial income

The net financial income was 11.9% lower in the first half of the year, totalling EUR -67.5 million when compared to EUR -76.6 million during the previous year. The drop is associated with the base reduction effect of EUR 18.8 million in 2019 related to delay payment surcharges related to a tax procedure and which lead the company to file an appeal against this tax settlement. Moreover, it includes the costs corresponding to project financing following the inclusion of the entry into consolidation of the Cedinsa subgroup in the Concessions area in 1 November 2019.

4.4.2 Other financial results

This heading includes an amount of EUR -27.3 million, versus EUR -2 million last year. The differential is largely due to the impact from the performance of the exchange rate, with negative exchange differences of EUR -27.2 million recorded in this period versus EUR +9.7 million recorded the previous year.

4.4.3 Profit/(loss) of equity-accounted affiliates

The contribution from co-managed companies and subsidiaries amounted to EUR 41.1 million, compared to EUR 46.2 million of the previous year, due to a lower contribution from subsidiaries in the Construction and Real estate area, among other things, when compared to an increase in those related to the renewable energy activity.

4.5 Income attributable to the parent company

The net attributable profit for the period was EUR 75.9 million, 41.1% down on 2019. This profit is accounted for by the contribution to EBT from the following items:

Corporate tax costs of EUR -32.0 million, compared to EUR -52.1 million in 2019. This is in line with the profit for the year before taxes from continuing activities.

The sustained performance of profit attributable to minority shareholders, with EUR 26.4 million versus EUR 31.4 million in the previous period, was mainly concentrated in the Water area (with EUR 26.9 million) and largely includes the participation of a minority shareholder in this area.

4.6 Profit and loss statement figures on a pro rata basis

The most significant figures in the income statement, calculated on the basis of the percentage of effective ownership in each of the subsidiaries, joint ventures and associates, are as follows.

	Jun. 20	Jun. 19	Chg. (%)
Net turnover (NT)	**2,792.3**	**3,039.2**	**-8.1%**
Gross Operating Profit (EBITDA)	**429.1**	**532.3**	**-19.4%**
EBITDA Margin	*15.4%*	*17.5%*	*-2.1 p.p*
Net Operating Profit (EBIT)	**193.9**	**305.7**	**-36.6%**
EBIT margin	*6.9%*	*10.1%*	*-3.1 p.p*
Income attributable to equity holders of the parent company	**75.9**	**128.9**	**-41.1%**

5. BALANCE SHEET

(Millions of Euros)	**Jun. 20**	**Dec. 19**	**Chg. (Mn€)**
Intangible assets	3,437.6	3,458.4	(20.8)
Intangible assets/Property, Plant and Equipment	2,756.9	2,866.5	(109.6)
Equity-accounted affiliates	753.0	741.5	11.5
Non-current financial assets	835.1	863.2	(28.1)
Deferred tax assets and other non-current assets	602.7	599.9	2.8
Non-current assets	**8,385.3**	**8,529.6**	**(144.3)**
Inventories	797.2	728.8	68.4
Trade and other accounts receivable	1,957.0	1,907.7	49.3
Other current financial assets	197.9	189.6	8.3
Cash and cash equivalents	1,136.3	1,218.5	(82.2)
Current assets	**4,088.4**	**4,044.6**	**43.8**
TOTAL ASSETS	**12,473.7**	**12,574.1**	**(100.4)**
Equity attributable to shareholders of the parent company	1,978.2	1,951.3	26.9
Non-controlling interests	535.3	522.5	12.8
Equity	**2,513.5**	**2,473.8**	**39.7**
Grants	293.0	333.8	(40.8)
Non-current provisions	1,149.6	1,130.2	19.4
Long-term interest-bearing debt	4,399.5	4,448.7	(49.2)
Other non-current financial liabilities	592.4	581.6	10.8
Deferred tax liabilities and other non-current liabilities	289.6	303.0	(13.4)
Non-current liabilities	**6,724.2**	**6,797.2**	**(73.0)**
Current provisions	218.8	249.6	(30.8)
Short-term interest-bearing debt	724.5	538.2	186.3
Other current financial liabilities	177.0	145.4	31.6
Trade and other accounts payable	2,115.8	2,370.0	(254.2)
Current liabilities	**3,236.1**	**3,303.2**	**(67.1)**
TOTAL LIABILITIES	**12,473.7**	**12,574.1**	**(100.4)**

5.1 Investments accounted for using the equity method

The heading of investments accounted for using the equity method amounted to EUR 753 million at the end of the first half of the year, with the following breakdown of investments in equity:

1) EUR 277.6 million for the 36.9% stake in Realia.
2) EUR 82.6 million for participation in various transport infrastructure and equipment concessions.
3) EUR 94.6 million for the stake in companies in the Environment area (recycling and municipal services, mainly in Spain and the United Kingdom).
4) EUR 26.8 million for stakes in companies in the Water area, largely concessionary companies managing services abroad (North Africa and Mexico).
5) EUR 27.5 million from the subsidiaries of the parent company in the Cement area.

In addition, this heading includes another EUR 243.9 million for the rest of investments in own funds for other stakes together with the loans granted to the subsidiaries.

5.2 Cash and cash equivalents and available lines of credit

The balance of the Cash and cash equivalents heading amounts to EUR 1,136.3 million at the end of the period, with 73.8% for companies and non-recourse perimeters and the remaining 26.2% for the Group's parent company and its recourse perimeter.

Additionally, and as a consequence of the measures implemented in many countries to combat the COVID-19 pandemic, combined with a sharp drop in economic activity, there has been a temporary disruption in financial markets, which has calmed down during the last few months. Against this backdrop and together with the cash available in the consolidated balance sheet on 30 June, amounting to EUR 1,136.3 million, the FCC Group had the following liquidity and available lines of credit:

1) In the recourse perimeter, cash and equivalents of EUR 297.2 million and lines of credit of EUR 314 million, totalling EUR 611.2 million.

2) In the non-recourse perimeters, cash and equivalents of EUR 839.1 million and lines of credit of EUR 400 million, totalling EUR 1,239.1 million.

This takes the FCC Group's total for cash, cash equivalents and available lines of credit at the end of the first half of this year to EUR 1,850.3 million, compared to short-term financial debt (maturing before 12 months) at the same date amounting to EUR 724.5 million. This represents a volume of over 2.5 times the amount of the existing maturities until 30 June 2021.

Section 5.4 details the nature and amounts of short-term financial debt for a better understanding of the Group's financial position in the short term.

5.3 Equity

Equity at the end of the first half of the year amounts to EUR 2,513.5 million, 1.6% more than at the end of last year. This increase is largely due to the contribution of the attributable net result achieved in the period, of EUR 75.9 million and to a lesser extent to the increase in minority interests to EUR 535.3 million.

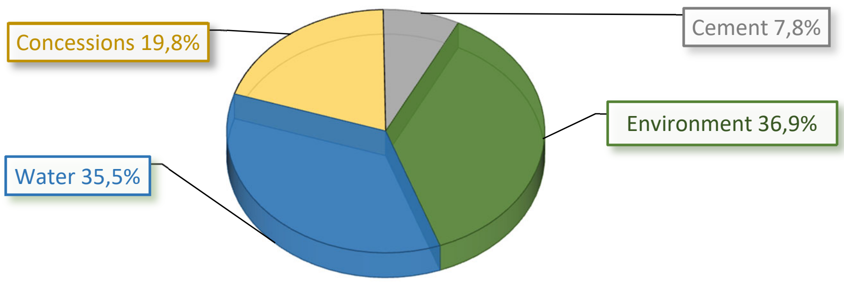
5.4 Interest-bearing debt

(Millions of Euros)	**Jun. 20**	**Dec. 19**	**Chg. (M€)**
Bank borrowings	1,768.5	1,474.7	293.8
Debt instruments and other loans	2,962.0	3,125.0	(163.0)
Accounts payable due to finance leases	63.9	63.8	0.1
Other financial liabilities	329.5	323.4	6.1
Gross Interest-Bearing Debt	**5,123.9**	**4,986.9**	**137.0**
Cash and other current financial assets	(1,334.1)	(1,408.2)	74.1
Net Financial Debt	**3,789.8**	**3,578.7**	**211.1**
Net financial debt with recourse	*170.2*	*-12.8*	*183.0*
Net financial debt without recourse	*3,619.6*	*3,591.5*	*28.1*

In relation to gross financial debt, 14.1% has a short-term maturity, equivalent to EUR 724.5 million. Out of this total, EUR 184.5 million are marketable securities, mostly commercial paper issued on the Irish Stock Exchange by the Group's parent company, EUR 477.5 million are various lines of credit with credit institutions, which includes both bilateral corporate financing and non-recourse projects, and the remaining EUR 62.5 million is financial debt with third parties.

Almost all of the net financial debt is without recourse and is allocated to the business areas, totalling EUR 3,619.6 million at the end of the period. The parent company's net debt position stands at EUR 170.2 million.

Net Financial Debt by Business Area (without recourse)



Net financial debt without recourse to the Group's parent company is structured as follows:

(i) The Water area accounts for EUR 1,285.8 million, of which, in addition to corporate bond financing in the parent company, another EUR 190.4 million correspond to the Czech Republic business and the rest to various concessions for the comprehensive water cycle; (ii) the Cement area accounts for EUR 281.9 million; (iii) the Environment area accounts for EUR 1,335.1 million, most of which are long-term bonds issued at the end of 2019 by the area's parent company, another EUR 147.7 million is for the area's activity in the United Kingdom, EUR 36.2 million for the area's activity in central Europe and the rest, EUR 37.5 million, to finance three waste treatment and recycling plant projects in Spain; (iv) EUR 716.7 million is accounted for by the Concessions area, most of which, EUR 709.2 million, for the Cedinsa concession group's project debt.

5.5 Other current and non-current financial liabilities

The heading of other current and non-current financial liabilities totalled EUR 769.4 million at the end of the first half of the year. The balance mainly includes the liability for posting the cost of operating leases in the asset totalling EUR 412.9 million. It also includes other liabilities that are not financial debt, such as those associated with hedging derivatives, suppliers of fixed assets, guarantees and deposits received.

6. CASH FLOW

(Millions of Euros)	Jun. 20	Jun. 19	Chg. (%)
Gross Operating Profit (EBITDA)	**413.6**	**461.3**	**-10.3%**
(Increase)/decrease in working capital	(308.1)	(269.2)	14.5%
Corporate income tax (paid)/received	(5.8)	(99.1)	-94.1%
Other operating cash flow	(8.4)	(50.6)	-83.4%
Operating cash flow	**91.3**	**42.4**	115.3%
Investment payments	(211.3)	(228.8)	-7.6%
Divestment receipts	27.8	13.8	101.4%
Other investing cash flows	41.1	72.8	-43.5%
Investing cash flow	**(142.4)**	**(142.2)**	**0.1%**
Interest paid	(71.3)	(82.7)	-13.8%
(Payment)/receipt of financial liabilities	63.5	36.6	73.5%
Other financing cash flow	(10.4)	(44.5)	-76.6%
Financing cash flow	**(18.2)**	**(90.6)**	**-79.9%**
Exchange differences, change in consolidation scope, etc.	(12.9)	14.5	-189.0%
Increase/(decrease) in cash and cash equivalents	**(82.2)**	**(175.9)**	**-53.3%**

6.1 Operating cash flow

The operating cash flow during the first half of the year was EUR 91.3 million, compared to the cash flow of EUR 42.4 million during the same period of the previous year. This increase has been achieved despite a greater absorption of operating working capital, which has increased the application of funds to EUR 308.1 million in the period, compared to EUR 269.2 million in the previous year. This was mainly due to the reduction of the balance of non-recourse credit assignments totalling EUR 151.1 million in this first half of the year, compared to a slight increase in the balance in the same period of the previous year, to optimise its financial cost.

The heading collections/(payment) of company tax recognises EUR 5.8 million, compared to an outflow of EUR 99.1 million last year, largely due to a payment made to adjust the tax incentives applied by the Group in previous years.

Other operating cash flow includes an outflow of EUR 8.4 million, mainly due to a lower application of provisions than in the previous year, especially in the Construction area.

6.2 Investing cash flow

The investment cash flow represents an outflow of EUR 142.4 million, with a volume very similar to that of the previous year. In addition to different growth investments, the payments for investments heading includes some of the following main investments: the acquisition and development of various concession assets in the Water area for a combined amount of EUR 46 million, some of the most noteworthy national concession assets being found in Almería. Likewise, the international concession assets are found in Colombia, Saudi Arabia and Mexico, as well as payments for investments in the Environment area for the development of various treatment plants, for a combined amount of EUR 53.2 million, including those related to the completion and development of recycling and thermal recovery plant in the United Kingdom and the Alcalá de Henares plant in Spain.

Moreover, collections for divestments grew to EUR 27.8 million, compared to EUR 13.8 million on the previous year and which are distributed among various operations carried out in different business areas.

The breakdown of net investments by business area, excluding other cash flows from investment activities, in terms of payments and receipts, is as follows:

(Millions of Euros)	**Jun. 20**	**Jun. 19**	**Chg. (Mn€)**
Environment	(114.2)	(124.6)	10.4
Water	(59.1)	(74.7)	15.6
Construction	(4.6)	(6.5)	1.9
Cement	(5.6)	(3.7)	(1.9)
Concessions	2.8	(2.0)	4.8
Corporate serv., etc. & adjustments	(2.8)	(3.5)	0.7
Net investments *(Payments - Receipts)*	**(183.5)**	**(215.0)**	**31.5**

Moreover, the Other investment flows heading include an inflow of EUR 41.1 million in this first half of the year, compared to EUR 72.8 million during the previous year, with various movements in financial accounts in the Environment and Water area, which also include minor movements associated with credits to third parties and subsidiaries.

6.3 Financing cash flow

The consolidated cash flow from financing in the first half of 2020 represents an application of EUR 18.2 million, compared to EUR 90.6 million in the same period of 2019. The interest payment item includes an application of EUR 71.3 million, 13.8% less than the previous year, which included the registration under this heading of the payment of EUR 18.8 million as delay payment surcharges to the Tax Agency, in relation to last year's procedure for the recovery of state aid.

The (Payment)/receipt of financial liabilities heading includes an increase of EUR 26.9 million for the allocation of various bank financing lines.

Moreover, Other financing cash flows item includes the payment of EUR 10.4 million, a reduction that mainly reflects the payment of dividends to shareholders of the Group's parent company and minority third parties, while the previous year, with payments worth EUR 44.5 million, included the previous payment and an additional payment of EUR 28.9 million for the purchase of 49% of the minority shareholders' stake in the concession company Aquajerez (Water area).

6.4 Exchange differences, change in consolidation scope, etc.

This heading reflects a reduction of EUR 12.9 million in the first half of the year, compared to the increase of EUR 14.5 million in the same period of 2019, reflecting the differential effect of changes in the exchange rate in the treasury produced due to the changes in the price of various currencies against the Euro and concentrated in the Environment and Construction areas.

6.5 Change in cash and cash equivalents

As a result of the performance of the different cash flow components, the Group's cash position was reduced by EUR 82.8 million since the end of the previous year, with a balance of EUR 1,136.3 million in the first half of 2020.

7. BUSINESS PERFORMANCE

7.1. Environment

The Environment area contributed 49.5% of the Group's EBITDA in the first half of the year. 79.3% of its activity is focused on essential waste collection, treatment and disposal services, as well as street cleaning. The remaining 20.7% corresponds to other types of urban environmental activities, such as the conservation of green areas or sewage systems.

In Spain, urban waste management and street cleaning are the most important activities, while in the United Kingdom the focus is on urban waste treatment, recovery and disposal. In central Europe, mainly Austria and the Czech Republic, FCC is present throughout the waste management chain (collection, treatment and disposal). FCC's activities in the US include both the collection and comprehensive recovery of urban waste.

7.1.1. Earnings

(Millions of Euros)	**Jun. 20**	**Jun. 19**	**Chg. (%)**
Revenues	1,389.5	1,461.1	-4.9%
Waste collection and street cleaning	*694.8*	*667.6*	*4.1%*
Waste treatment	*407.3*	*498.3*	*-18.3%*
Other services	*287.4*	*295.2*	*-2.6%*
EBITDA	214.6	225.4	-4.8%
EBITDA Margin	15.4%	15.4%	*0.0 p.p*
EBIT	94.4	106.0	-10.9%
EBIT margin	6.8%	7.3%	*-0.5 p.p*

The revenues of the Environment area were EUR 1,389.5 million in the period, 4.9% less than the first half of the previous year. The waste collection and street cleaning activity increased by 4.1% to EUR 694.8 million, due to the greater contribution of the US after to the entry into operations of new contracts along with a very stable performance in all other regions.
The waste treatment activity decreased by 18.3% to EUR 407.3 million, mainly due to the drop of earnings of the treatment activity in the United Kingdom and to a lesser extent in Spain and Central Europe.

Revenue breakdown, by region

(Millions of Euros)	**Jun. 20**	**Jun. 19**	**Chg. (%)**
Spain	822.1	846.3	-2.9%
United Kingdom	298.1	357.6	-16.6%
Central Europe	223.5	230.8	-3.2%
US and others	45.8	26.4	73.5%
Total	**1,389.5**	**1,461.1**	**-4.9%**

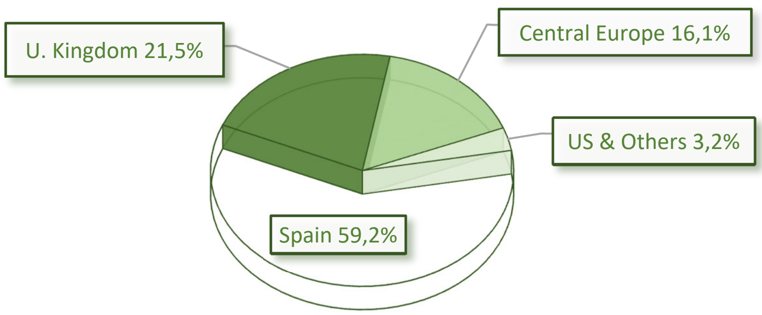
By geographical area, in Spain revenues dropped by 2.9% to EUR 822.1 million, due to less activity in industrial waste management and in other municipal urban services classified as non-essential.

In the United Kingdom, turnover decreased 16.6% to EUR 298.1 million, due to the lower contribution of the Edinburgh treatment and recovery plant after the completion of the construction phase and start of operations from mid-2019 and to the lower levels of income generated in the waste treatment and reduction activity linked to the containment measures in the period.

In central Europe, revenues decreased by 3.2% to EUR 223.5 million due to less activity in Austria and Slovakia, together with the impact in the Czech Republic of the depreciation of the Czech crown, which could not be offset by the increase in the volume of activity in Poland.

Lastly, the turnover in the US and other markets increased by a remarkable 73.5% due to the greater contribution from the entry into operations of new contracts in Florida and Texas.

Revenue breakdown, by region



The gross operating profit (EBITDA) decreased by 4.8% to EUR 214.6 million, due to both the changes in revenues described above and the effect of the start-up of new treatment plants, with an operating contribution margin higher than that of the area as a whole. Thus, the operating margin remained stable at 15.4% in the period.

The net operating profit (EBIT) decreased by 10.9% over the previous year to EUR 94.4 million, thanks to the development of the different components mentioned in the Ebitda.

Backlog breakdown, by region

(Millions of Euros)	**Jun. 20**	**Dec. 19**	**Chg. (%)**
Spain	5,259.5	5,354.5	-1.8%
International	4,887.1	5,011.7	-2.5%
Total	**10,146.6**	**10,366.2**	**-2.1%**

At the close of the first half of the year, the area's portfolio remained unchanged, with a slight decrease in both Spain and the international area, as a whole, a decrease of 2.1%, reaching EUR 10,146.6 million.

7.1.2. Financial Debt

(Millions of Euros)	**Jun. 20**	**Dec. 19**	**Chg. (Mn€)**
Net Financial Debt without recourse	1,335.1	1,332.2	2.9

The net financial debt, without recourse to the parent company, remains unchanged, with EUR 1,335.1 million at the end of the first half of the year. The main balance corresponds to the issue of two green bonds in the amount of EUR 600 and EUR 500 million by the parent company in the fourth quarter of 2019; of the remaining balance, EUR 147.7 million correspond to activity in the United Kingdom; another EUR 36.2 million to activity in central Europe and the rest to waste treatment and recycling plants in Spain.

7.2. End-to-End Water Management

The Water area contributed 29% of FCC Group EBITDA in the period. 85.1% of its activity is focused on the management of public service concessions related to the comprehensive water cycle (collection, treatment and distribution) and the operation of different types of water infrastructures; the remaining 14.9% corresponds to Technology and Networks, which is responsible for the design, engineering and equipment of hydraulic infrastructures, to a large extent related to the development of new concessions or ancillary works for operations.

In Spain the area serves more than 13 million inhabitants in more than 850 municipalities. In Central Europe it serves 1.3 million users, mainly in the Czech Republic, while in the rest of the continent it is present in Italy, Portugal and France, following last year's acquisition. In Latin America, the Middle East and Africa it is present through the design, equipment and operation of treatment plants. Overall, the Water area provides supply and/or sanitation services to more than 23 million inhabitants.

7.2.1 Earnings

(Millions of Euros)	**Jun. 20**	**Jun. 19**	**Chg. (%)**
Revenues	562.4	559.4	0.5%
Concessions and services	*478.6*	*461.6*	3.7%
Technology and networks	*83.8*	*97.8*	-14.3%
EBITDA	125.6	126.2	-0.5%
EBITDA Margin	22.3%	22.6%	*-0.2 p.p*
EBIT	69.2	77.4	-10.6%
EBIT margin	12.3%	13.8%	*-1.5 p.p*

Revenues increased by 0.5% compared to the first half of the previous year, to EUR 562.4 million. Concessions and Services activity recorded EUR 478.6 million, 3.7% more than during the same period of 2019, due to the greater contribution from activity in Algeria and the assets under concession incorporated in France and Saudi Arabia. The activity of the Technology and Networks areas dropped by 14.3% due to the slower pace of execution, both of the works associated with the concessions, and with the operation of hydraulic assets, mainly at the international level.

Revenue breakdown, by region

(Millions of Euros)	**Jun. 20**	**Jun. 19**	**Chg. (%)**
Spain	366.0	381.9	-4.2%
Middle East, Africa and Others	86.0	58.0	48.3%
Central Europe	51.5	54.6	-5.7%
Latin America	23.4	35.0	-33.1%
Rest of Europe (France, Portugal and Italy)	35.5	29.9	18.7%
Total	**562.4**	**559.4**	**0.5%**

By geographical area, revenues in Spain reached EUR 366 million, 4.2% less than the first half of the previous year, due to a decrease in the volumes invoiced for the comprehensive cycle, together with a lower contribution from technology projects and networks linked to concessions, with activities that have been limited to the essential services during the lockout period.

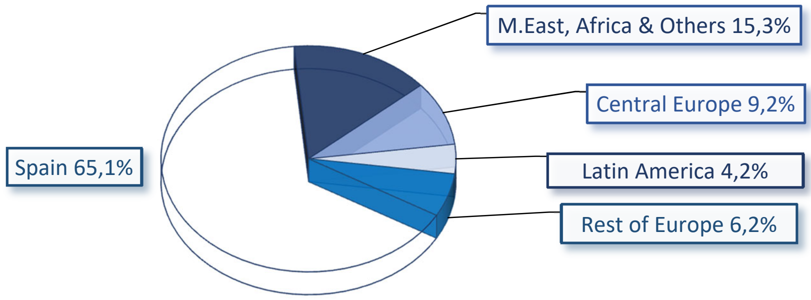
At the international level, in the Middle East, Africa and Others, revenues increased significantly by 48.3% to EUR 86 million, mainly due to the high increase in the concessions activity, the greater contribution from the Mostaganem desalination plant in Algeria and the contribution of companies acquired in Saudi Arabia.

Moreover, there has also been a greater contribution to the development of a wastewater treatment plant in Egypt.

Central Europe saw its revenues fall by 5,7% to EUR 51.5 million, due to the completion of Technology and Networks projects in Montenegro and Serbia. The comprehensive cycle activity in the Czech Republic has remained very stable. In the Rest of Europe, revenues increased by 18.7% to EUR 35.5 million, due to the contribution of the company Aqualia France (formerly SPIE), acquired in June 2019.

In Latin America, the turnover decreased by 33.1% to EUR 23.4 million due to the slower pace of execution of a plant in Colombia and the completion of the construction phase of another plant in Ecuador, which is already in the operation stage.

Revenue breakdown, by region



Gross operating income (EBITDA) remains practically the same as the previous year and reached EUR 125.6 million; the incorporation of new contracts in concessions and services has offset the drop in volumes and the lower activity in Technology and Networks. Given the development of the main activities, the operating margin reached 22.3%, compared to 22.2% in the first half of 2019.

The net operating result (EBIT) decreases 10.6% compared to the same half of the previous year, to EUR 69.2 million, as a consequence of the increase in the amortisation provision allocated for to an increase in the asset base and new areas of operations.

Backlog breakdown, by region

(Millions of Euros)	**Jun. 20**	**Dec. 19**	**Chg. (%)**
Spain	7,536.3	7,813.1	-3.5%
International	7,845.8	7,205.2	8.9%
Total	**15,382.1**	**15,018.3**	**2.4%**

The backlog increased by 2.4% at the close of June last year, to EUR 15,382.1 million. The international area grew by 8.9% thanks to new contracts awarded in Colombia, Saudi Arabia and Mexico, which offset the decline in Spain, due to the delay in the public contract awarding activity, among other factors.

7.2.2. Financial Debt

(Millions of Euros)	**Jun. 20**	**Dec. 19**	**Chg. (Mn€)**
Net Financial Debt without recourse	1,285.8	1,214.5	71.3

Net financial debt, entirely without recourse to the Group's parent company, increased by EUR 71.3 million with respect to its balance as of December 2019, reaching EUR 1,285.8 million. This increase is due to investments made with additions to the scope. Most of the debt balance is for long-term bonds issued by the area's parent company, with a gross balance of EUR 1,345.9 million.

7.3. Construction

The Construction area accounted for 4% of the Group's EBITDA in the first half of the year. Its activity is focused on the design and construction of large civil, industrial and complex building works. The presence in public works such as railways, tunnels and bridges, which contribute much of the activity, is noteworthy.

7.3.1 Earnings

(Millions of Euros)	**Jun. 20**	**Jun. 19**	**Chg. (%)**
Revenues	675.3	769.6	-12.3%
EBITDA	17.4	46.8	-62.8%
EBITDA Margin	*2.6%*	*6.1%*	*-3.5 p.p*
EBIT	0.7	35.1	-98.0%
EBIT margin	*0.1%*	*4.6%*	*-4.5 p.p*

Revenues in the area fell by 12.3% in the first half of the year to EUR 675.3 million, due to the slower pace of execution of ongoing projects in the international arena, mainly in Latin America and the Middle East; the contribution of the contracts currently being executed in Spain has not managed to offset this.

Revenue breakdown, by region			
(Millions of Euros)	**Jun. 20**	**Jun. 19**	**Chg. (%)**
Spain	370.1	294.2	25.8%
Middle East and Africa	122.7	200.3	-38.7%
Europe and others	143.1	107.4	33.2%
Latin America and the US	39.4	167.7	-76.5%
Total	**675.3**	**769.6**	**-12.3%**

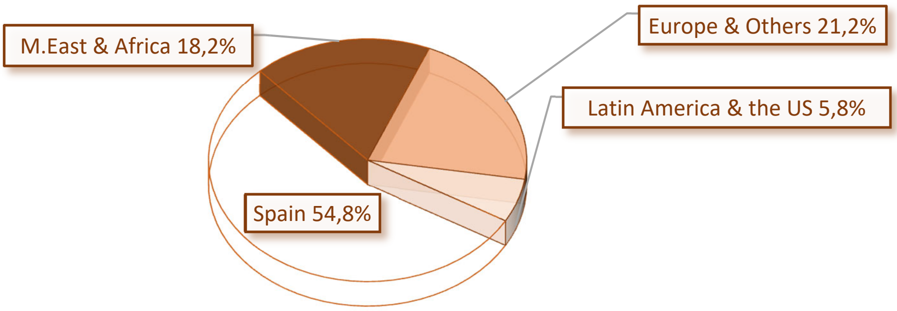
By geographical area, in Spain turnover increased by 25.8% to EUR 370,1 million, due to the increased contribution from new contracts awarded in 2019, including the remodelling of the Real Madrid football stadium and the Loeches treatment complex.

In the Middle East and Africa, revenues dropped by 38.7% to EUR 122.7 million, due to the lower pace of activity registered in the construction works of the Riyadh metro in Saudi Arabia, mainly from the second half of March after the strict lockout measures decreed in the country since that date.

In Europe and other markets, turnover grew by 33.2% compared to the first half of the previous year, to EUR 143.1 million, due to an increase in activity in projects started in EU countries such as Ireland, the A-9 highway in the Netherlands and the Haren complex in Belgium, where activity has not been interrupted as much as in other jurisdictions, as is the case of Spain.

However, in the Latin American and US, turnover decreased by 76.5% in the first half, mainly due to completion of the Gerald Desmond bridge in Los Angeles (US) and line 2 of the Panama underground, where the lockout measures in Panama have also been very strict during the month of March.

Revenue breakdown, by region



Gross operating income (EBITDA) reached EUR 17.4 million compared to EUR 46.8 million the previous year, due to the effect of the drop in activity on the cost structure in the international area and despite good performance of contracts in Spain.

The net operating profit stands at EUR 0.7 million, versus EUR 35.1 million of the previous half of the year, reflecting the development already commented on at the level of the gross operating income.

Backlog breakdown, by region

(Millions of Euros)	**Jun. 20**	**Dec. 19**	**Chg. (%)**
Spain	1,852.0	2,010.3	-7.9%
International	3,981.2	3,612.9	10.2%
Total	**5,833.2**	**5,623.2**	**3.7%**

The area's income backlog increased by 3.7% in the first half of the year compared to the end of the previous year, reaching EUR 5,833.2 million. The drop in Spain is offset by an increase in the international area of 10.2%, up to EUR 3,981.2 million, thanks to the new contracts in Mexico and Norway.

Backlog breakdown, by business segment

(Millions of Euros)	**Jun. 20**	**Dec. 19**	**Chg. (%)**
Civil engineering works	4,295.6	3,991.6	7.6%
Building	1,173.8	1,251.6	-6.2%
Industrial Projects	363.8	380.0	-4.3%
Total	**5,833.2**	**5,623.2**	**3.7%**

According to the type of activity, the civil engineering works portfolio represents 73.6% of the total, with a 7.6% increase after new hires in the international area, reaching EUR 4,295.6 million. All other types of activity, building and industrial projects, experienced a decrease due to the progress of projects not compensated by others associated with new contracts.

7.4. Cement

The Cement area accounted for 6% of the FCC Group's EBITDA in the first half of the year. Its activity is carried out by the CPV Group, which focuses on the manufacture of cement and by-products, with 7 main production centres in Spain and 1 in Tunisia, in addition to a minority stake of 44.6% in Giant Cement, which operates another 2 factories on the east coast of the USA.

7.4.1. Earnings

(Millions of Euros)	**Jun. 20**	**Jun. 19**	**Chg. (%)**
Revenues	173.3	207.5	-16.5%
Cement	*156.1*	*187.8*	*-16.9%*
Other	*17.2*	*19.7*	*-12.7%*
EBITDA	26.0	41.7	-37.6%
EBITDA Margin	*15.0%*	*20.1%*	*-5.1 p.p*
EBIT	9.4	23.3	-59.7%
EBIT margin	*5.4%*	*11.2%*	*-5.8 p.p*

The area's revenues decreased by 16.5%, reaching EUR 173.3 million, due to the decrease in volumes invoiced in the local markets of Spain and Tunisia, mainly after the month of March and due to a drop in exports from Spain in both markets.

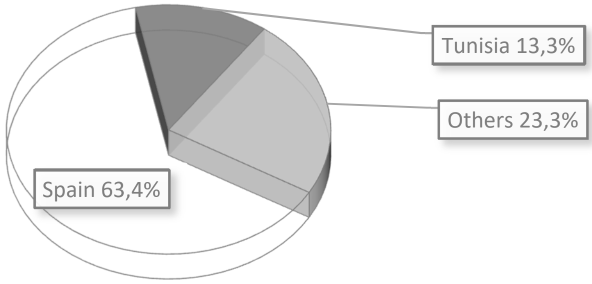
Revenue breakdown, by region			
(Millions of Euros)	**Jun. 20**	**Jun. 19**	**Chg. (%)**
Spain	109.9	128.4	-14.4%
Tunisia	23.1	24.9	-7.4%
Other (exports)	40.3	54.2	-25.6%
Total	**173.3**	**207.5**	**-16.5%**

In Spain, turnover was 14.4% down, reaching EUR 109.9 million, due to the drop in volumes caused by the progressive reduction in demand in the construction market after the measures decreed to combat the sanitary emergency and despite the good performance of prices throughout the period.

In the local market in Tunisia, revenues fell by 7.4% to EUR 23.1 million, where price increases and appreciation of the Tunisian dinar have not been able to offset the decrease in volumes caused by the same reasons exposed to the local market in Spain.

Moreover, export earnings fell by 25.6% due to the decrease in shipments made both from Spain and from Tunisia.

Revenue breakdown, by region



The gross operating result fell by 37.6% to EUR 26.0 million, mainly due to the decrease in volumes mentioned above. Likewise, there were no CO2 right sales during the first half of the year, compared to EUR 3.2 million in the same period of the previous year; without this factor, the reduction in EBITDA would have been 32.2%.

The net operating profit stands at EUR 9.4 million, versus EUR 23.3 million of the previous half of the year, reflecting the development already commented on at the level of the gross operating income.

7.4.2. Financial Debt

(Millions of Euros)	**Jun. 20**	**Dec. 19**	**Chg. (Mn€)**
Net financial debt without recourse	281.9	293.0	(11.1)

Net financial debt, entirely without recourse to the Group's parent company, decreased by EUR 11.1 million compared to the end of the previous year, to EUR 281.9 million.

7.5. Concessions

The Concessions area accounts for 8.5% of the Group's EBITDA in the period. Activity centers around the development, operation and maintenance of transport and equipment infrastructures, with a total of 17 concessionary companies held in the backlog and with different levels of stakes. The Cedinsa subgroup (four shadow toll concessions in the province of Catalonia) and Auconsa (shadow toll for a section of the A3/Cuenca) stand out for their contribution at the operational level.

7.5.1. Earnings

(Millions of Euros)	**Jun. 20**	**Jun. 19**	**Chg. (%)**
Revenues	51.9	16.3	N/A
EBITDA	36.8	9.3	N/A
EBITDA Margin	*70.9%*	*57.1%*	*13.9 p.p*
EBIT	10.7	1.2	N/A
EBIT margin	*20.6%*	*7.4%*	*13.3 p.p*

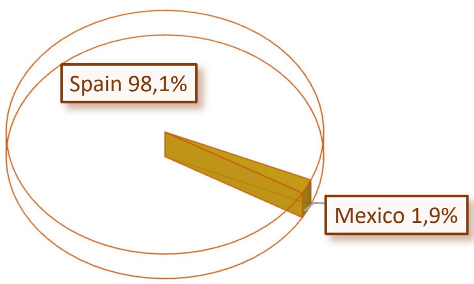
The area's revenues were EUR 51.9 million in the first half of the year, as compared to EUR 16.3 million for the first half of the previous year. This difference is largely due to the contribution of the Cedinsa subgroup, after acquiring control of the majority of its capital in November last year and incorporating it since then through global consolidation. In comparable terms, that is, considering the incorporation of the Cedinsa Subgroup since the beginning of last year, revenues were down by 35%.

Revenue breakdown, by region

(Millions of Euros)	**Jun. 20**	**Jun. 19**	**Chg. (%)**
Spain	50.9	15.2	N/A
Mexico	1.0	1.1	-9.1%
Total	**51.9**	**16.3**	**218.4%**

By geographical area, practically all of it is concentrated in Spain, where revenues stood at EUR 50.9 million, 77.8% of which was contribution from the Cedinsa subgroup. The Coatzacoalcos Tunnel concession in Mexico remains practically unchanged compared to the first falf of the previous year.

Revenue breakdown, by region



Gross operating income totalled EUR 36.8 million, 85.6% corresponding to the Cedinsa concession group.

7.5.2. Financial Debt

(Millions of Euros)	**Jun. 20**	**Dec. 19**	**Chg. (Mn€)**
Net financial debt without recourse	716.7	751.8	(35.1)

All of the area's net financial debt is project finance, with a very long maturity and located within each of the companies that hold the corresponding concession right. At the end of last June, its balance reached EUR 716.7 million, EUR 35.1 million less than in December of the previous year, the majority, EUR 709.2 million, corresponding to the debt of the concessionaire group Cedinsa.

8. SHARE DATA

8.1. Share performance

	Jan. – Jun. 2020	Jan. – Jun. 2019
Closing price (€)*	8.41	11.32
Change in the period	*(20.05%)*	*0.17%*
High (€)*	11.96	12.80
Low (€)*	7.17	10.44
Average daily trading (shares)	106,969	52,313
Average daily trading (M€)	0.9	0.6
Market capitalisation at end of period (M€)	3,298	4,597
No. of shares outstanding	392,264,826	392,264,826

** Data adjusted by scrip dividend.*

8.2. Dividends

The Company's Board of Directors resolved to execute the decision adopted by FCC's General Shareholders' Meeting on 2 June 2020, under item six on the agenda, to distribute a scrip dividend. The main details of this were as follows: the rights were traded on 8-22 June; the cash dividend of €0.40 gross per share was paid on 24 June to the shareholders who had requested it; the capital increase of 16,841,792 shares was registered with the Barcelona Mercantile Registry on 2 July, with the result that the company's capital was increased to 409,106,618 shares and which were listed on 10 July.

8.3. Own shares

At 30 June 2020, the FCC Group owned, directly and indirectly, a total of 1,250,837 shares of FCC S.A. (0.319% of the company's capital).

9. 2H2020 RISKS AND OUTLOOK

FCC, as an international benchmark group in the design, implementation and management of infrastructures and services, must face both the risks inherent to its presence in the countries in which it operates, which are subject to different socio-economic contexts and regulatory frameworks, as well as specific risks of the different sectors in which it operates.

In order to be able to carry out its activities efficiently, sustainably and profitably in this diverse and changing environment, FCC continues to evolve its Risk Management Model, with the aim of identifying and assessing potential risks that could affect its activities and establishing response mechanisms integrated into the organisation's processes with an agile approach.

This model, in line with the FCC Group's Corporate Governance and Compliance principles, aims to achieve a reasonable degree of safety regarding the achievement of objectives, the reliability of the information and regulatory compliance.

Some of the main risks and opportunities faced by the FCC Group during the second half of 2020 include:

Strategic risks:

Forecasts of a slowdown in economic growth, political uncertainty and weakness in some emerging economies have been heightened by global uncertainty as a result of the COVID-19 pandemic. This has required the economic forecasts to be reviewed for the second half of 2020 by various national and international organisations and institutions, with the International Monetary Fund projecting a 4.9% drop in growth of the world economy for 2020, although the way in which the pandemic unfolds could change this figure.

The FCC Group, as a provider of services classified as essential, among other services, such as the collection and treatment of waste and street cleaning, comprehensive water cycle services or management and maintenance of transport infrastructures, has continued to develop these activities and will continue to do so during the second half of 2020, contributing to the proper functioning of cities and the well-being of citizens.

In addition to the risks directly related to socio-economic instability, the way in which the sanitary and social crisis derived from the pandemic is being managed is also affecting international agreements, such as the terms of the relationship between the United Kingdom and the European Union, which could generate legal uncertainty and potentially divergent national laws and regulations, as well as different trade agreements, which could increase competitive tension, affect duties and increase the number of protectionist policies.

Moreover, the risks derived from the increasing demographic pressure, the concentration of population in cities, the concern about climate change, water stress and sustainable development, the protection of biodiversity and digitisation, pose a scenario of many risks for companies, but they also represent business opportunities for the FCC Group, as a leading global benchmark in Citizen Services, capable of offering competitive, sustainable and technologically advanced solutions, channelled through the specialisation of its synergistic business areas in the field of design, execution of infrastructures and provision of urban services.

In this regard, meeting the Sustainable Development Goals represents important business opportunities, although the current economic and financial situation, with a sharp increase in the deficit and public debt in 2020 and predictably 2021 both in Spain and in other countries affected by the COVID-19 pandemic, it hinders public investment by the different administrations, which makes it necessary to search for new formulas of public-private collaboration for the development of the comprehensive water cycle and environmental and infrastructure services, as well as the integration of their businesses in the circular and low-carbon economy, supported by technology and innovation.

At FCC Medioambiente, the development of turnover will be reinforced in Spain with the progress made towards a circular economy model, promoting the recovery of waste in a waste-to-energy model, as well as the reduction of greenhouse gas emissions, and internationally, with the operation of new contracts, such as the Palm Beach collection contract in Florida and the recycling plant in Houston.

Aqualia will continue to work on increasing the efficiency of its operational management procedures, optimising consumption and minimising its environmental impact, consolidating smart management in customer relations, and also follow a strategy of selective and profitable growth, increasing its international presence, for example, in Colombia and Saudi Arabia.

With regards to infrastructure-related areas, thanks to its design and technology capabilities, FCC Construcción will continue to focus on unique civil works contracts, such as new projects in Norway and the Netherlands, section 2 of the Maya Train or the closure of the island ring of Tenerife, as well as in the construction and adaptation of facilities to create healthcare centres. In the Cement area, despite the fall in consumption in the national market and the drop in exports, Cementos Portland Valderrivas continues to lead the national market with products that exceed the required quality standards, while continuing to strengthen the efficiency in the operation of its production plants, through digitisation and automation of its production processes, including new digital tools for customers, suppliers and employees.

Operational risks

The complexity and diversity of the projects in which the FCC Group participates requires a great effort in identifying and assessing risks from the study phase to completion, to enable contracts to be completed within the deadlines, scope and profitability targets.

Among the potential risks that could affect the Group's operations during the second half of 2020 are:

- the termination or amendment of contracts and rescheduling of projects, requiring on-going monitoring of contractual contingencies, planning and operational budgets.
- the delay or temporary interruption of some projects, especially those related to the construction of infrastructures, affected by the impact and containment measures of COVID-19.
- the uncertainty and volatility in the price of raw materials, energy and subcontracted services, before which purchasing procedures are applied preventively, also using deviation analysis as an indicator to detect deviations.

- inefficiencies in the supply chain, both derived from economic difficulties of suppliers, as well as supply problems and stock depletion due to alterations in the production chain and in the normal transit of goods during the COVID-19 pandemic; in these cases FCC Group is ensuring that it monitors its key suppliers.
- cybersecurity and people's health, which in the second half of 2020 take even greater relevance due to the incidence of COVID-19, and for which the FCC Group has launched various action plans that will be extended in the coming months, aimed at protecting people, systems and assets.
- risks related to new technologies and work methods, for which the Group constantly innovates.
- the challenges and opportunities posed by climate change, for which FCC has created its own strategy to adapt to climate change in Horizon 2050, which integrates all its business lines, and which is aimed at mitigating the risks associated with climate change by taking advantage of the business opportunities it represents, based on five pillars: communication with stakeholders, reduction of the carbon footprint, innovation in products and services, monitoring emissions and adaptation to regulatory changes.
- the risks derived from ensuring safety, quality and respect for the environment of the activities and services they provide, for which FCC's Business Units have certified quality assurance, environmental management and occupational risk prevention systems, in accordance with international standards, and specifically, some of these units are part of the EU Eco-Management and Audit Scheme.
- vulnerability to natural disasters, during which, in addition to implementing different prevention methods, the FCC Group's policy sets to take out the necessary insurance policies to cover the possible risks to which the various elements of its property, plant and equipment and the activities carried out are subject.

Financial risks:

The FCC Group's ability to secure financing depends on different factors, many of which are beyond its control and that could be affected by the COVID-19 pandemic, such as general economic conditions, the availability of funds in financial institutions and monetary policies in the markets in which it operates, although the FCC Group has continued to work on finding alternative sources of financing and taking actions aimed at dealing with these growing uncertainties from a solid position

After the voluntary early amortisation of all the syndicated financing signed in 2018, the FCC Group faces the second half of 2020 with a stronger and more efficient capital structure, with amounts, terms and financing costs that are suited to the nature of its different business areas.

During the second half of 2020, progress will be made on managing the various financial risks, these being partly mitigated in the Eurozone by the forecasts of sustained low interest rates and an inflation rate of around 0.3 %, as well as the search for natural coverage against exchange rate risks.

All in all, the financial risks monitored by the FCC Group during the second half of 2020 do not differ significantly from the application of the control systems described in the Annual Corporate Governance Report for the 2019 financial year.

Compliance risks:

The FCC Group's Compliance Model, made up of policies, procedures and controls, has changed in recent years to reinforce its commitment to regulatory compliance, with noteworthy advances in 2019 and the first half of 2020, both in its international implementation and in its communication, dissemination and training. During the second half of 2020, the culture of compliance will continue to be strengthened at all levels of the organisation, both through the effective implementation of the new approved regulations and the development of new components of the Model.

This Model will continue to be developed with the aim of strengthening it and adapting it to the various regulations that are constantly changing, integrating it quickly and efficiently into production and operating processes.

Regarding other compliance risks, such as contractual disputes and a potential increase in litigation, a huge effort will continue to be made on monitoring and managing contracts and identifying legal risks. Regarding the risks related to links with third parties, during the second half of 2020 we will continue to work on the assessment of counterparties, including agents, business partners, suppliers and third parties.

In terms of data protection, during the second half of 2020, the actions derived from the internal regulations adapted to current legislation will continue to be consolidated.

Reporting risks:

The need, both internally and of the different stakeholders, for accurate and agile financial, non-financial and diversity information with different levels of development represents a challenge for all organisations, especially those with a high organisational and corporate complexity, as is the case of the FCC Group. In this regard, during the second half of 2020, progress will be made in the Group's governance and the development of the information systems and internal control, optimising the integration and management of information and the use of transversal computer systems, both within and outside of Spain, while establishing advanced reporting models in projects managed with third parties.

Explanatory note

EBITDA

We define EBITDA as earnings from continuing operations before tax, earnings of companies accounted for using the equity method, financial result, depreciation and amortisation charges, impairment, gains or losses on disposals of non-current assets, grants, net changes in provisions and other non-recurring revenues and expenses.

BACKLOG

The FCC Group uses the backlog as an additional accounting measure in certain areas of our businesses. We calculate the backlog for our Environmental Services, Water and Construction business areas because these businesses are characterised by medium and long-term contracts. Because of its typically short-term purchase cycle, we do not calculate backlog for our Cement business area.

As at any given date, the backlog reflects pending production, that is, amounts under contracts or customer orders, net of taxes on production, less any amounts under those contracts or orders that have already been recognised as revenue. We value pending production according to the expected number of units at current prices as at the date of calculation. We include in backlog only amounts to which customers are obligated by a signed contract or firm order.

In the Environmental Services area, we recognise the backlog for our waste management contracts only when the relevant contract grants us exclusivity in the geographical area where the plant, landfill or other facility is located.

In our Water business area, we calculate initial backlog on the basis of the same long-term volume estimates that serve as the basis for our contracts with customers and for the tariffs set in those contracts.

In our Construction business area, we recognise the backlog only when we have a signed contract with, or a firm order from, the end customer.

Once we have included a contract in our backlog, the value of pending production under that contract remains in backlog until fulfilled or cancelled. However, we do adjust the values of orders in the backlog as needed to reflect price and schedule changes that are agreed with customers. For example, after the date of calculation, a price may increase or decrease as a result of changes in contractual production due to additional works to be performed. Due to a number of possible factors, we could fail to realise as revenue part or all of our calculated backlog with regard to a given contract or order. Our backlog is subject to adjustments and project cancellations and is, therefore, an uncertain indicator of future earnings.

Real Estate Backlog: Amount receivable in connection with home sales that were pending at the end of the period.

NET FINANCIAL DEBT

Net financial debt is defined as total gross financial debt (current and non-current) less current financial assets, cash and other current financial assets.

10. DISCLAIMER

The interim financial information contained in this document was obtained from the consolidated interim financial statements as at 30 June 2020, prepared in accordance with the International Financial Reporting Standards (IFRS) that had been adopted by the European Union at the end of the period, in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002.

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11. CONTACT DETAILS

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