FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.
AND SUBSIDIARIES (CONSOLIDATED GROUP)

CONSOLIDATED INTERIM FINANCIAL STATEMENTS 30 SEPTEMBER 2019

CONSOLIDATED BALANCE SHEET (in thousands of euros)

ASSETS	30-09-2019		31-12-2018	
NON-CURRENT ASSETS		**7,304,971**		**6,607,207**
Intangible assets (Note 5)		**2,448,048**		**2,426,380**
Concessions	1,292,132		1,288,804	
Goodwill	1,094,051		1,078,490	
Other intangible assets	61,865		59,086	
Property, plant and equipment (Note 6)		**2,809,731**		**2,424,018**
Land and buildings	1,058,528		744,262	
Plant and other items of property, plant and equipment	1,751,203		1,679,756	
Investment property		**2,694**		**2,798**
Investments accounted for by applying the equity method (Note 7)		**752,121**		**763,050**
Non-current financial assets (Note 8)		**619,068**		**380,552**
Deferred tax assets		**673,309**		**610,409**
CURRENT ASSETS		**3,867,408**		**3,916,834**
Non-current assets held for sale		—		—
Inventory		**729,237**		**691,034**
Trade receivables and other accounts receivable		**1,812,094**		**1,695,798**
Customers from sales and services rendered	1,521,209		1,380,930	
Other receivables	290,885		314,868	
Other current financial assets (Note 8)		**183,304**		**178,815**
Other current assets		**90,526**		**84,990**
Cash and other cash equivalents		**1,052,247**		**1,266,197**
TOTAL ASSETS		**11,172,379**		**10,524,041**

The accompanying Notes 1 to 20 form an integral part of the consolidated interim financial statements as at 30 September 2019.

LIABILITIES AND EQUITY	30-09-2019		31-12-2018	
EQUITY (Note 9)		**2,230,357**		**1,958,775**
Equity attributable to the Parent Company		**1,836,911**		**1,683,953**
Shareholders' equity	2,211,440		2,016,251	
Capital	392,265		378,826	
Accumulated earnings and other reserves	1,602,220		1,397,579	
Shares and equity interests	(16,068)		(11,723)	
Profit/(loss) for the year attributable to the Parent Company	233,023		251,569	
Other equity instruments	—		—	
Valuation adjustments	(374,529)		(332,298)	
Non-controlling interests		**393,446**		**274,822**
NON-CURRENT LIABILITIES		**5,671,322**		**5,574,710**
Subsidies		**231,258**		**211,296**
Non-current provisions (Note 10)		**1,106,125**		**1,161,989**
Non-current financial liabilities (Note 12)		**4,027,794**		**3,900,432**
Bonds and other marketable securities (Note 11)	1,700,081		1,702,631	
Bank borrowings	1,765,960		1,988,629	
Other financial liabilities	561,753		209,172	
Deferred Tax Liabilities		**153,468**		**141,088**
Other non-current liabilities		**152,677**		**159,905**
CURRENT LIABILITIES		**3,270,700**		**2,990,556**
Liabilities related to non-current assets held for sale		—		—
Current provisions (Note 10)		**231,180**		**209,264**
Current financial liabilities (Note 12)		**777,099**		**380,902**
Bonds and other marketable securities (Note 11)	316,795		23,308	
Bank borrowings	275,264		211,455	
Other financial liabilities	185,040		146,139	
Trade payables and other accounts payable		**2,262,421**		**2,400,390**
Suppliers	1,000,964		1,126,368	
Other payables	1,261,457		1,274,022	
TOTAL EQUITY AND LIABILITIES		**11,172,379**		**10,524,041**

The accompanying Notes 1 to 20 form an integral part of the consolidated interim financial statements as at 30 September 2019.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
(in thousands of euros)

	30-09-2019	30-09-2018
Turnover	**4,577,894**	**4,350,812**
Work on the company's own assets	34,212	21,597
Other operating income	122,281	97,841
Changes in inventory of finished products and work in progress	19,337	22,423
Supplies	(1,677,823)	(1,573,280)
Staff expenses	(1,426,939)	(1,381,522)
Other operating costs	(908,159)	(892,206)
Fixed asset amortisation and allocation of subsidies for non-financial fixed assets and others	(327,730)	(277,450)
Impairment and gains/(losses) on disposal of fixed assets	5,824	2,799
Other profits/(losses)	(4,577)	(4,167)
OPERATING PROFIT/(LOSS)	**414,320**	**366,847**
Finance income	41,053	35,045
Finance costs (Note 13)	(149,212)	(214,656)
Other financial gains/(losses) (Note 13)	12,400	14,068
FINANCIAL GAINS/(LOSSES)	**(95,759)**	**(165,543)**
Profit/(loss) of companies accounted for using the equity method (Note 13)	67,264	48,420
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**385,825**	**249,724**
Income tax	(97,349)	(67,003)
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	**288,476**	**182,721**
Profit/(loss) for the year from discontinued operations net of tax	–	–
CONSOLIDATED PROFIT/(LOSS) FOR THE PERIOD	**288,476**	**182,721**

Profit attributable to the Parent Company	**233,023**	**175,967**
Profit attributable to non-controlling interests (Note 13)	**55,453**	**6,754**

EARNINGS PER SHARE		
Basic	0.62	0.50
Diluted	0.62	0.50

The accompanying Notes 1 to 20 form an integral part of the consolidated interim financial statements as at 30 September 2019.

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE
(in thousands of euros)

	30-09-2019		30-09-2018	
CONSOLIDATED PROFIT/(LOSS) FOR THE PERIOD		**288,476**		**182,721**
Other comprehensive income - Items that are not reclassified to profit/(loss) for the period		**(1,652)**		**8**
Actuarial profits and losses (*)		**(1,652)**		**8**
Other comprehensive income - items that can subsequently be reclassified to profit/(loss) for the period		**(28,653)**		**15,733**
Financial assets available for sale		**(26)**		**(2,040)**
Valuation gains/(losses)	—		(2,053)	
Amounts transferred to the statement of profit and loss	(26)		13	
Cash flow hedges		**(17,648)**		**6,687**
Valuation gains/(losses)	(18,849)		4,941	
Amounts transferred to the statement of profit and loss	1,201		1,746	
Translation differences		**17,193**		**(3,590)**
Valuation gains/(losses)	17,308		(3,590)	
Amounts transferred to the statement of profit and loss	(115)		—	
Participation in other comprehensive income recognised by investments in joint ventures and associates		**(31,114)**		**15,806**
Valuation gains/(losses)	(52,682)		5,931	
Amounts transferred to the statement of profit and loss	21,568		9,875	
Tax effect		**2,942**		**(1,130)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**258,171**		**198,462**
Attributable to the Parent Company		**192,845**		**192,483**
Attributable to non-controlling interests		**65,326**		**5,979**

The accompanying Notes 1 to 20 form an integral part of the consolidated interim financial statements as at 30 September 2019.

(*) Amounts that under no circumstances will be charged to the statement of profit and loss.

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY (in thousands of euros)

	Share capital	Share premium and reserves	Interim dividend	Shares and equity interests	Profit/(loss) for the year attributed to the Parent Company	Other equity instruments	Valuation adjustments	Equity attributed to the shareholders of the Parent Company	Non-controlling interests	Equity
Equity as at 31 December 2017	**378,826**	**726,073**		**(4,427)**	**118,041**	**2,590**	**(357,177)**	**863,926**	**74,593**	**938,519**
Impact of first-time application of IFRS 15 and IFRS 9 (Note 2)		(180,937)					55	(180,882)	(1,503)	(182,835)
Equity as at 1 January 2018	**378,826**	**545,136**		**(4,427)**	**118,041**	**2,590**	**(357,122)**	**683,044**	**73,090**	**756,134**
Total income and expenses for the year		109			175,966		16,408	192,483	5,979	198,462
Transactions with shareholders or owners				(4,333)				(4,333)	(5,143)	(9,476)
Capital increases/(reductions)									713	713
Distribution of dividends									(5,856)	(5,856)
Transactions with treasury shares or equity instruments (net)				(4,333)					(4,333)	(4,333)
Other transactions with shareholders or owners										
Other changes in equity (Note 9)		848,770			(118,041)		20,998	751,727	179,667	931,394
Equity as at 30 September 2018	**378,826**	**1,394,015**		**(8,760)**	**175,966**	**2,590**	**(319,716)**	**1,622,921**	**253,593**	**1,876,514**
Equity as at 31 December 2018	**378,826**	**1,397,579**		**(11,723)**	**251,569**		**(332,298)**	**1,683,953**	**274,822**	**1,958,775**
Impact of first-time application of IFRS 16 (Note 2)		(2,014)						(2,014)		(2,014)
Equity as at 1 January 2019	**378,826**	**1395,565**		**(11,723)**	**251,569**		**(332,298)**	**1,681,939**	**274,822**	**1,956,761**
Total income and expenses for the year		(1,214)			233,023		(38,964)	192,845	65,326	258,171
Transactions with shareholders or owners	13,439	(23,083)		(4,345)				(13,989)	(54,023)	(68,012)
Capital increases/(reductions) (Note 9)	13,439	(13,517)						(78)	943	865
Distribution of dividends (Note 9)		(9,566)						(9,566)	(54,966)	(64,532)
Transactions with treasury shares or equity instruments (net)				(4,345)				(4,345)		(4,345)
Other transactions with shareholders or owners										
Other changes in equity (Note 9)		230,952			(251,569)		(3,267)	(23,884)	107,321	83,437
Equity as at 30 September 2019	**392,265**	**1,602,220**		**(16,068)**	**233,023**		**(374,529)**	**1,836,911**	**393,446**	**2,230,357**

The accompanying Notes 1 to 20 form an integral part of the consolidated interim financial statements as at 30 September 2019.

CONSOLIDATED STATEMENT OF CASH FLOW (INDIRECT METHOD) (in thousands of euros)

	30-09-2019		30-09-2018	
Profit/(loss) before tax from continuing operations		**385,825**		**249,724**
Adjustments to profit/(loss)		**378,359**		**460,314**
Fixed asset amortisation	334,750		284,972	
Other adjustments to profit/(loss) (net)	43,609		175,342	
Changes in working capital		**(363,022)**		**(449,010)**
Other cash flows from operating activities		**(188,367)**		**(69,353)**
Dividends received	34,676		21,436	
Collections/(payments) of company tax	(113,709)		(50,349)	
Other collections/(payments) from operating activities	(109,334)		(40,440)	
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		**212,795**		**191,675**
Investment payments		**(368,341)**		**(252,923)**
Group companies, associates and business units	(76,718)		(13,804)	
Property, plant and equipment, intangible assets and investment property	(233,806)		(182,491)	
Other financial assets	(57,817)		(56,628)	
Proceeds from disposals		**17,085**		**36,801**
Group companies, associates and business units	566		6,712	
Property, plant and equipment, intangible assets and investment property	10,338		13,984	
Other financial assets	6,181		16,105	
Other cash flows from investment activities		**94,901**		**(1,644)**
Interest receivable	9,513		11,124	
Other collections/(payments) from investment activities	85,388		(12,768)	
TOTAL CASH FLOWS FROM INVESTMENT ACTIVITIES		**(256,355)**		**(217,766)**
Proceeds from/(payments on) equity instruments		**(35,325)**		**927,049**
Issue/(redemption)	178		178	
(Acquisition)/disposal of treasury shares	(35,503)		926,871	
Proceeds from/(payments on) financial liabilities		**6,310**		**(752,456)**
Issuance	454,273		1,729,591	
Repayment and amortisation	(447,963)		(2,482,047)	
Dividends payments and payments on equity instrument		**(61,130)**		**(4,956)**
Other cash flows from financing activities		**(106,457)**		**(130,631)**
Payment of interests	(106,540)		(125,348)	
Other collections/(payments) from financing activities	83		(5,283)	
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES		**(196,602)**		**39,006**
EFFECT OF VARIATIONS IN EXCHANGE RATES		**26,212**		**5,029**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(213,950)**		**17,944**
Cash and cash equivalents at the start of the period		**1,266,197**		**1,238,255**
Cash and cash equivalents at the end of the period		**1,052,247**		**1,256,199**

The accompanying Notes 1 to 20 form an integral part of the consolidated interim financial statements as at 30 September 2019.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

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1. GROUP ACTIVITY

The FCC Group comprises the Parent Company, Fomento de Construcciones y Contratas, S.A., and a group of investee companies located both in Spain and abroad that perform different business activities grouped into the following areas:

Environmental Services. Services related to urban sanitation, industrial waste treatment and energy recovery from waste.

Integrated Water Management. Services relating to the integrated water cycle: collection, purification and distribution of water for human consumption; waste water collection, filtration and purification; design, construction, operation and maintenance of water infrastructure for municipal, industrial, agricultural services, etc.

Construction. Specialising in infrastructure, building and related sectors: motorways, highways, roads, tunnels, bridges, hydraulic works, ports, airports, housing developments, housing, non-residential building, lighting, industrial climate control installations, environmental restoration, etc.

Cement. Dedicated to the operation of quarries and mineral deposits, production of cement, lime, plaster and prefabricated by-products, as well as the production of concrete.

Additionally, the FCC Group is present in the Property sector, both through the company F C y C, S.L. Unipersonal, as through its 37.05% holding in Realia Business, S.A., whose main activity is housing development and the office rental market.

International activities account for approximately 45% (45% in September 2018) of the FCC Group's turnover, mainly in Europe, Latin America, the Middle East and the United States.

2. BASES OF PRESENTATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements as at 30 September 2019 have been prepared by applying the International Financial Reporting Standards (IFRS) adapted by the European Union on the closing date, in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 19 2002, as well as all its implementing provisions and are presented pursuant to IAS 34 "Interim Financial Information" and the provisions of Royal Decree 1362/2007, of 19 October 19 implementing Law 24/1988, of 28 July, on the Securities Market, in relation to the transparency requirements relating to information on issuers whose securities are admitted for trading on a regulated market in the European Union.

The interim financial information has been prepared to update the contents of the most recent consolidated financial statements prepared by the FCC Group for the year ending 31 December 2018. Consequently, to comprehensively understand the information it contains, we recommend bearing in mind the consolidated financial statements corresponding to 2018, which were approved by the General Shareholders Meeting on 8 May 2019.

The interim financial information comprises the following financial statements: Balance Sheet, Statement of Profit and Loss, Statement of Recognised Income and Expense, Statement of Changes in Total Equity and Statement of Cash Flows. Furthermore, and in accordance with IAS 34 "Interim Financial Information", the explanatory notes required are attached to these financial statements in order to provide information about significant events and transactions to obtain an understanding of the interim period.

<u>Offsetting</u>

The Group, in accordance with the provisions of IAS 12 "Income Tax", proceeds to offset the deferred tax assets and liabilities corresponding to the tax group of which the Parent Company, Fomento de Construcciones y Contratas, S.A. is the parent company, as it has the legal right to offset them and, in accordance with the Spanish tax regulations, they will be settled for their net amount based on the corresponding time frames. At 30 September, 2019, deferred tax assets and liabilities for the sum of EUR 121,769 thousand (EUR 133,676 thousand at 31 December 31 2018) were presented.

Significant standards and interpretations applied at 30 September 2019

For the first time, on 1 January 2019, the Group applied IFRS 16 "Leases", which indicates that for the lessor, all leases (except for certain exceptions involving low sums of money or duration) require the accounting of an asset corresponding to the right in use, fundamentally recognised by nature as a material asset, and a liability for the future payment obligations that are incurred. The liability is recognised at the present value of the future cash flows for each lease and the asset in an equivalent amount, adjusted for any early payment made. Subsequently, the right in use is systematically amortised and the financial expenses associated with the equivalent liability are recognised pursuant to the amortised cost method.

The first implementation of the aforementioned standard has been calculated taking into account the fact that the Group has availed itself of the option to apply it on a modified retroactive basis, i.e. with the cumulative impact of the first application of the standard as an adjustment to the initial balance sheet at 1 January 2019, charged to reserves without restating the previous year, meaning that the adjustment has only been made for contracts previously classified as operating leases under current regulations prior to 31 December 2018. In this connection, the Group has recognised a financial liability equivalent to the current value of estimated future payments discounted at the incremental rate of debt on the date of first implementation, recognising the corresponding asset as a counterpart, adjusted as appropriate for the fees paid in advance and for the retirement and dismantling provisions made, without the value of the asset exceeding its fair value. For leases previously considered as financial, no adjustment has been made. Furthermore, adhering to the options to which it is entitled, the Group has not applied the standard to low-value assets, or to contracts which mature within 12 months after the date of first-time application.

In calculating the lease liability at 1 January 2019, the Group has applied the incremental rate of debt that, in general, is equivalent to an effective interest rate of 2.45% and, affecting a smaller number of contracts, specific rates depending on the term and country in which company entering into the lease is based.

At 31 December 2018, the operating lease commitments contracted by the Group came to EUR 396 million. The difference between the aforementioned amount and the value of liabilities recognised at 1 January 2019 under IFRS 16, EUR 430 million, can primarily be traced to impacts relating to the extension and cancellation of contracts, as well as the effect of the financial discount of future payments and the existence of low value leases or terms of less than one year.

The impact, broken down by balance sheet heading, of the first-time application of the standard was as follows:

	Balance at 1 January 2019	Impact of first-time application of IFRS 16	Restated balance on 1 January 2019
Non-current assets	**6,607,207**	**434,721**	**7,041,928**
Intangible fixed assets	2,426,380	—	2,462,380
Property, plant and equipment	2,424,018	428,251	2,852,269
Investment property	2,798	6,470	9,268

Investments accounted for using the equity method	763,050	—	763,050
Non-current financial assets	380,552	—	380,552
Deferred tax assets	610,409	—	610,409
Current assets	**3,916,834**	**(4,468)**	**3,912,366**
Non-current assets held for sale	—	—	—
Inventory	691,034	—	691,034
Trade receivables and other accounts receivable	1,695,798	—	1,695,798
Other current financial assets	178,815	—	178,815
Other current assets	84,990	(4,468)	80,522
Cash and other cash equivalents	1,266,197	—	1,266,197
Total assets	**10,524,041**	**430,253**	**10,954,294**
Equity	**1,958,775**	**(2,014)**	**1,956,761**
Equity attributable to the Parent Company	1,683,953	(2,014)	1,681,939
Non-controlling interests	274,822	—	274,822
Non-current liabilities	**5,574,710**	**388,462**	**5,963,172**
Subsidies	211,296	—	211,296
Non-current provisions	1,161,989	—	1,161,989
Non-current financial liabilities	3,900,432	388,462	4,288,894
Deferred tax liabilities	141,088	—	141,088
Other non-current liabilities	159,905	—	159,905
Current liabilities	**2,990,556**	**43,805**	**3,034,361**
Liabilities related to non-current assets held for sale	—	—	—
Current provisions	209,264	—	209,264
Current financial liabilities	380,902	43,839	424,741
Trade payables and other accounts payable	2,400,390	—	2,400,390
Total equity and liabilities	**10,524,041**	**430,253**	**10,954,294**

It should be noted that, on 1 January 2018, the Group applied IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments" for the first time. The application of both standards was made recognising the cumulative effect of the first-time application as an adjustment to existing reserves at 1 January 2018.

The impact of the first-time application of IFRS 15 "Revenue from contracts with customers" gave rise to a decrease in reserves totalling EUR 227,634 thousand, primarily as a result of the re-estimation of the revenue previously recognised under IAS 11 "Construction contracts" and IAS 18 "Revenue", which do not comply with the requirements to be recognised as revenue under the new standard as it establishes more restrictive criteria for their recognition due to generally requiring the approval of customers.

In turn, the first-time application of IFRS 9 "Financial instruments" had a positive impact on reserves totalling EUR 46,752 thousand, deriving, on the one hand, from the positive impact of the application of the accounting treatment of non-substantive amendments of financial liabilities in relation to the syndicated loan which can be traced to the refinancing of the syndicated debt of the Parent Company, Fomento de Construcciones y Contratas, and, on the other hand, the negative impact of the application of the financial asset impairment model that the new regulations establish must be estimated based on expected credit loss rather than credit loss incurred, as contemplated in IAS 39 "Financial instruments: recognition and measurement".

3. ACCOUNTING POLICIES, METHODS AND OTHER INFORMATION

a) Accounting policies and methods

The accounting policies and methods used in the preparation of these condensed consolidated financial statements are the same as those applied in the consolidated financial statements for 2018 (Note 3 of the report on the Group's consolidated financial statements for 2018), with the exception of provisions for leases (Note 3.f) following the application of IFRS 16 from 1 January 2019 onwards (Note 2).

b) Use of estimates

As part of the condensed consolidated financial statements, estimates have occasionally been used to quantify certain assets, liabilities, income, expenses and commitments that are recognised therein, following the same criteria as in the preparation of the consolidated financial statements of the FCC Group for 2018 (Note 3 of the report on the Group's consolidated financial statements for 2018). In terms of corporate tax expenses, it should be noted that for interim periods, in accordance with IAS 34, they are quantified according to the best estimate of the weighted average tax rate that the Group expects to be applied for the entire year.

Based on the evolution of the business and certain improvements in the economic environment in which the Group operates, in the first nine months of 2019 no signs of impairment in the assets involved in continuing activities have been detected, nor have any new risks other than those mentioned in the financial statements for 2018 been identified, including goodwill, so no additional losses have been recognised beyond those accounted for at 31 December 2018.

c) Going concern principle

The management of the Parent Company has prepared the interim financial information based on the application of the going concern principle, as it has no reasonable doubts about the Group's ability to adequately finance its operations. Note 16 of these consolidated financial statements summarises the evolution of liquidity risk and mitigating factors.

d) Provisions and contingent liabilities

Notes 19 "Non-current and current provisions" and 26 "Guarantees committed to third parties and other contingent liabilities" of the report on the Group's consolidated financial statements for the year ending 31 December 2018, provide information on provisions and contingent liabilities on that date. The changes seen in the first nine months of 2019 are indicated in Notes 10 and 15.

e) Comparison of information

The information contained in these condensed consolidated financial statements corresponding to the first nine months of 2018 is presented solely and exclusively for the purposes of comparison against the information relating to the nine-month period ending 30 September 2019, while the balance sheet at this date is compared to the figures presented in the consolidated financial statements for 2018.

f) Relative importance

When defining the information to be disclosed in the report on the different items of the financial statements or other matters, the Group, in accordance with IAS 34, has taken into account relative importance in relation to the condensed consolidated financial statements of the first nine months of the year.

g) Consolidated statement of cash flows

The following expressions are used in the consolidated statements of cash flows:

- Cash flows are the inflows and outflows of cash and cash equivalents.

- Operating activities are the activities that constitute the main source of the company's ordinary income, as well as other activities that cannot be classified as investment or financing activities.

- Investment activities are the acquisition and disposal of long-term assets, as well as other investments not included in cash and cash equivalents.

- Financing activities are the activities that generate changes in the size and composition of own capital and loans taken by out the company.

For the purposes of preparing the condensed consolidated statements of cash flows, the "cash and cash equivalents" have been considered as cash and on-demand bank deposits, as well as those short-term, highly liquid investments, which are easily convertible into specific amounts of cash, subject to an insignificant risk of changes in their value.

4. CHANGES IN THE SCOPE OF CONSOLIDATION

In January 2019, two partner agreements were signed in relation to the consolidated that, until then, had been consolidated under the equity method - Shariket Tahlya Mostaganem, S.p.a. and Shariket Miyeh Djinet, S.p.a. - under which, the Group now holds control over the former and no longer has a significant influence on the latter. As a result, Shariket Tahlya Mostaganem, S.p.a. is now consolidated under the global consolidation method and the holding in Shariket Miyeh Djinet, S.p.a. is now considered a financial asset at fair value. These transactions have resulted in a loss of EUR 6,122 thousand being recognised under "Profits/(losses) of companies accounted for by the equity method" following the allocation of the negative translation differences to profit and loss and the positive impact resulting from the fair value adjustment of shares prior to the transaction. Furthermore, in the Statement of Cash Flows, "Other collections/(payments) from investment activities" includes EUR 43,337 thousand corresponding to the cash that Shariket Tahlya Mostaganem, S.p.a. presented in its balance sheet at the time of the takeover. The impact recognised under "Non-controlling interests" after the takeover of Shariket Tahlya Mostaganem, S.p.a. is described in Note 9.

During April 2019, FCC Aqualia, S.A. acquired a 49% stake in the AquaJerez,, S.L., in which it already held a 51% stake, for the sum of EUR 28,858 thousand. As this transaction involved non-controlling interests, the difference between the acquisition price and the value of the net assets acquired has been recognised directly against equity, representing a loss of EUR 17,311 thousand in reserves on the Group's consolidated financial statements.

In June 2019, FCC Aqualia, S.A. acquired a 100% stake in the French subgroup Services Publics et Industries Environnement, which is dedicated to the management of water supply and sanitation, for the sum of EUR 31,665 thousand. As part of this business combination, a first consolidation difference of EUR 24,234 thousand has been disclosed, of which EUR 11,805 thousand have been allocated to the subgroup's concession-related assets, recognising a remaining goodwill of EUR 12,429 thousand.

On 28 September 2018, the sale of a 49% non-controlling interest in FCC Aqualia, S.A. to the IFM Global Infrastructure fund was finalised for the sum of EUR 1,024 million, received on the same day, with the Group maintaining its controlling interest. The sale was recognised as an equity transaction and had a positive impact on reserves in 2018 of EUR 789,054 thousand given the difference between the sale price and the book value of the stakeholding that was disposed of (Note 9), which has been recognised in the accompanying Statement of Cash Flows against "Proceeds from/(payments on) equity instruments".

Additionally, the sales agreement contemplates certain variable prices that depend on the resolution of contingent procedures relating to FCC Aqualia. The Group, therefore, has not recognised any asset given its contingent nature; likewise, it has not recognised any liability for claims that may arise against its interests, as it is not considered probable that significant losses will be incurred and given that their value is considered insignificant in relation to the transaction price.

As part of the transaction, FCC Topco S.a.r.l. and its subsidiary FCC Midco, S.A. were constituted, contributing shares representing 10% of the Group's shares in FCC Aqualia to the latter. These shares have been pledged as a guarantee of certain obligations assumed by the Group before FCC Aqualia, mainly in relation to the repayment of the loan that the latter has granted to the Parent Company of the Group. The Group considers that there is no risk of execution of these guarantees on the date that these condensed consolidated financial statements were prepared.

Furthermore, on 9 January 2018, the acquisition of a 49% interest in Aqualia Czech, S.L. and Aqualia Infraestructuras Inzenyring, s.r.o. from MIT Infraestructures Europe, Ltd. was finalised. The cost of the Group increasing its control over the aforementioned companies to 100% was EUR 92,580 thousand. Since the Group already controlled both investee companies, the difference between the acquisition price and the carrying amount of the non-controlling interests acquired gave rise to a negative difference in reserves totalling EUR 59,509 thousand.

5. INTANGIBLE FIXED ASSETS

The net breakdown of intangible fixed assets at 30 September 2019 and 31 December 2018 is as follows:

	Cost	Accumulated amortisation	Impairment	Net Value
30.09.2019				
Concessions	2,319,602	(970,565)	(56,905)	1,292,132
Goodwill	1,878,274	—	(784,223)	1,094,051
Other intangible assets	357,632	(281,364)	(14,403)	61,865
	4,555,508	**(1,251,929)**	**(855,531)**	**2,448,048**
31.12.2018				
Concessions	2,249,398	(902,183)	(58,411)	1,288,804
Goodwill	1,858,006	—	(779,516)	1,078,490
Other intangible assets	357,148	(283,659)	(14,403)	59,086
	4,464,552	**(1,185,842)**	**(852,330)**	**2,426,380**

a) Concessions

This heading includes the intangible assets corresponding to the service concession arrangements.

The changes in this heading on the consolidated balance sheet for the first nine months of 2019 and 2018 were as follows:

	Concessions	Accumulated Amortisation	Impairment
Balance at 31/12/18	**2,249,398**	**(902,183)**	**(58,411)**
Additions or allocations	29,631	(70,287)	—
Disposals, derecognitions or reductions	(5,710)	4,679	810
Translation differences	13,217	(604)	—
Change in scope, transfers and other changes	33,066	(2,170)	696
Balance at 30/09/19	**2,319,602**	**(970,565)**	**(56,905)**

	Concessions	Accumulated Amortisation	Impairment
Balance at 31/12/17	**2,198,754**	**(804,412)**	**(59,460)**
Additions or allocations	16,187	(65,538)	—
Disposals, derecognitions or reductions	(298)	36	702
Translation differences	12,700	(50)	—
Change in scope, transfers and other changes	13,914	(11,686)	2,186
Balance at 30/09/18	**2,241,257**	**(881,650)**	**(56,572)**

b) Goodwill

The changes in this heading on the consolidated balance sheet for the first nine months of 2019 and 2018 are as follows:

Balance at 31/12/18	**1,078,490**
Translation differences:	
ASA Group	(1)
FCC Environment Group (UK)	3,124
Rest	7
Changes in scope and others:	
SPI Environement S.A.S. Group (Note 4)	12,429
Rest	2
Balance at 30/09/19	**1,094,051**

Balance at 31/12/17	**1,083,740**
Translation differences:	
ASA Group	(57)
FCC Environment Group (UK)	(676)
Rest	(2)
Changes in scope and others:	
ASA Group	(1,239)
Impairment Losses	
ASA Group	(1,646)
Balance at 30/09/18	**1,080,120**

The breakdown of goodwill at 30 September 2019 and 31 December 2018 on the accompanying consolidated balance sheet is as follows:

	30.09.2019	31.12.2018
Cementos Portland Valderrivas, S.A.	509,397	509,397
FCC Environment Group (UK)	294,876	291,752
ASA Group	136,792	136,793
FCC Aqualia, S.A.	82,764	82,764
FCC Ámbito, S.A.	23,311	23,311
SPI Environement S.A.S. Group	12,429	—
FCC Industrial e Infraestructuras Energéticas, S.L.U.	21,499	21,499
Canteras de Aláiz, S.A.	4,332	4,332
Cementos Alfa, S.A.	3,712	3,712
Rest	4,939	4,930
	1,094,051	**1,078,490**

The impairment analysis policies applied by the Group to its goodwill are described in Notes 3 b) and 7 of the consolidated financial statements for 2018. Based on the methods used and in accordance with the estimates, projections and valuations available to the Group's management, during the first nine months of 2019, there have been no significant signs of impairment or substantial changes in business conditions that, in the opinion of the directors, would involve additional losses in the value of these assets. Notwithstanding the foregoing, the Group will update its tests at year-end or whenever there is evidence of deterioration in conditions on the markets on which these subgroups operate, and in particular with regard to the test on Cementos Portland Valderrivas, S.A, as it is highly sensitive to changes in terms of expected future growth and EBITDA.

In relation to the FCC Environment (UK) subgroup, the Group believes that, given the slack shown in the impairment test performed in 2018 and that the main assets and liabilities relating to its business are indexed to the same currency (pound), there should be no deterioration as a result of Brexit.

c) Other intangible assets

The changes in this heading on the consolidated balance sheet for the first nine months of 2019 and 2018 were as follows:

	Other intangible assets	Accumulated Amortisation	Impairment
Balance at 31/12/18	**357,148**	**(283,659)**	**(14,403)**
Additions or allocations	17,762	(13,578)	(2)
Disposals, derecognitions or reductions	(18,017)	17,835	—
Translation differences	192	(169)	—
Change in scope, transfers and other changes	547	(1,793)	2
Balance at 30/09/19	**357,632**	**(281,364)**	**(14,403)**

	Other intangible assets	Accumulated Amortisation	Impairment
Balance at 31/12/17	**340,492**	**(259,534)**	**(14,332)**
Additions or allocations	5,509	(15,899)	(115)
Disposals, derecognitions or reductions	(165)	88	44
Translation differences	(453)	429	—
Change in scope, transfers and other changes	5,804	(3,630)	—
Balance at 30/09/18	**351,187**	**(278,546)**	**(14,403)**

6. PROPERTY, PLANT AND EQUIPMENT

The net breakdown of property, plant and equipment at 30 September 2019 and 31 December 2018 is as follows:

	Cost	Accumulated amortisation	Impairment	Net value
30.09.2019				
Land and buildings	**1,595,757**	**(470,352)**	**(66,877)**	**1,058,528**
Land and natural resources	670,599	(150,859)	(50,555)	469,185
Buildings for own use	925,158	(319,493)	(16,322)	589,343
Plant and other items of property, plant and equipment	**7,627,001**	**(5,272,478)**	**(603,320)**	**1,751,203**
Plant	4,729,845	(3,183,227)	(586,440)	960,178
Machinery and vehicles	2,132,883	(1,593,019)	(14,088)	525,776
Assets under construction and advances	86,824	—	—	86,824
Other property, plant and equipment	677,449	(496,232)	(2,792)	178,425
	9,222,758	**(5,742,830)**	**(670,197)**	**2,809,731**
31.12.2018				
Land and buildings	**1,339,247**	**(528,038)**	**(66,947)**	**744,262**
Land and natural resources	646,878	(144,832)	(48,794)	453,252
Buildings for own use	692,369	(383,206)	(18,153)	291,010
Plant and other items of property, plant and equipment	**7,386,533**	**(5,109,683)**	**(597,094)**	**1,679,756**
Plant	4,554,048	(2,952,848)	(580,337)	1,020,863
Machinery and vehicles	2,082,609	(1,634,885)	(13,981)	433,743
Assets under construction	63,949	—	—	63,949
Other property, plant and equipment	685,927	(521,950)	(2,776)	161,201
	8,725,780	**(5,637,721)**	**(664,041)**	**2,424,018**

The changes in this heading on the consolidated balance sheet for the first nine months of 2019 and 2018 were as follows:

	Land and natural resources	Buildings for own use	Land and buildings	Plant	Machinery and vehicles	Assets under construction and advances	Rest property, plant and equipment	Plant and other items of property, plant and equipment	Accumulated amortisation	Impairment
Balance at 31/12/18	646,878	692,370	1,339,248	4,554,048	2,082,609	63,949	685,927	7,386,533	(5,637,722)	(664,042)
Additions or allocations	746	18,110	**18,856**	8,175	69,194	44,274	34,167	**155,810**	(250,727)	(78)
Disposals, derecognitions or reductions	(889)	(11,423)	**(12,312)**	(16,595)	(105,570)	(199)	(65,912)	**(188,276)**	194,973	14
Impact of first-time application of IFRS 16	21,139	340,459	**361,598**	6,421	48,619	10,630	—	**65,670**	—	—
Translation differences	393	3,475	**3,868**	28,899	11,266	(689)	1,216	**40,692**	(30,393)	(6,096)
Change in scope, transfers and other changes	2,332	(117,833)	**(115,501)**	148,897	26,765	(31,141)	22,051	**166,572**	(18,961)	5
Balance at 30/09/19	670,599	925,158	1,595,757	4,729,845	2,132,883	86,824	677,449	7,627,001	(5,742,830)	(670,197)

	Land and natural resources	Buildings for own use	Land and buildings	Plant	Machinery and vehicles	Assets under construction and advances	Rest property, plant and equipment	Plant and other items of property, plant and equipment	Accumulated amortisation	Impairment
Balance at 31/12/17	645,161	692,823	1,337,984	4,516,704	2,052,217	49,867	658,251	7,277,039	(5,480,759)	(678,403)
Additions or allocations	2,134	3,348	**5,482**	20,798	73,677	35,916	24,578	**154,969**	(202,873)	(1,768)
Disposals, derecognitions or reductions	(3)	(4,638)	**(4,641)**	(1,219)	(48,059)	(205)	(5,117)	**(54,600)**	50,867	237
Translation differences	(397)	(2,816)	**(3,213)**	(15,513)	(6,196)	(266)	(1,360)	**(23,335)**	19,596	1,369
Change in scope, transfers and other changes	(35)	(5,039)	**(5,074)**	32,480	10,817	(24,564)	4,936	**23,669**	(27,020)	1
Balance at 30/09/18	646,860	683,678	1,330,538	4,553,250	2,082,456	60,748	681,288	7,377,742	(5,640,189)	(678,564)

The changes seen in "Change in scope, transfers and other changes" between "Buildings for own use" and "Plant" mainly reflects the reclassification of buildings that are part of complex production facilities such as recycling plants, treatment plants and transfer stations involved in environmental service activities in the United Kingdom, as it is believed that this is a better reflection of the way in which the assets are used.

Acquisitions and disposals of items of property, plant and equipment

The following property, plant and equipment was acquired the first nine months of 2019:

	(Thousands of euros)
Land and buildings	18,856
Plant	8,175
Machinery and vehicles	69,194
Other property, plant and equipment	78,441
TOTAL	**174,666**

And derecognitions due to disposals of these elements were as follows:

	(Thousands of euros)
Land and buildings	1,074
Plant	610
Machinery and vehicles	3,277
Other property, plant and equipment	640
TOTAL	**5,601**

Purchase commitments

In the performance of their activities, Group companies do not have formally arranged purchase commitments involving significant property, plant and equipment at 30 September 2019 or 2018.

7. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

This heading includes the value of investments in companies accounted for under the equity method, which applies to both joint ventures and associates, as well as non-current loans granted to them and the breakdown of which is as follows:

	30.09.2019	31.12.2018
Joint ventures	**182,897**	**173,489**
Investment value	35,281	34,882
Loans	147,616	138,607
Associates	**569,224**	**589,561**
Investment value	408,158	452,853
Loans	161,066	136,708
	752,121	**763,050**

The main changes recognised in the first nine months of 2019 reflect the transaction relating to Shariket Tahlya Mostaganem, S.p.a. and Shariket Miyeh Djinet, S.p.a. (Note 4), which have resulted in a decrease in the heading of EUR 35,222 thousand and EUR 12,704 thousand, respectively. Furthermore, from the loans to associates, worth particular mention is the increase of EUR 26,748 thousand relating to Lostock Sustainable Energy for the development of a thermal recovery plant in Lostock (United Kingdom).

At 30 September, 2019, the value of investments accounted for under the equity method included:

- EUR 277,868 thousand for the stakeholding in Realia Business, S.A.
- EUR 34,922 thousand for the stakeholdings in the concessionary companies in the Integrated Water Management Area.
- EUR 90,548 thousand for stakeholdings in companies in the Environmental Services Area.
- EUR 348,783 thousand for other stakeholdings and loans to companies consolidated under the equity method.

8. FINANCIAL ASSETS

The details of the most significant balances under "Non-Current Financial Assets" and "Other Current Financial Assets" in the accompanying consolidated balance sheet is described in the following headings:

a) Non-current financial assets

Non-current financial assets at 30 September 2019 and 31 December 2018 are distributed as shown below:

	Financial assets at amortised cost	Financial assets at fair value charged to reserves	Financial assets at fair value charged to profit and loss	Hedging derivatives	Total
30.09.2019					
Equity instruments	—	35,786	—	—	35,786
Debt securities	777	—	—	—	777
Derivatives	—	—	19	87	106
Other financial assets	582,399	—	—	—	582,399
	583,176	**35,786**	**19**	**87**	**619,068**
31.12.2018					
Equity instruments	—	24,660	—	—	24,660
Debt securities	703	—	—	—	703
Derivatives	—	—	40	1,265	1,305
Other financial assets	353,884	—	—	—	353,884
	354,587	**24,660**	**40**	**1,265**	**380,552**

"Other non-current financial assets" include the non-current collection rights from concessions, which, at 30 September 2019 came to EUR 426.161 thousand (EUR 199.507 thousand at 31 December 2018), the sums granted to public authorities to refinance debt in water services and urban sanitation activities that accrue interest in line with market conditions, and deposits and bonds that in essence correspond to those made on account of legal or contractual obligations in the performance of the Group companies' activities, such as deposits for electrical connections, for guarantees in the performance of works, for property rental, etc.

The increase seen in the first nine months of 2019 under "Other financial assets" can mainly be attributed to the contribution made to Shariket Tahlya Mostaganem, S.p.a. for the sum of EUR 178.226 thousand, which is now consolidated under the global consolidation method (Note 4). Furthermore, to a lesser extent, the increase in non-current collection rights corresponding to waste treatment plants under construction in Guipúzcoa and the United Kingdom is worth note.

b) Other current financial assets

Current financial assets at 30 September 2019 and 31 December 2018 are distributed as shown below:

	Financial assets at amortised cost	Financial assets at fair value charged to reserves	Total
30.09.2019			
Equity instruments	—	—	—
Debt securities	19	—	19
Derivatives	—	—	—
Deposits and guarantees	79,499	—	79,499
Other financial assets	103,786	—	103,786
	183,304	**—**	**183,304**
31.12.2018			
Equity instruments	—	—	—
Debt securities	35	—	35
Derivatives	—	16	16
Deposits and guarantees	71,535	—	71,535
Other financial assets	107,229	—	107,229
	178,799	**16**	**178,815**

"Other current financial assets" includes current financial investments, made for periods of more than three months in order to cover specific cash flow situations, loans granted to companies accounted under the equity method and financial deposits constituted as part of contractual guarantees.

9. EQUITY

The accompanying Statement of Changes in Total Equity at 30 September 2019 and 2018 shows the evolution of equity attributed to the shareholders of the Parent Company and non-controlling interests in the first nine months of both years.

At the Ordinary General Shareholders' Meeting held on 8 May 2019, the Parent Company of the Group approved the distribution of a flexible dividend (scrip dividend) for a maximum value of EUR 151,530 thousand. Shareholders received the corresponding allocation rights and were able to choose between three options: the sale of rights to FCC for EUR 0.40, transfer of the rights on the market or to refrain from transferring them and receiving new shares released. The exchange ratio was set at one new share for every 28 old shares, reflecting the issuance of a maximum number of new shares released of 13,529,482. For the option of transferring the rights to FCC and of receiving new shares to be economically equivalent for the shareholder, a remuneration mechanism was set up for shareholders who chose to receive new shares with a compensatory dividend in cash.

On 28 May 2019, the negotiation period for the allocation rights ended, with the holders of 99.33% of rights opting to receive new shares. Thus, 13,439,320 new shares have been issued, corresponding to 3.55% of the share capital prior to the increase. The expansion released, charged to reserves, has been registered with the Companies Register on 12 June 2019. In turn, the remuneration mechanism described above has resulted in the disbursement of EUR 8,556 thousand by the Group. The remaining 0.67% have chosen to receive the sum in cash, resulting in an additional cash outflow for the Group of EUR 1,010 thousand.

At 30 September 2019, under "Distribution of dividends" on the Statement of Changes in Total Equity, a decrease of EUR 44,100 thousand under "Non-controlling interests" is worth particular mention, attributable to the distribution of dividends approved by FCC Aqualia, S.A.

In addition, this can be attributed to the takeover of Shariket Tahlya Mostaganem, S.p.a., (Note 4), which is now consolidated under the global consolidation method when it was previously consolidated under the equity method. This transaction has resulted in the recognition of non-controlling interests of EUR 124,678 thousand. Furthermore, in April 2019, FCC Aqualia, S.A. acquired a 49% share in AquaJerez, S.L., in which it already enjoyed a 51% holding (Note 4). As this transaction involved equity, the difference between the acquisition price and the value of the net assets acquired has been recognised directly against equity, representing a loss of EUR 17,311 thousand in reserves on the consolidated financial statements.

From the changes seen on 30 September, 2018, the first-time application of IFRS 9 and IFRS 15 on 1 January 2018, which resulted in a decrease in reserves of EUR 180,882 thousand (Note 2), is worth particular mention. Also, on 9 January 2018, the acquisition of a 49% stakeholding in the non-controlling interests of Aqualia Czech, S.L. and Aqualia Infraestructuras Inzenyring, s.r.o. was completed. This transaction resulted in a decrease in consolidation reserves of EUR 59,509 thousand, an increase in valuation adjustments of EUR 9,148 thousand and a decrease in non-controlling interests of EUR 42,139 thousand. Finally, in

September 2018, the sale of 49% of the capital of FCC Aqualia, S.A. to the IFM Global Infrastructure fund was completed for the sum of EUR 1,024 million (Note 4). This sale was considered an equity transaction, resulting in an increase in reserves of EUR 789,054 thousand, an increase in valuation adjustments of EUR 10,818 thousand and an increase in non-controlling interests of EUR 222,167 thousand.

I. Equity attributable to the Parent Company

a) Capital

The share capital of Fomento de Construcciones y Contratas, S,A. is represented by 392,264,826 ordinary shares represented through book entries with a nominal value of EUR 1 each.

All shares are fully subscribed and paid and carry the same rights.

The shares representing the share capital of Fomento de Construcciones y Contratas, S.A.
are admitted to official trading on the four Spanish exchanges (Madrid, Barcelona, Bilbao and Valencia) through the stock exchange interconnection system (Continuous Market).

In relation to the share capital owned by other companies, directly or through their subsidiaries,when they account for more than 10%, according to the information provided, Inversora Carso S.A. de C.V., a company controlled by the Slim family, directly and indirectly holds, on the reporting date, a 61.13% stakeholding. Furthermore, Samede Inversiones 2010, S.L. has an indirect shareholding of 15.44% and Nueva Samede 2016 S.L.U. has a direct shareholding of 4.53%; both of these two companies are controlled by Ms Esther Koplowitz Romero de Juseu (100%).

On 17 May 2018, the controlling shareholder of FCC, Inversora Carso, S.A. de C.V. acquired all the debt of Dominum Dirección y Gestión, S.L. from different financial institutions (owned in full by Samede Inversiones 2010, S.L.); the guarantees involved include a pledge on FCC shares representing 15.43% of its share capital. This transaction did not affect the percentage of voting rights attributable to Inversora Carso S.A. de C.V.

b) Valuation adjustments

The most significant changes reflected in consolidated equity at 30 September 2019, are as follows:

- Translation differences

Translation differences in the first nine months of 2019 have increased by EUR 10,141 thousand.

- Cash flow hedges

The changes in the fair value of the derivative hedging instruments in the first nine months of 2019 represent a decrease of EUR 52,307 thousand.

c) Shares and equity interests

This heading includes the Parent Company shares owned by this or other Group companies valued at the cost of acquisition.

The Board of Directors and the subsidiaries are authorised by the General Shareholders' Meeting of Fomento de Construcciones y Contratas, S.A. to buy back treasury shares within the limits and pursuant to the requirements set out in Article 144 et seq. of the Capital Companies Law.

At 30 September 2019, Fomento de Construcciones y Contratas, S.A. owned 1,250,837 treasury shares representing 0.32% of share capital, amounting to EUR 16,068 thousand (823,430 treasury shares representing 0.22% of share capital, for the sum of EUR 11,723 thousand at 31 December 2018).

10. NON-CURRENT AND CURRENT PROVISIONS

The breakdown of provisions at 30 September 2019 and 31 December 2018 is as follows:

	30.09.2019		31.12.2018	
Non-current		**1,106,125**		**1,161,989**
Liabilities for long-term employee benefits	19,167		23,171	
Dismantling, removal and restoration of fixed assets	96,560		98,807	
Environmental actions	244,860		237,829	
Litigation	167,589		168,459	
Contractual and legal guarantees and obligations	71,563		58,656	
Actions to improve or expand the capacity of concessions	144,497		139,256	
Other provisions for risks and expenses	361,889		435,811	
Current		**231,180**		**209,264**
Close-outs and losses on construction contracts	209,391		193,273	
Other current provisions	21,789		15,991	

As indicated in the 2018 Report, Fomento de Construcciones y Contratas, S.A. and the Group's subsidiaries are defendants in litigation concerning liability for different activities carried out by the Group in the performance of contracts awarded and for which provisions have been set aside. Based on the estimates made concerning their final outcome, they are not expected to have a significant impact on the Group's equity.

In June 2017, the Tax Authorities initiated state aid recovery proceedings, as a result of Decision 2015/314/EU of the European Commission, of 15 October 2014, on the State aid implemented by Spain Scheme for the tax amortisation of financial goodwill for foreign shareholding acquisitions. The purpose of these proceedings is adjust the tax incentives applied by the Group in previous years, as a result of the acquisition of the Alpine, FCC Environment (formerly WRG Group) and FCC CEE (formerly ASA Group) Groups.

In May 2019, the Tax Authority proceeded with a settlement on these grounds for the sum of EUR 110.9 million, which has now been paid. At the same time, the Tax Authority has recognised tax credits for tax loss carryforwards, given that had the adjustments not been made, the tax loss carryforwards for certain previous years would have been higher, coming to the amount of EUR 63.2 million. As a result of this adjustment, the Group has recognises financial expenses of EUR 18.8 million, an application of provisions provided to cover the risk amounting to EUR 20.2 million and has reversed deferred taxes of EUR 8.7 million. FCC, S.A. has filed an appeal against the tax settlement handed down. The Group, in the opinion of its legal advisors, believes it is likely that the amounts already paid as part of these recovery proceedings will be returned.

In relation to the provisions and risks arising from the winding up of the Alpine Group, during the first nine months of 2019, the changes seen in terms of the amount reported in the Group's 2018 Financial Statements cannot be considered significant.

In 2006, the Group acquired an absolute majority in Alpine Holding GmbH, hereinafter AH, and thereby, indirectly in its operating subsidiary, Alpine Bau GmbH, hereinafter AB.

On 19 June 2013, AB initiated insolvency proceedings before the Commercial Court of Vienna with a recovery proposal for under receivership. Once the official receiver found that the recovery proposal was unfeasible, he ruled, and the court decreed, that the company should be declared bankruptcy and wound up the company, going into receivership on 25 June 2013. As a result of AB's bankruptcy, its Parent Company, AH filed bankruptcy proceedings before the Commercial Court, asking to be declared bankrupt on 28 June 2013; this application was granted on 2 July 2013.

The direct consequence of both receivership proceedings on the subsidiaries of FCC Construcción, S.A., is that it loses control over the Alpine Group, affecting its consolidation.

On the reporting date, the administrators recognised liabilities of approximately EUR 1,669 million in AB and EUR 550 million in AH as part of the corresponding receivership proceedings. The current share in the estate amounts to 13%.

In September 2014, BDO Financial Advisory Services GmbH issued, at the request of the bankruptcy administrations of AH and AB, a report stating that AB was insolvent as early as October 2010.

In July 2015, the Court responsible for AB's bankruptcy proceedings agreed to the request of the Administrator to commission the preparation of a report to determine the date on which it should be understood that AB became over-indebted. The expert appointed was Mr Schima who, based on the report of BDO, a company in which he is a partner, reached the same conclusions, that AB had been insolvent since October 2010. Faced with these conclusions reached by the Administrators and used in various court proceedings, other expert reports were prepared as part of the range of proceedings, including the report by Mr. Konecny for the Anti-Corruption Prosecutor's Office, AKKT for Banks, Rohatschek for Deloitte Audit Wirtschaftsprüfungs GmbH and E&Y for FCC, all of which challenge the conclusions reached by BDO/Schima. In particular, in 2017, the prosecutor's expert, a Doctor of Law and an Audit Expert, issued his fourth and final report. The expert reports concluded that (i) it cannot be guaranteed that there had been any fraud in the individual financial statements of AB and AH and consolidated financial statements of AH and (ii) the ultimate insolvency date of AB and AH was set as 18 June 2013.

In 2010, 2011 and 2012, AH issued three bonds for a combined nominal value of EUR 290 million, which were admitted for trading on the Luxembourg and Vienna stock exchanges. AH, as the issuer of the bonds, as well its directors and members of its supervisory board, may be held liable before the bondholders for claims of damages if the final decision declares that the information contained in the corresponding issue prospectus was incorrect or incomplete or underpinned by false data.

The complaint filed by a bondholder before the Central Prosecutor's Office for Economic Crimes and Corruption (Wirtschafts- und Korruptions-Staatsanwaltschaft) immediately after both companies were declared bankrupt, prompted the initiation of criminal proceedings in July 2013. Around 480 private prosecutions were filed, mainly by bondholders (Privatbeteiligte), claiming damages of EUR 378 million plus legal interest.

Prior to 15 May 2018, when the Prosecutor's Office decided to archive the previous proceedings, it was investigating more than 25 natural and legal persons in relation to the commission of crimes related to the bankruptcy of the Alpine Group, specifically alleged bankruptcy-related crimes and fraudulent accounting in the financial statements of the Alpine Group.

Pursuant to the provisions on the criminal liability of legal persons in Austrian criminal law (Verbandsverantwortlichkeitsgesetz), if a court hands down a final ruling against the Parent Companies of AB and AH holding them criminally responsible, considering them de facto directors, the former bondholders or other affected creditors could file claims for damages against Fomento de Construcciones y Contratas, S.A. or FCC Construcción, S.A., under the aforementioned "Schutzgesetze" protection standards. Furthermore, should any of the Group's companies be held criminally liable, they would be banned from participating in public tenders in Austria. In this connection, it should be noted that in the first nine months of 2018, the Prosecutor filed open criminal proceedings against FCC and others, although some private prosecutions have asked for cases to be reopened, which the Prosecutor's Office has opposed, claiming, in addition to the statue of limitations, that none of the requests to reopen cases is covered by any legally established assumptions, as the only purpose of these requests is to seek an assessment of the evidence that is more in line with their particular interests in the cause.

In July 2019, the Vienna High Court rejected the suits filed by the bondholders and other private prosecution, meaning that the preliminary proceedings in the framework of the investigation into the commission of any crime in the bankruptcy of the Alpine Group have been definitively been archived, as the aforementioned ruling by the Vienna High Court of Justice is final.

As a result of this bankruptcy process, at 30 September 2019, the Group has recognised provisions in relation to the Alpine subgroup for the sum of EUR136,275 thousand to cover the risks and liabilities arising from the bankruptcies of AH and AB. The breakdown of the aforementioned provisions is as follows:

Appeal against the sale of Alpine Energie	95,264
Guarantees committed and accounts receivable for Alpine works	41,011
Total	**136,275**

The provisions set aside for the appeal against the sale of Alpine Energie Holding AG for EUR 95,264 thousand covers the risk relating to the retroactive suit filed by the administrator of AB on 11 June 2014, against the Group's Parent Company, Promotion de Construcciones y Contratas, S.A. and two of its subsidiaries: Asesoría Financiera y de Gestión, S.A. and BVEFTDOMINTAENA Beteiligunsgverwaltung GmbH.

FCC Construcción, S.A. awarded corporate guarantees for AB and other operating subsidiaries of AB to tender for and/or successfully bid for works; five years after it was declared bankrupt, the risk of these guarantees being enforced has been mitigated. Furthermore, in the normal course of operations, the Group generated accounts receivable from the Alpine Group, which, as a result of the bankruptcy proceedings, are unlikely to be collected. To cover both risks, the Group has set aside provisions under liabilities on the balance sheet for EUR 41,011 thousand.

Since AH and AB were declared bankrupt up until the preparation of these consolidated financial statements, the following suits have been filed against the Group and directors of AH and AB:

- **Preliminary proceedings 19 St 43/13y-1 filed before the Prosecutor's Office for Economic Crimes and Corruption:**
  - These proceedings initiated in July 2013 following the complaint filed by a bondholder against five directors of Alpine Holding GmbH (all directors at the time the bonds were issued and insolvency proceedings were initiated) were the basis for investigations by the aforementioned Prosecutor's

Office for Economic Crimes and Corruption, who ruled to archive them in May 2018, confirming the decision to archive in final ruling of the Superior Court of Justice of Vienna in July 2019.

- **Civil and Commercial Proceedings**

  - Retroactive suit filed by the administrator of Alpine Bau GmbH on 11 June 2014 against FCC and two subsidiaries from its scope of consolidation, Asesoría Financiera y de Gestión, SA and BVEFDOMINTAENA Beteiligungsverwaltung GmbH, as jointly liable parties, challenging the sale of the shares in Alpine Energie Holding AG to the latter of the two subsidiaries. The administrator is not seeking the repayment of the estate by Alpine Energie Holding AG, but the payment of EUR 75 million plus interest. The proceedings are still in the evidence phase.
  - In April 2015, the administrator of Alpine Holding GmbH filed a claim for EUR 186 million against FCC Construcción, S.A. considering that the company should compensate Alpine Holding GmbH for the amounts collected through two bond issues in 2011 and 2012 that were allegedly provided by this company to its subsidiary, Alpine Bau GmbH, without the necessary guarantees and without doubt under the mandate of FCC Construcción S.A. On 31 July 2018, the ruling dismissing the claim was handed down and the claimant ordered to pay the costs. The administrator filed an appeal due to procedural defects in September 2018, which was challenged by FCC Construcción S.A. in October 2018. In April, the Provincial Court of Vienna issued a ruling confirming the procedural defects, referring the cases back to the courts for witness evidence to be taken and for a ruling to be handed down accordingly. FCC filed an appeal against this ruling in May 2019 before the Supreme Court.
  - In April 2017, a Group company, Asesoría Financiera y de Gestión S.A. was informed of a lawsuit in which the administrator jointly sought the payment of EUR 19 million from the former CFO of Alpine Bau GmbH and Asesoría Financiera y de Gestión S.A. for alleged breach of corporate law and insolvency rules, in the belief that Alpine Bau GmbH, by constituting a deposit in Asesoría Financiera y de Gestión S.A. would have made payments from its own funds, amounting to a capital return, which is prohibited by law. The proceedings are still in the evidentiary phase, and a court expert has been appointed.
  - Likewise, in April 2017, a former FCC employee and former director of AH and AB was notified of a lawsuit filed by the administrator of Alpine Bau GmbH for the sum of EUR 72 million for alleged damages to the estate resulting from the alleged delay in initiating insolvency proceedings.

The accompanying consolidated financial statements include the provisions mentioned above to cover the probable risks relating to any of these lawsuits. In terms of the other disputes, the Group and its legal advisors do not believe there will be any future outflows of cash or prior to the issuance of the next report; therefore, no provisions have been set aside, as the Group believes that they represent contingent liabilities (Note 15).

11. ISSUES, REPURCHASES OR REFUNDS OF DEBT SECURITIES

Below, details of the issuance of debt securities can be consulted:

	Balance 01.01.2019	Issues	Amortisation and others	Balance 30.09.2019
Debt securities issued within the EU (Notes 12.a and 12.b)	1,725,939	700,326	(409,389)	2,016,876
Debt securities issued outside the EU	–	–	–	–
	1,725,939	**700,326**	**(409,389)**	**2,016,876**

	Balance 01.01.2018	Issues	Amortisation and others	Balance 30.09.2018
Debt securities issued within the EU (Notes 12.a and 12.b)	1,609,155	158,573	(15,264)	1,752,464
Debt securities issued outside the EU	–	–	–	–
	1,609,155	**158,573**	**(15,264)**	**1,752,464**

Issues in the first nine months of 2019 reflect the successive issuances of promissory notes on the Irish Stock Exchange (Note 12). "Amortisation and others" includes depreciation relating to the aforementioned issues for the sum of EUR 396 million, translation differences and interest accrued.

The amount shown under issues in the first nine months of 2018 was mainly on account of the placement of bonds by FCC Energy Ltd as part of the refinancing of debt of Azincourt Investment, S.L. (Note 12).

12. FINANCIAL LIABILITIES

The Parent Company of the Group has issued a series of promissory notes on the Irish Stock Exchange, with a maximum maturity of one year, as indicated in Note 33 of the Consolidated Financial Statements for 2018, which allows for issuances with maturities of between 1 and 364 days from the date of issue. The maximum initial amount recognised was EUR 300 million, which was increased to EUR 600 million last March. The balance drawn down on the reporting date was EUR 300 million, at different maturities, from 3 to 9 months. This financial facility allows for greater diversification in the company's sources of financing at more attractive interest rates and a more efficient management of available liquidity (Note 11).

On 28 September, 2018, the sum of EUR 2,014 million was repaid early, representing the entire principal and accrued interest pending payment on that date, corresponding to the syndicated financing agreement that came into force on 26 June 26, following its renewal in subsequent years. The amortisation was performed using part of the funds raised from the sale of a 49% non-controlling interest in FCC Aqualia to the IFM Global Infrastructure fund for EUR 1,024 million (Note 5 of the 2018 Consolidated Report), and with the funds from a new syndicated financing agreement, for the sum of EUR 1,200 million, resulting in the full repayment of the financing.

In the first nine months of 2018, the debt of Azincourt Investment, S.L. was refinanced for the sum of EUR 270.2 million. To this end, the decision was taken to issue debt against two assets (Allington and Eastcroft incinerator plants) and use those funds to reduce Azincourt's debt. The new debt was structured over a period of 20 years (due 17 June 2038) with three different tranches: two institutional and one commercial. Two for GBP 135 million and GBP 10 million, structured through a private placement (Note 12) and the third, commercial, for GBP 62.4 million.

There are no current or anticipated breaches that could lead to the early maturity of the Group's main financing agreements.

Of the Group's total financial liabilities (non-current and current), EUR 2,723 million are without recourse to the Parent Company (Note 16). The details of the most significant balances under “Non-Current Financial Liabilities” and “Other Current Financial Liabilities” in the accompanying consolidated balance sheet is described in the following headings:

a) Non-current financial liabilities

Non-current financial liabilities at 30 September 2019 and 31 December 2018 are distributed as shown below:

	Financial liabilities at amortised cost	Financial liabilities at fair value charged to profit and loss	Hedging derivatives	Total
30.09.2019				
Bank borrowings	1,765,960	–	–	1,765,960
Bonds and other marketable securities	1,700,081	–	–	1,700,081
Derivatives	–	340	29,661	30,001
Other financial liabilities	531,752	–	–	531,752
	3,997,793	**340**	**29,661**	**4,027,794**
31.12.2018				
Bank borrowings	1,988,629	–	–	1,988,629
Bonds and other marketable securities	1,702,631	–	–	1,702,631
Derivatives	–	3,132	11,977	15,109
Other financial liabilities	194,063	–	–	194,063
	3,885,323	**3,132**	**11,977**	**3,900,432**

The decrease in "Bank borrowings" in 2019 is mainly due to the amortisation of EUR 131,000 thousand of tranche B (revolving) of the syndicated loan taken out by the Parent Company using funds obtained from the issuance of the promissory note programme indicated above. The aforementioned tranche B (revolving) is fully available as of the date of these interim financial statements. Additionally, this sum is increased by the addition of the debt corresponding to Shariket Tahlya Mostaganem, S.p.a. for the sum of EUR 49,047 thousand as it is now consolidated under the global consolidation method (Note 4) and the contracting of additional financing

by AquaJerez, S.L. for the sum of EUR 29,549 thousand. Finally, transfers have been made to current financial liabilities for the sums to be amortised over the next twelve months; worth particular note are the EUR 120,000 thousand relating to tranche A of the syndicated loan taken out by the Parent Company.

"Other financial liabilities" mainly includes the debt generated by the lease agreements that, following the first-time application of IFRS 16 (Note 2), comes to EUR 399,615 at 30 September 2019. Furthermore, this includes financial debts with external third parties and the bonds and deposits received.

b) Current financial liabilities

Current financial liabilities at 30 September 2019 and 31 December 2018 are distributed as shown below:

	Financial liabilities at amortised cost	Financial liabilities at fair value charged to profit and loss	Hedging derivatives	Total
30.09.2019				
Bank borrowings	275,264	–	–	275,264
Bonds and other marketable securities	316,795	–	–	316,795
Derivatives	–	115	2,499	2,614
Other financial liabilities	178,021	4,405	–	182,426
	770,080	**4,520**	**2,499**	**777,099**
31.12.2018				
Bank borrowings	211,455	–	–	211,455
Bonds and other marketable securities	23,308	–	–	23,308
Derivatives	–	163	2,402	2,565
Other financial liabilities	143,574	–	–	143,574
	378,337	**163**	**2,402**	**380,902**

The change in "Debts with credit institutions" mainly reflects the transfers indicated in Note 12.a and the amortisation of credit assignments with the Inbursa Group indicated in Note 19.

The increase in "Bonds and other marketable securities" is mainly due to the aforementioned issuance of promissory notes on the Irish Stock Exchange (Note 11).

"Other financial liabilities" includes the debt deriving from the lease agreements maturing in less than twelve months after the first application of IFRS 16 (Note 2) for the sum of EUR 67,173 thousand on 30 September 2019.

13. REVENUE AND EXPENSES

Worth particular mention in terms of the sections that make up the accompanying Consolidated Statement of Profit and Loss:

a) Finance costs

In the first nine months of 2019, there has been a significant reduction in finance costs attributable, on the one hand, to the refinancing of the corporate debt carried out at the end of the third quarter of 2018 following the sale of the 49% stake in the capital of FCC Aqualia, S.A. (Note 4) and, on the other, to the recognition in the third quarter of 2018 of a finance cost coming to EUR 59,282 thousand for the allocation to profit/(loss) of the impact yet to be applied on the maturity date of the first-time application of IFRS 9 (Note 2.a) following the cancellation of the syndicated loan.

b) Other financial gains/(losses)

In the first nine months of 2019, positive exchange differences for the sum of EUR 23,711 thousand (11,123 thousand at 30 September 2018) were worth particular note.

c) Profits/(losses) of companies accounted for by the equity method

In the first nine months of the year, Shariket Tahlya Mostaganem, S.p.a. and Shariket Miyeh Djinet, S.p.a. ceased being consolidated under the equity method (Note 4), which has had a negative impact of EUR 6,122 thousand due to the fair value of the stakeholding prior to the change in consolidation method (income of EUR 5,891 thousand) and for the allocation to results of valuation adjustments (expense of EUR 12,013 thousand). Additionally, the Energy division recorded gains of EUR 18,763 thousand.

In the first nine months of 2018, the gains of EUR 8,816 thousand recognised by North Tunnels Canada Inc. and OHL Co. Canada & FCC Canada Ltd. Partnership under this heading, mainly as a result of the settlement of the work on the Toronto metro system, are worth particular mention.

d) Profit/(loss) attributable to non-controlling interests

In the first nine of 2019, the profit/(loss) attributed to non-controlling interests came to EUR 55,453 thousand, mainly corresponding to the amount generated by the 2018 sale of the 49% stakeholding in the Aqualia subgroup (Note 4). The amount contributed by the aforementioned segment comes to EUR49,725 thousand as at 30 September 2019 (Note 14).

14. SEGMENTED INFORMATION

a) Activity segments

The activity segments presented coincide with the business areas, as described in Note 1. The information for each segment, reflected in the tables presented below, has been prepared in line with the management criteria established internally by the Group's management, which are consistent with the accounting policies adopted to prepare and present the Group's condensed consolidated interim financial statements.

"Corporation" includes the financial activity resulting from the Group's centralised management of cash, as well as the operations of companies that do not belong to any of the business areas mentioned above.

"Eliminations" includes the elimination of operations between different activity segments.

Income statement by segments

In particular, the information reflected in the following tables includes, as profit/(loss) for the segment in the first nine months of 2019 and 2018:

- All operating income and expenses of subsidiaries and joint management contracts that correspond to the activities carried out by the segment.
- Interest income and expenses generated on the segment's assets and liabilities, dividends and profits and losses on the sale of the segment's financial investments.
- The share in the profits/(losses) of the companies accounted for under the equity method.
- Income tax payable corresponding to the transactions carried out by each segment.
- "Contribution to the profit/(loss) of the FCC Group" contains the contribution of each area to the equity attributed to the shareholders of Fomento de Construcciones y Contratas, S.A.

	Total Group	Environmental Services	Integrated Water Management	Construction	Cement	Corporation	Eliminations
30.09.2019							
Turnover	4,577,894	2,168,528	881,180	1,218,601	315,768	49,391	(55,574)
External customers	*4,577,894*	*2,163,799*	*877,462*	*1,177,694*	*310,393*	*49,391*	—
Transactions with other segments	--	*4,729*	*3,718*	*40,907*	*5,375*	—	*(55,574)*
Other income	156,493	45,661	33,088	64,760	12,786	44,281	(44,083)
External customers	*156,493*	*45,041*	*32,895*	*58,250*	*12,729*	*6,092*	—
Transactions with other segments	—	*620*	*193*	*6,510*	*57*	*38,189*	*(44,083)*
Operating expenses	(3,993,584)	(1,854,536)	(707,246)	(1,209,667)	(261,833)	(59,111)	98,809
Fixed asset amortisation and allocation of subsidies for non-financial fixed assets and others	(327,730)	(180,825)	(79,532)	(19,210)	(25,824)	(22,458)	119
Other operating income/(losses)	1,247	523	3,820	525	(1,023)	(2,599)	1
Operating Profit/(Loss)	**414,320**	**179,351**	**131,310**	**55,009**	**39,874**	**9,504**	**(728)**
Percentage of turnover	*9.05%*	*8.27%*	*14.90%*	*4.51%*	*12.63%*	*19.24%*	*1.31%*
Finance income	41,053	5,172	27,820	22,579	1,774	71,898	(88,190)
Finance costs	(149,212)	(57,549)	(31,311)	(22,391)	(8,693)	(71,535)	42,267
Other financial gains/(losses)	12,400	(2,769)	623	21,717	998	(8,171)	2
Profit/(loss) companies accounted for using the equity method	67,264	12,549	(3,386)	16,603	(9,085)	50,537	46
Profit/(loss) before tax from continuing operations	**385.825**	**136,754**	**125,056**	**93,517**	**24,868**	**52,233**	**(46,603)**
Income tax	(97,349)	(23,939)	(33,471)	(23,206)	(5,958)	(10,956)	181
Profit/(loss) for the year from continuing operations	**288,476**	**112,815**	**91,585**	**70,311**	**18,910**	**41,277**	**(46,422)**
Profit/(loss) for the year from discontinued operations, net of taxes	—	—	—	—	—	—	—
Consolidated profit/(loss) for the year	**288,476**	**112,815**	**91,585**	**70,311**	**18,910**	**41,277**	**(46,422)**
Non-controlling interests	55,453	4,229	49,725	215	1,536	(252)	—
Profit attributable to the Parent Company	**233,023**	**108,586**	**41,860**	**70,096**	**17,374**	**41,529**	**(46,422)**

	Total Group	Environmental Services	Integrated Water Management	Construction	Cement	Corporation	Eliminations
30.09.2018							
Turnover	4,350,812	2,095,669	825,998	1,140,909	277,164	39,929	(28,857)
External customers	*4,350,812*	*2,090,268*	*822,741*	*1,123,629*	*274,263*	*39,911*	—
Transactions with other segments	—	*5,401*	*3,257*	*17,280*	*2,901*	*18*	*(28,857)*
Other income	119,438	35,785	29,866	34,435	16,056	35,343	(32,047)
External customers	*119,438*	*35,526*	*29,482*	*30,344*	*16,045*	*8,041*	—
Transactions with other segments	—	*259*	*384*	*4,091*	*11*	*27,302*	*(32,047)*
Operating expenses	(3,824,585)	(1,807,046)	(669,758)	(1,132,043)	(235,807)	(40,674)	60,743
Fixed asset amortisation and allocation of subsidies for non-financial fixed assets and others	(277,450)	(159,062)	(67,242)	(11,775)	(26,318)	(13,190)	137
Other operating income/(losses)	(1,368)	(6,030)	1,540	3,933	(155)	(655)	(1)
Operating Profit/(Loss)	**366,847**	**159,316**	**120,404**	**35,459**	**30,940**	**20,753**	**(25)**
Percentage of turnover	*8.43%*	*7.60%*	*14.58%*	*3.11%*	*11.16%*	*51.97%*	*0.09%*
Finance income	35,045	3,955	20,842	20,969	309	29,054	(40,084)
Finance costs	(214,656)	(60,007)	(31,043)	(19,039)	(10,736)	(133,914)	40,083
Other financial gains/(losses)	14,068	(751)	(272)	15,992	(947)	913,192	(913,146)
Profit/(loss) companies accounted for using the equity method	48,420	12,689	6,241	14,584	(8,653)	23,509	50
Profit/(loss) before tax from continuing operations	**249,724**	**115,202**	**116,172**	**67,965**	**10,913**	**852,594**	**(912,122)**
Income tax	(67,003)	(23,109)	(25,301)	(16,122)	(2,107)	(329)	(35)
Profit/(loss) for the year from continuing operations	**182,721**	**92,093**	**90,871**	**51,843**	**8,806**	**852,265**	**(912,157)**
Profit/(loss) for the year from discontinued operations, net of taxes	—	—	—	—	—	—	—
Consolidated profit/(loss) for the year	**182,721**	**92,093**	**90,871**	**51,843**	**8,806**	**852,265**	**(912,157)**
Non-controlling interests	6,754	2,205	2,946	152	925	526	—
Profit attributable to the Parent Company	**175,967**	**89,888**	**87,925**	**51,691**	**7,881**	**851,739**	**(912,157)**

The contribution to the profit/(loss) of the FCC Group by "Corporation" mainly includes dividends distributed by Group companies in which the Parent Company retains an interest and the finance income billed to other Group companies as a result of the intra-Group loans granted by the Parent Company to other investee companies. All these concepts, as transactions with Group companies, are eliminated as shown under "Eliminations". Furthermore, "Corporation" includes finance costs for bank borrowings, mainly relating to the syndicated debt held by Fomento de Construcciones y Contratas, S.A., in addition to the profits obtained by the Group as part of activities other than those that make up its main segments.

Balance sheet by segments

Below is the balance sheet by segments at 30 September 2019 and 31 December 2018:

	Total Group	Environmental Services	Integrated Water Management	Construction	Cement	Corporation	Eliminations
30.09.2019							
ASSETS							
Non-current assets	**7,304,971**	**2,730,735**	**2,482,661**	**858,182**	**1,201,055**	**3,483,589**	**(3,451,251)**
Intangible fixed assets	2,448,048	784,792	818,681	78,031	517,902	304,981	(56,339)
Additions	*47,392*	*29,438*	*14,196*	*78*	—	*3,680*	—
Property, plant and equipment	2,809,731	1,486,626	412,163	143,926	555,473	230,185	(18,642)
Additions	*174,665*	*126,227*	*28,903*	*11,488*	*5,353*	*2,694*	—
Investment property	2,694	—	—	2,694	—	—	—
Additions	—	—	—	—	—	—	—
Investments accounted for by applying the equity method	752,121	110,720	88,879	55,473	38,199	459,004	(154)
Non-current financial assets	619,068	264,013	1,110,574	211,273	7,936	2,279,829	(3,254,557)
Deferred tax assets	673,309	84,584	52,364	366,785	81,545	209,590	(121,559)
Current assets	**3,867,408**	**1,181,191**	**815,049**	**1,334,184**	**202,065**	**559,506**	**(224,587)**
Non-current assets held for sale	—	—	—	—	—	—	—
Inventory	729,237	28,775	54,569	193,781	83,283	375,627	(6,798)
Trade receivables and other accounts receivable	1,812,094	772,195	298,771	645,850	92,906	63,185	(60,813)
Other current financial assets	183,304	131,184	77,256	99,866	6,098	25,876	(156,976)
Other current assets	90,526	50,753	5,006	33,348	942	477	—
Cash and other cash equivalents	1,052,247	198,284	379,447	361,339	18,836	94,341	—
Total assets	**11,172,379**	**3,911,926**	**3,297,710**	**2,192,366**	**1,403,120**	**4,043,095**	**(3,675,838)**
LIABILITIES							
Equity	**2,230,357**	**584,189**	**601,811**	**747,931**	**873,221**	**1,596,377**	**(2,173,172)**
Non-current liabilities	**5,671,322**	**1,524,536**	**2,020,993**	**286,410**	**429,546**	**2,687,516**	**(1,277,679)**
Subsidies	231,258	4,482	57,060	—	165	169,551	—
Non-current provisions	1,106,125	443,483	129,038	241,813	28,935	262,856	—
Non-current financial liabilities	4,027,794	805,991	1,781,491	21,634	323,480	2,246,828	(1,151,630)
Deferred tax liabilities	153,468	121,901	49,406	22,963	76,966	8,281	(126,049)
Other non-current liabilities	152,677	148,679	3,998				
Current liabilities	**3,270,700**	**1,803,201**	**674,906**	**1,158,025**	**100,353**	**(240,798)**	**(224,987)**
Liabilities related to non-current assets held for sale	—	—	—	—	—	—	—
Current provisions	231,180	3,918	19,880	196,183	5,826	5,373	—
Current financial liabilities	777,099	195,133	49,461	21,952	17,961	651,172	(158,580)
Trade payables and other accounts payable	2,262,421	592,111	605,565	989,867	76,566	64,480	(66,168)
Internal relations	—	1,012,039	—	(49,977)	—	(961,823)	(239)
Total liabilities	**11,172,379**	**3,911,926**	**3,297,710**	**2,192,366**	**1,403,120**	**4,043,095**	**(3,675,838)**

	Total Group	Environmental Services	Integrated Water Management	Construction	Cement	Corporation	Eliminations
31.12.2018							
ASSETS							
Non-current assets	**6,607,207**	**2,517,297**	**2,252,350**	**822,028**	**1,219,871**	**3,241,936**	**(3,446,275)**
Intangible fixed assets	2,426,380	769,673	813,028	78,111	518,215	303,693	(56,340)
Additions	*37,495*	*16,882*	*18,143*	*64*	*328*	*2,078*	—
Property, plant and equipment	2,424,018	1,374,051	338,467	127,100	563,050	38,587	(17,237)
Additions	*263,092*	*200,745*	*31,485*	*19,516*	*8,125*	*3,221*	—
Investment property	2,798	—	—	2,798	—	—	—
Additions	*42*	*42*	—	—	—	—	—
Investments accounted for by applying the equity method	763,050	85,745	132,440	38,583	46,726	458,862	694
Non-current financial assets	380,552	221,652	916,647	195,625	7,684	2,278,660	(3,239,716)
Deferred tax assets	610,409	66,176	51,768	379,811	84,196	162,134	(133,676)
Current assets	**3,916,834**	**1,093,864**	**731,590**	**1,507,812**	**173,560**	**663,361**	**(253,353)**
Non-current assets held for sale	—	—	—	—	—	—	—
Inventory	691,034	29,995	50,984	176,169	73,649	366,625	(6,388)
Trade receivables and other accounts receivable	1,695,798	717,056	207,666	633,482	79,633	101,418	(43,457)
Other current financial assets	178,815	109,588	31,846	202,337	3,099	35,453	(203,508)
Other current assets	84,990	32,748	4,692	45,932	1,255	363	—
Cash and other cash equivalents	1,266,197	204,477	436,402	449,892	15,924	159,502	—
Total assets	**10,524,041**	**3,611,161**	**2,983,940**	**2,329,840**	**1,393,431**	**3,905,297**	**(3,699,628)**
LIABILITIES							
Equity	**1,958,775**	**477,529**	**507,326**	**662,577**	**752,294**	**1,631,630**	**(2,072,581)**
Non-current liabilities	**5,574,710**	**1,443,268**	**1,884,873**	**322,382**	**544,447**	**2,750,830**	**(1,371,090)**
Subsidies	211,296	4,934	41,919	—	287	164,156	—
Non-current provisions	1,161,989	449,439	125,380	264,535	34,320	288,316	(1)
Non-current financial liabilities	3,900,432	708,239	1,666,381	32,279	432,078	2,294,559	(1,233,104)
Deferred tax liabilities	141,088	124,888	47,056	25,568	77,762	3,799	(137,985)
Other non-current liabilities	159,905	155,768	4,137	—	—	—	—
Current liabilities	**2,990,556**	**1,690,364**	**591,741**	**1,344,881**	**96,690**	**(477,163)**	**(255,957)**
Liabilities related to non-current assets held for sale	—	—	—	—	—	—	—
Current provisions	209,264	6,686	13,340	175,107	8,052	6,079	—
Current financial liabilities	380,902	232,406	46,060	36,750	24,979	247,634	(206,927)
Trade payables and other accounts payable	2,400,390	616,360	530,807	1,182,983	63,659	55,981	(49,400)
Internal relations	—	834,912	1,534	(49,959)	—	(786,857)	370
Total liabilities	**10,524,041**	**3,611,161**	**2,983,940**	**2,329,840**	**1,393,431**	**3,905,297**	**(3,699,628)**

Cash flows by segment

	Total Group	Environmental Services	Integrated Water Management	Construction	Cement	Corporation	Eliminations
30.09.2019							
Operating activities	212,795	205,491	148,382	(206,331)	50,095	61,146	(45,988)
Investment activities	(256,355)	(245,435)	(29,884)	98,090	(8,388)	56,522	(127,260)
Financing activities	(196,602)	32,218	(178,181)	(1,628)	(39,175)	(183,084)	173,248
Other cash flows	26,212	1,533	2,727	21,316	381	255	—
Cash flows for the year	**(213,950)**	**(6,193)**	**(56,956)**	**(88,553)**	**2,913**	**(65,161)**	—
30.09.2018							
Operating activities	191,675	177,842	161,817	(167,665)	43,004	7,535	(30,858)
Investment activities	(217,766)	(173,856)	72,058	17,267	(5,007)	937,366	(1,065,594)
Financing activities	39,006	54,898	(121,159)	(5,722)	65,620	(1,050,891)	1,096,260
Other cash flows	5,029	387	(195)	5,062	(249)	64	(40)
Cash flows for the year	**17,944**	**59,271**	**112,521**	**(151,058)**	**103,368**	**(105,926)**	**(232)**

b) Activities by geographic markets

The Group performs 45% of its activity abroad (45% in the first months of 2018).

The net turnover made abroad by Group companies at 30 September 2019 and 30 September 2018 cam be distributed among the following markets:

	Total	Environmental Services	Integrated Water Management	Construction	Cement	Corporation	Eliminations
30.09.2019							
United Kingdom	556,982	516,963	—	78	39,941	—	—
Middle East and Africa	437,087	62	82,547	309,956	48,044	—	(3,522)
Rest of Europe and Others	497,643	225,668	59,258	186,360	19,291	7,116	(50)
Latin America	312,889	—	62,909	247,183	9,218	1,679	(8,100)
Czech Republic	212,969	138,053	74,907	9	—	—	—
USA and Canada	62,459	26,274	—	27,196	8,988	—	1
	2,080,029	**907,020**	**279,621**	**770,782**	**125,482**	**8,795**	**(11,671)**
30.09.2018							
United Kingdom	563,107	537,219	—	463	25,425	—	—
Middle East and Africa	470,435	6,498	77,253	332,253	56,656	—	(2,225)
Rest of Europe and Others	368,628	205,762	48,097	90,263	18,164	6,903	(561)
Latin America	281,693	—	29,400	247,062	4,759	1,495	(1,023)
Czech Republic	207,894	135,569	72,325	—	—	—	—
USA and Canada	57,324	22,646	—	30,390	4,288	—	—
	1,949,081	**907,694**	**227,075**	**700,431**	**109,292**	**8,398**	**(3,809)**

15. GUARANTEE COMMITMENTS TO THIRD PARTIES AND OTHER CONTINGENT LIABILITIES

At 30 September 2019, the Group had provided guarantees to third parties, mostly before public bodies and private clients, to secure the correct performance of the urban sanitation works and contracts, for EUR 3,841,626 thousand (EUR 3,866,462 thousand at 31 December 2018).

FCC Construcción, S.A. is collaborating voluntarily with the competent authorities in a research process being undertaken in relation to various construction projects executed in Panama, between 2010 and 2014. No material impacts have been estimated in this connection.

In April 2018, the National Court issued a judgment in relation to the price of EUR 6 per share applied in the takeover bid made in 2017 by Fomento de Construcciones y Contratas, S.A. for Cementos Portland Valderrivas, S.A., with the National Securities Market Commission (CNMV) asking for the price to be recalculated. This judgment has been appealed by the Group, as it disagrees with the valuation criteria applied and that the CNMV approved the price. It should be noted that the CNMV has also filed an appeal. The Group believes that it is improbable that significant additional disbursements will be caused by this judgment, which is why the attached Financial Statements at 30 September 2019 do not include provisions in this connection.

Additionally, the Group has granted letters of indemnity to certain directors with management and administration duties at subsidiaries, without the any risks for which provisions should be set aside identified during the preparation of these consolidated interim financial statements.

Fomento de Construcciones y Contratas, S.A. and the Group's subsidiaries are defendants in litigation concerning liability for different activities carried out by the Group in the performance of contracts awarded and for which provisions have been set aside (Note 10). These lawsuits, which in number may be significant, are for insignificant amounts when considered on a one-by-one basis. Therefore, give proven experience and existing provisions, the resulting liabilities would not significantly affect the Group's assets.

The main contingent liabilities deriving from the bankruptcy process of the Alpine Group are described in depth in Note 10 of these financial statements.

The stakeholding of Group companies in jointly controlled operations managed through joint ventures, joint ownership, participation accounts and other entities of similar legal characteristics means that participants must share joint and several liability with respect to the activity carried on.

16. FINANCIAL RISKS

The concept of financial risk refers to the variation to which, on account of market, political and other factors, the financial instruments contracted by the Group are exposed, and their impact on maximising the financial resources available, obtaining necessary financing at a reasonable cost, and its impact on the financial statements. These aspects are described in depth in Note 30 of the Consolidated Report for the 2018 Financial Statements.

In terms of liquidity risk, at 30 September 2019, the Group had positive working capital of EUR 597 million (EUR 926 million at 30 September 2018).

A significant part of the gross financial debt, amounting to EUR 2,723 million is without recourse to the Parent Company. The financial debt of the Integral Water Management and Environmental Services Areas is worth particular note, for the sum of EUR 1,709 million and EUR 597 million respectively, with the remainder of the debt without recourse attributable to the Cement segment.

During the first nine months of 2019, promissory notes was issued on the Irish Stock Exchange (Note 12), continuing with the diversification of the sources of financing that the Group has been performing in recent years.

Furthermore, at 30 September 2019, the Group has cash and cash equivalents amounting to EUR 1,052 million and short-term financial investments available for EUR 183 million (see Note 8.b).

Some of the Group's activities are subject to a certain seasonality, so it is not possible to extrapolate the entire year based on the first nine months of the year. Seasonality is more pronounced in cash generation, which is usually higher in the second half of the year.

17. AVERAGE WORKFORCE OF THE CONSOLIDATED GROUP

The average number of employees at the Group during the period running from 1 January 2019 to 30 September 2019, divided between men and women, is as follows:

	30.09.2019	30.09.2018
Men	45,800	46,548
Women	12,631	12,273
	58,431	**58,821**

18. REMUNERATION RECEIVED BY DIRECTORS AND EXECUTIVES:

The directors and executives at Fomento de Construcciones y Contratas, S.A. have received the following sums, in thousands of euros:

Directors:

	30.09.2019	30.09.2018
For sitting on the Board	445	530
Salaries	385	256
Variable remuneration	186	165
Other payments	387	387
	1,403	**1,338**

Executives:

	30.09.2019	30.09.2018
Remuneration received	1,454	2,001

19. TRANSACTIONS WITH RELATED PARTIES

During the first nine months of 2019, the Group amortised all the loan assignments with the Inbursa Group which, at year-end 2018, amounted to EUR 122 million (Note 12).

In relation to the subordinated loan signed by Cementos Portland Valderrivas with Banco Inbursa, S.A. last year, during the first nine months of 2018, interest amounting to EUR 1,548 thousand has been accrued, having paid EUR 1,032 thousand at the close of these interim financial statements.

During the first nine months of 2019, the following agreements were entered into between F C y C, S.L. Unipersonal and the Realia groupfor the management and marketing of the following property developments:

- El Bercial, Getafe, Madrid (40 homes and parking spaces).
- Plot 10A in Badalona, Barcelona (134 mass homes and parking spaces).
- Plots RCL 3A and 3B in Arroyo Fresno, Madrid (144 mass homes and parking spaces).
- Plot RUL 1B in Arroyo Fresno, Madrid (42 single-family homes).

The following agreements have also been entered into:

- Construction agreements between FCC Construcción, S.A. and the Realia Group for the plots in Valdebebas, Madrid (40 homes, storage rooms, garages, commercial premises and swimming pool) and Parque Ensanche, Alcalá de Henares (116 homes, storage rooms, garages and commercial premises).
- Sale between FC y C, S.L. Unipersonal and the Realia Group involving two plots in Tres Cantos.

Furthermore, other transactions are carried out under market conditions, mainly telephone and internet access services, with parties related to the majority shareholder for a non-significant amount.

20. SUBSEQUENT EVENTS

The Group has signed a contract for the acquisition of a 17% stake in Cedinsa Concessionària, S.A. for the sum of EUR 58 million, the transaction is subject to compliance with certain suspensive clauses. Once the transaction is completed, the Group will hold a 51% interest in said investee company.

Furthermore, the segregation of the Environmental Services activity carried out by the Group's Parent Company to FCC Medio Ambiente, S.A. was registered in the Companies Registry of Madrid and Barcelona, taking legal effect on October 1. For accounting purposes, this operation takes effect on 1 January 2019 and has no impact on the consolidated financial statements, as the FCC Medio Ambiente, S.A., is 100% owned by the Group's Parent Company.

There have been no other significant events between the closing date and the date on which these consolidated interim financial statements were prepared.