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

Consolidated Financial Statements and Directors' Report

2011

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 34). In the event of a discrepancy, the Spanish-language version prevails.

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

Consolidated Financial Statements

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 34). In the event of a discrepancy, the Spanish-language version prevails.

CONSOLIDATED BALANCE SHEET

ASSETS		31/12/11		31/12/10
NON-CURRENT ASSETS		**11,074,062**		**13,393,742**
Intangible assets (Note 7)		**4,317,029**		**5,063,681**
Concessions (Notes 7 and 11)	1,022,734		1,040,868	
Goodwill	2,352,312		2,613,750	
Other intangible assets	941,983		1,409,063	
Property, plant and equipment (Note 8)		**4,601,913**		**5,833,737**
Land and buildings	1,480,246		1,629,153	
Plant and other items of property, plant and equipment	3,121,667		4,204,584	
Investment property (Note 9)		**34,458**		**259,033**
Investments accounted for using the equity method (Note 12)		**1,115,719**		**1,222,895**
Non-current financial assets (Note 14)		**461,999**		**415,799**
Deferred tax assets (Note 25)		**542,944**		**598,597**
CURRENT ASSETS		**11,373,405**		**8,585,395**
Non-current assets classified as held for sale (Note 4)		**1,846,971**		**-**
Inventories (Note 15)		**1,271,355**		**1,138,375**
Trade and other receivables		**5,496,798**		**5,491,691**
Trade receivables for sales and services (Note 16)	4,953,813		4,938,574	
Other receivables (Note 16)	514,703		514,783	
Current tax assets (Note 25)	28,282		38,334	
Other current financial assets (Note 14)		**395,689**		**225,763**
Other current assets		**59,951**		**50,915**
Cash and cash equivalents (Note 17)		**2,302,641**		**1,678,651**
TOTAL ASSETS		**22,447,467**		**21,979,137**

The accompanying Notes 1 to 34 and Appendixes I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2011.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 34). In the event of a discrepancy, the Spanish-language version prevails.

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND SUBSIDIARIES
at 31 December 2011 (in thousands of euros)

EQUITY AND LIABILITIES	31/12/11		31/12/10	
EQUITY (Note 18)		**2,914,940**		**3,206,301**
Equity attributable to the Parent		**2,378,884**		**2,562,930**
Shareholders' equity	2,813,024		2,840,066	
Share capital	127,303		127,303	
Retained earnings and other reserves	2,969,654		2,811,257	
Treasury shares	(347,479)		(346,915)	
Profit for the year attributable to the Parent	108,248		301,253	
Interim dividend	(80,616)		(88,746)	
Other equity instruments	35,914		35,914	
Valuation adjustments	(434,140)		(277,136)	
Non-controlling interests		**536,056**		**643,371**
NON-CURRENT LIABILITIES		**7,535,310**		**10,962,527**
Grants		**159,721**		**104,693**
Long-term provisions (Note 20)		**1,083,109**		**1,047,836**
Non-current financial liabilities (Note 21)		**5,160,308**		**8,628,968**
Debt instruments and other marketable securities	694,541		672,517	
Bank borrowings	3,587,504		6,889,345	
Other financial liabilities	878,263		1,067,106	
Deferred tax liabilities (Note 25)		**995,468**		**1,156,043**
Other non-current liabilities (Note 22)		**136,704**		**24,987**
CURRENT LIABILITIES		**11,997,217**		**7,810,309**
Liabilities associated with non-current assets classified as held for sale (Note 4)		**1,396,653**		**-**
Short-term provisions (Note 20)		**178,887**		**143,233**
Current financial liabilities (Note 21)		**4,830,637**		**1,988,231**
Debt instruments and other marketable securities	10,658		8,133	
Bank borrowings	4,484,565		1,635,476	
Other financial liabilities	335,414		344,622	
Trade and other payables (Note 23)		**5,577,414**		**5,662,968**
Payable to suppliers	2,934,933		3,318,288	
Other payables	2,584,056		2,237,173	
Current tax liabilities (Note 25)	58,425		107,507	
Other current liabilities		**13,626**		**15,877**
TOTAL EQUITY AND LIABILITIES		**22,447,467**		**21,979,137**

The accompanying Notes 1 to 34 and Appendixes I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2011.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 34). In the event of a discrepancy, the Spanish-language version prevails.

CONSOLIDATED INCOME STATEMENT

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND SUBSIDIARIES
for the year ended 31 December 2011 (in thousands of euros)

	31/12/11	31/12/10
Revenue (Note 29)	**11,754,765**	**11,908,088**
In-house work on non-current assets	53,641	62,752
Other operating income (Note 28)	322,310	335,882
Changes in inventories of finished goods and work in progress	66,897	13,301
Procurements (Note 28)	(5,515,387)	(5,589,896)
Staff costs (Note 28)	(3,292,672)	(3,258,153)
Other operating expenses	(2,137,231)	(2,105,851)
Depreciation and amortisation charge (Notes 7, 8 and 9)	(643,516)	(659,217)
Allocation to profit or loss of grants related to non-financial non-current assets and other grants	2,890	2,700
Impairment and gains or losses on disposals of non-current assets (Note 28)	(98,693)	145,018
Other gains or losses	(112,208)	(76,689)
PROFIT FROM OPERATIONS	**400,796**	**777,935**
Finance income (Note 28)	89,839	59,499
Finance costs (Note 28)	(501,341)	(391,478)
Changes in fair value of financial instruments (Note 28)	13,198	(30,486)
Exchange differences	8,455	20,864
Impairment and gains or losses on disposals of financial instruments	10,760	(4,972)
FINANCIAL LOSS	**(379,089)**	**(346,573)**
Result of companies accounted for using the equity method (Note 28)	33,286	12,903
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	**54,993**	**444,265**
Income tax (Note 25)	(27,154)	(97,761)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	**27,839**	**346,504**
Loss for the year from discontinued operations, net of tax	(24,925)	(32,921)
CONSOLIDATED PROFIT FOR THE YEAR	**2,914**	**313,583**

Profit attributable to the Parent	**108,248**	**301,253**
Profit (Loss) attributable to non-controlling interests (Note 18)	**(105,334)**	**12,330**

EARNINGS PER SHARE (Note 18)		
Basic	0.94	2.60
Diluted	0.94	2.56

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.
AND SUBSIDIARIES
for the year ended 31 December 2011 (in thousands of euros)

	31/12/11		31/12/10	
CONSOLIDATED PROFIT FOR THE YEAR		**2,914**		**313,583**
Income and expense recognised directly in equity		**(211,074)**		**(12,745)**
Revaluation of financial instruments	78		1,752	
Cash flow hedges	(139,528)		(86,384)	
Translation differences	6,227		56,070	
Companies accounted for using the equity method	(109,062)		(284)	
Tax effect	31,211		16,101	
Transfers to profit or loss		**62,773**		**70,104**
Cash flow hedges	74,988		101,086	
Companies accounted for using the equity method	9,773		3	
Tax effect	(21,988)		(30,985)	
TOTAL COMPREHENSIVE INCOME		**(145,387)**		**370,942**
Attributable to the Parent		**(37,136)**		**342,720**
Attributable to non-controlling interests		**(108,251)**		**28,222**

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CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.
AND SUBSIDIARIES
for the year ended 31 December 2011 (in thousands of euros)

	Share capital (Note 18-a)	**Share premium and reserves** (Note 18-b)	**Interim dividend** (Note 18-d)	**Treasury shares** (Note 18-c)	**Profit for the year attributable to the Parent**	**Other equity instruments** (Note 18-e)	**Valuation adjustments** (Note 18-f)	**Equity attributable to shareholders of the Parent**	**Non-controlling interests** (Note 18-II)	**Equity**
Equity at 31 December 2009	**127,303**	**2,670,802**	**(88,746)**	**(270,882)**	**296,036**	**35,914**	**(325,535)**	**2,444,892**	**652,682**	**3,097,574**
Total income and expenses for the year					301,253		41,467	342,720	28,222	370,942
Transactions with shareholders or owners										
Capital increases/(reductions)									6,776	6,776
Dividends paid		131,520			(296,036)			(164,516)	(22,488)	(187,004)
Treasury share transactions (net)				(76,033)				(76,033)		(76,033)
Other transactions with shareholders or owners		4,042						4,042	365	4,407
Other changes in equity		4,893					6,932	11,825	(22,186)	(10,361)
Equity at 31 December 2010	**127,303**	**2,811,257**	**(88,746)**	**(346,915)**	**301,253**	**35,914**	**(277,136)**	**2,562,930**	**643,371**	**3,206,301**
Total income and expenses for the year					108,248		(145,384)	(37,136)	(108,251)	(145,387)
Transactions with shareholders or owners										
Capital increases/(reductions)									5,643	5,643
Dividends paid		136,430	8,130		(301,253)			(156,693)	(6,886)	(163,579)
Treasury share transactions (net)				(564)				(564)		(564)
Other transactions with shareholders or owners										
Other changes in equity		21,967					(11,620)	10,347	2,179	12,526
Equity at 31 December 2011	**127,303**	**2,969,654**	**(80,616)**	**(347,479)**	**108,248**	**35,914**	**(434,140)**	**2,378,884**	**536,056**	**2,914,940**

The accompanying Notes 1 to 34 and Appendixes I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2011.

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CONSOLIDATED STATEMENT OF CASH FLOWS (INDIRECT METHOD)

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND SUBSIDIARIES
for the year ended 31 December 2011 (in thousands of euros)

	31/12/11		31/12/10	
Profit before tax from continuing operations		**54,993**		**444,265**
Adjustments for		**1,231,426**		**993,436**
Depreciation and amortisation charge (Notes 7, 8 and 9)	643,516		659,216	
Impairment of goodwill and non-current assets (Notes 7 and 8)	309,942		21,345	
Other adjustments to profit (net)	277,968		312,875	
Changes in working capital		**(230,572)**		**(424,550)**
Other cash flows from operating activities		**(56,408)**		**(45,336)**
Dividends received	28,482		21,752	
Income tax recovered/(paid) (Note 25)	(49,285)		(30,737)	
Other proceeds/(payments) relating to operating activities	(35,605)		(36,351)	
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		**999,439**		**967,815**
Payments due to investment		**(661,917)**		**(860,695)**
Group companies, associates and business units	(64,295)		(82,717)	
Property, plant and equipment, intangible assets and investment property (Notes 7, 8 and 9)	(528,031)		(668,730)	
Other financial assets	(69,591)		(109,248)	
Proceeds from disposal		**641,792**		**355,588**
Group companies, associates and business units	100,317		187,646	
Property, plant and equipment, intangible assets and investment property (Notes 7, 8 and 9)	524,065		141,828	
Other financial assets	17,410		26,114	
Other cash flows from investing activities		**25,347**		**(2,253)**
Interest received	35,757		21,533	
Other proceeds/(payments) relating to investing activities	(10,410)		(23,786)	
TOTAL CASH FLOWS FROM INVESTING ACTIVITIES		**5,222**		**(507,360)**
Proceeds and (payments) relating to equity instruments (Note 18)		**(20,691)**		**(75,972)**
Issues/(redemptions)	2,365		4,654	
(Acquisitions)/disposals	(23,056)		(80,626)	
Proceeds and (payments) relating to financial liability instruments (Note 21)		**223,883**		**182,468**
Issues	575,359		922,286	
Repayments and redemptions	(351,476)		(739,818)	
Dividends and returns on equity instruments paid (Note 6)		**(173,191)**		**(201,236)**
Other cash flows from financing activities		**(380,905)**		**(309,490)**
Interest paid	(379,662)		(307,411)	
Other proceeds/(payments) relating to financing activities	(1,243)		(2,079)	
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES		**(350,904)**		**(404,230)**
Effect of foreign exchange rate changes		**3,494**		**13,010**
Net cash flows from discontinued operations (Note 4)		**-**		**(45,046)**
Cash and cash equivalents of discontinued operations at 31/12/10, reclassified		**(33,261)**		**-**
OTHER CASH FLOWS		**(29,767)**		**(32,036)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**623,990**		**24,189**
Cash and cash equivalents at beginning of year		**1,678,651**		**1,654,462**
Cash and cash equivalents at end of year		**2,302,641**		**1,678,651**

The accompanying Notes 1 to 34 and Appendixes I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2011.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 34). In the event of a discrepancy, the Spanish-language version prevails.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND SUBSIDIARIES
at 31 December 2011

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1. GROUP ACTIVITIES

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

— **Services**: this area comprises the units specialising in **environmental services**, i.e. services related to urban cleaning, industrial waste treatment, waste-to-energy systems and the integral water cycle, and includes **Versia**, which provides various services such as logistics, street furniture, aircraft and passenger ground handling, street maintenance and traffic systems, etc.

— **Construction**: this area specialises in infrastructure construction projects, building construction and related activities, such as motorways, freeways and other roads, tunnels, bridges, hydraulic construction works, ports, airports, residential property developments, housing units, non-residential building construction, lighting, industrial air conditioning and heating systems, environmental restoration, etc.

— **Cement**: this area engages in the operation of quarries and mineral deposits, the manufacture of cement, lime, plaster and related pre-manufactured products and the production of concrete.

The FCC Group is also present in the **Renewable Energies** industry. At 2011 year-end it was negotiating an agreement with Mitsui & Co. Ltd. in connection with the energy business which should culminate in the formal arrangement of a joint venture in which the FCC Group will have a 50% interest. In order to reflect this situation in the accompanying financial statements, in accordance with accounting standards and as indicated in Note 4 to these financial statements, the assets and liabilities of the Energy business are presented as assets and liabilities classified as held for sale and as discontinued operations.

Similarly, the FCC Group is present in the real estate industry through its 30.18% ownership interest in Realia Business, S.A., which engages mainly in housing development and office rental, both in Spain and abroad. Until 31 December 2011, the Group developed the activity of renting the office space of the Torre Picasso building. As indicated in Note 9 to these financial statements, the Group has sold this building.

The Group also engages, mainly through its 50% ownership interest in Globalvía Infraestructuras, S.A., in infrastructure concessions (motorways, tunnels, marinas, railways, tramways and buildings for a variety of uses).

International operations, which represent approximately 52% of the FCC Group's revenue (46% in 2010), are carried on mainly in the European, US and Latin American markets. In 2011, for the first time in the FCC Group's history, international operations surpassed those performed in Spain.

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

a) Basis of presentation

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

The 2011 consolidated financial statements of the FCC Group were formally prepared by the Board of Directors of Fomento de Construcciones y Contratas, S.A. and will be submitted for approval by the shareholders at the Annual General Meeting. However, no changes are expected to be made to the consolidated financial statements as a result of compliance with this requirement. The 2010 consolidated financial statements were approved by the shareholders of Fomento de Construcciones y Contratas, S.A. at the Annual General Meeting held on 1 June 2011.

These consolidated financial statements of the FCC Group present fairly its equity and financial position at 31 December 2011 and 2010, and the consolidated results of its operations, the changes in the consolidated equity and the consolidated cash flows in the years then ended.

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

In order to uniformly present the various items composing these consolidated financial statements, accounting standardisation criteria were applied to the separate financial statements of the companies included in the scope of consolidation. In general, in 2011 and 2010 the reporting date of the financial statements of the companies included in the scope of consolidation was the same as that of the Parent, i.e. 31 December.

The consolidated financial statements are expressed in thousands of euros.

Reclassifications and changes in accounting policies

In 2011 the FCC Group put up for sale Giant Cement Holding, Inc., the company heading its cement business in the United States, and it is currently negotiating an agreement with Mitsui & Co. Ltd. for the sale of half of the Group's Energy area. The investment in this area would become a joint venture and, in accordance with the accounting regulations applicable to the Group, it would be accounted for using the equity method (see Note 4). Consequently, as established for such cases in IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, the two business units were classified as “Non-Current Assets Classified as Held for Sale” and “Liabilities Associated with Non-Current Assets Classified as Held for Sale” in the accompanying consolidated balance sheet and as “Loss for the Year from Discontinued Operations, Net of Tax” in the consolidated income statement. Also pursuant to the applicable standards, for comparison purposes the relevant uniformity adjustments were made to the income statement and the statement of cash flows for 2010.

In 2010 a change was made in the accounting policy applicable to operating licence contracts (located mainly in the street furniture business carried on by the Versia Area) under which the operator is obliged to make certain fixed minimum payments. The new policy led to the recognition of the present value of the committed fixed minimum outflow as an intangible asset, representing the operating right, and of a balancing entry in liabilities, representing the payment obligation incurred. As a result of application of this policy, the Group recognises an expense for the amortisation of the intangible asset and an interest cost resulting from discounting the liability to its present value. The aforementioned change does not affect those cases in which the amount of the future payments varies on the basis of a series of parameters, since such cases therefore do not constitute, in themselves, a payment obligation.

<u>Standards and interpretations issued but not yet in force</u>

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

		Obligatory application for the FCC Group
Not adopted by the European Union		
IFRS 10	Consolidated Financial Statements	1 January 2013
IFRS 11	Joint Arrangements	1 January 2013
IFRS 12	Disclosure of Interests in Other Entities	1 January 2013
IFRS 13	Fair Value Measurement	1 January 2013
Amendments to IAS 27	Separate Financial Statements	1 January 2013
Amendments to IAS 28	Investments in Associates and Joint Ventures	1 January 2013
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to IFRS 9 and IFRS 7	Financial Instruments	1 January 2013
Amendments to IAS 12	Deferred Tax: Recovery of Underlying Assets	1 January 2012
Amendments to IAS 1	Presentation of Items of Other Comprehensive Income	1 January 2013
Amendment to IFRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to IAS 19	Employee Benefits	1 January 2013
Amendments to IFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Adopted by the European Union but not yet in force		
Amendments to IFRS 7	Transfers of financial assets	1 January 2012

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

<u>Significant standards and interpretations applied in 2011 and 2010</u>

The FCC Group adopted all the amendments and revisions made to the texts and interpretations of the International Financial Reporting Standards applicable to it. No noteworthy impacts resulted from application of these amendments and revisions.

b) Basis of consolidation

<u>Subsidiaries</u>

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

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

Goodwill is determined as indicated in Note 3-b below.

Joint ventures

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

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

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

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

Associates

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

Transactions between Group companies

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

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

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

Changes in the scope of consolidation

Appendix IV shows the changes in 2011 in the fully consolidated companies and the companies accounted for using the equity method. The results of these companies are included in the consolidated income statement from the effective date of acquisition to year-end or from the beginning of the year to the effective date of disposal, as appropriate.

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

3. ACCOUNTING POLICIES

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

a) Service concession arrangements

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

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

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

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

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

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

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

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

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

b) Business combinations and goodwill

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

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

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

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

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

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

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

c) Intangible assets

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

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

d) Property, plant and equipment and investment property

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

f) Leases

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

f.1) Finance leases

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

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

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

f.2) Operating leases

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

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

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

g) Investments accounted for using the equity method

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

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

h) Financial assets

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

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

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

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

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

- **Held-to-maturity investments** are financial assets with fixed or determinable payments and fixed maturity. Those maturing within no more than 12 months are classified as current assets and those maturing within more than 12 months as non-current assets.

- **Loans and receivables** maturing within no more than 12 months are classified as current items and those maturing within more than 12 months as non-current items. This category includes collection rights arising from the application of IFRIC 12 “Service Concession Arrangements” as detailed in Note 3-a.

- **Available-for-sale financial assets** are securities acquired that are not held for trading purposes and are not classified as held-to-maturity investments. They are classified as non-current in the accompanying consolidated balance sheet since it is intended to hold them at long term.

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

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

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

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

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

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

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

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

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

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

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

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

j) Inventories

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

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

k) Foreign currency

k.1) Translation differences

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

- Share capital and reserves, which were translated at historical exchange rates.

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

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

k.2) Exchange differences

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

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

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

l) Equity instruments

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

The treasury shares acquired by the Parent and the wholly-owned subsidiary Asesoría Financiera y de Gestión, S.A. are recognised at the amount of the consideration paid and are deducted directly from equity. Gains and losses on the acquisition, sale, issue or retirement of treasury shares are recognised directly in equity and in no case are they recognised in profit or loss.

The Group currently has in force a remuneration scheme for its executive directors and executive personnel, linked to the value of the Parent's share. This scheme is described in Note 19 “Share-based Payment Transactions”.

m) Grants

Grants are recognised according to their nature.

m.1) Grants related to assets

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

m.2) Grants related to income

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

n) Provisions

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

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

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

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

o) Financial liabilities

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

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

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

p) Financial derivatives and hedge accounting

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

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

- Fair value hedges: in this case, the changes in fair value of the hedging instrument are recognised in profit or loss and offset the changes in fair value of the hedged item.

- Cash flow hedges: in hedges of this type, the changes in value of the hedging instrument are recognised provisionally in equity and are taken to income when the hedged item materialises.

- Hedges of a net investment in a foreign operation: hedges of this type are aimed at covering foreign currency risk and are accounted for similarly to cash flow hedges.

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

- Formal designation and documentation, at inception of the hedge, of the hedging relationship and the entity’s risk management objective and strategy for undertaking the hedge.

- Documentation identifying the hedged item, the hedging instrument and the nature of the risk being hedged.

- Prospective (analytical) evidence of the effectiveness of the hedge.

- Objective and verifiable ex-post measurements.

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

- In cash flow hedges it is first verified that the critical terms of the hedging instrument and the hedged asset or liability – amounts, maturities, repayments, reference indices, review dates, etc. – are all the same.

  In the case of interest rate swaps (IRSs) in which the FCC Group receives a floating rate equal to that of the hedged borrowings and pays a fixed rate, since the objective is to reduce the variability of the borrowing costs, the effectiveness test estimates the changes in these annualised costs both in the original borrowings and in the portfolio that combines these borrowings with the hedging instrument. A hedge is considered to be fully effective when it achieves a reduction of at least 80% in the original variance of flows, i.e. when the instrument used reduces the variability of the flows by 80% or more. If this is not the case, the derivative is not classified as a hedge and its changes in value are recognised in profit or loss.

  For cash flow hedges in which the derivative hedging instrument is not an IRS but an interest rate cap option, the reduction in the variance of costs is taken into consideration only if the hedge is “activated”, i.e. if the reference rates fall within the hedged variability range. The methodology applied once the hedge has been activated is the same as that used to test the effectiveness of IRSs.

- The effectiveness test of fair value hedges -arranged using IRSs- is based on the comparison of the changes in the fair value of the hedged position and of the hedging instrument. The assessment of the effectiveness of this type of hedge is performed by isolating the effects of the credit risk of the liability and the change in value of the variable leg of the IRS, which does not affect the ultimate objective of the hedge but may give rise to apparent ineffectiveness due to the interest accrued at each date.

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

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

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

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

- The IRSs were measured by discounting all the flows envisaged in each contract on the basis of its characteristics, such as the notional amount and the collection and payment schedule. This measurement was made using the zero-coupon yield curve determined by employing a bootstrapping process for the deposits and swaps traded at any given time. This zero-coupon yield curve was used to obtain the discount factors for the measurements, which were made assuming the absence of arbitrage opportunity (AAO). When there were caps and floors or combinations thereof, on occasions conditional upon special conditions being met, the interest rates used were the same as those used for the swaps, although in order to introduce the component of randomness in the exercise of the options, the generally accepted Black-Scholes model was used.

- In the case of a cash flow hedging derivative tied to inflation, the method used is very similar to that applied to interest rate swaps. The projected inflation is estimated on the basis of the inflation included implicitly in the ex-tobacco European inflation-indexed swaps quoted on the market and is aligned with Spanish inflation by means of a convergence adjustment.

Furthermore, a sensitivity test is carried out on the derivatives and net financial debt in order to be able to analyse the effect that a possible fluctuation in interest rates might have on the Group's accounts, assuming a 50,100 and 125 basis-point increase and a 100, 75 and 50 basis-point decrease in the interest rates at year-end (see Note 31).

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

q) Income tax

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

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

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

r) Pension obligations

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

s) Operating income and expenses

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

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

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

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

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

t) Related party transactions

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

Note 32 to these consolidated financial statements details the main transactions with the significant shareholders of the Parent, its directors and senior executives and between Group companies.

u) Use of estimates

In the Group's consolidated financial statements for 2011 and 2010, estimates were occasionally made in order to quantify certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- The identification and the determination of the fair value of the assets and liabilities acquired in business combinations (see Note 5)
- The impairment losses on certain assets (see Notes 7, 8 and 9)
- The useful life of the intangible assets, property, plant and equipment and investment property (see Notes 7, 8 and 9)
- The measurement of goodwill (see Note 7)
- The amount of certain provisions (see Note 20)
- The assumptions used in the actuarial calculation of the post-employment benefit liabilities and obligations (see Notes 20 and 26)
- The fair value of derivatives (see Note 24)
- The recoverability of amounts to be billed for construction work performed (see Notes 3-s and 16)

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

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

In 2011 the Energy area of the FCC Group and the Japanese multinational Mitsui & Co. Ltd. entered into an alliance to cooperate in the development of combined heat and power and energy efficiency, renewable energies and the application of new waste-to-energy technologies, etc. Their union will give rise to strengths and synergies for new projects, and together they will develop and bolster the current value of the Group's activities in the energy sector. The alliance agreement will necessarily culminate in the participation of this new shareholder in a joint venture in which the FCC Group will have a 50% ownership interest.

On 10 November 2011, Cementos Portland Valderrivas announced, through a notice published by the Spanish National Securities Market Commission (CNMV), that it had put up for sale its subsidiary Giant Cement Holding, Inc., the company through which it has carried on its operations in the United States and Canada. Management of the Cementos Portland Valderrivas group is committed to a plan to sell this company and has initiated an active programme to locate a buyer.

Consequently, as established for such cases in IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, the two business units were classified as “Non-Current Assets Classified as Held for Sale” and “Liabilities Associated with Non-Current Assets Classified as Held for Sale” in the accompanying consolidated balance sheet and as “Loss for the Year from Discontinued Operations, Net of Tax” in the consolidated income statement. Also pursuant to the applicable standards, for comparison purposes the relevant uniformity adjustments were made to the income statement and the statement of cash flows for 2010 (these adjustments did not apply to the balance sheet at 31 December 2010).

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

	2011	2010
Revenue	215,800	219,597
Operating expenses	(159,708)	(151,168)
Profit (loss) from operations	21,533	(4,210)
Loss before tax	(34,743)	(50,634)
Income tax	9,818	17,713
Loss for the year from discontinued operations, net of tax	(24,925)	(32,921)
Loss attributable to non-controlling interests of discontinued operations, net of tax	(5,291)	(6,357)

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

	2011	2010
Loss before tax from discontinued operations	(34,743)	(50,634)
Adjustments to loss	82,111	114,467
Changes in working capital	(25,603)	(23,358)
Other cash flows from operating activities	(3,934)	2,775
Cash flows from operating activities	**17,831**	**43,250**
Payments due to investment	(171,043)	(57,248)
Proceeds from disposal	20,811	1,538
Other cash flows from investing activities	2,884	(1,036)
Cash flows from investing activities	**(147,348)**	**(56,746)**
Proceeds and (payments) relating to equity instruments	3,730	11,123
Proceeds and (payments) relating to financial liability instruments	113,414	(18,689)
Other cash flows from financing activities	(18,277)	(23,984)
Cash flows from financing activities	**98,867**	**(31,550)**
	(30,650)	**(45,046)**

Also, in accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, following is a detail of the various assets and liabilities reclassified as held for sale, as a result of discontinued operations, under the respective headings in the accompanying consolidated balance sheet.

	2011
Property, plant and equipment	1,127,041
Intangible assets	445,691
Financial assets	8,224
Deferred tax assets	103,695
Other non-current assets	3,638
Current assets	158,682
ASSETS CLASSIFIED AS HELD FOR SALE IN RELATION TO DISCONTINUED OPERATIONS	**1,846,971**
Non-current financial liabilities	970,734
Other non-current liabilities	206,091
Current financial liabilities	177,931
Other current liabilities	41,897
LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE IN RELATION TO DISCONTINUED OPERATIONS	**1,396,653**

In addition, it should be noted that at 31 December 2011 the Giant Cement Holding group had failed to achieve certain ratios stipulated in the financing agreements entered into with various banks and, therefore, this financing was reclassified to current liabilities. The balance outstanding of the financial debt relating to the Giant Cement Holding group at 31 December 2011, included under “Liabilities Associated with Non-Current Assets Classified as Held for Sale" as a result of discontinued operations, was EUR 238,175 thousand. Of this debt, EUR 226,227 thousand are guaranteed by Cementos Portland Valderrivas, S.A. and other companies in the cement group.

5. CHANGES IN THE SCOPE OF CONSOLIDATION

No noteworthy acquisitions took place either in 2011 or in 2010 and, consequently, there were no significant changes in the scope of consolidation of the FCC Group in this connection.

However, the most notable exclusions from the scope of consolidation were, in 2011, the sale of the regulated parking management company Estacionamientos y Servicios, S.A. for EUR 84 million (see Note 28-d) and, in 2010, the sale of the vehicle roadworthiness testing businesses owned by the Group in Spain and Argentina for approximately EUR 180 million.

6. DISTRIBUTION OF PROFIT

In 2011 the FCC Group paid dividends totalling EUR 173,191 thousand (2010: EUR 201,236 thousand), as shown in the accompanying consolidated statement of cash flows, the detail being as follows:

	2011	2010
Shareholders of Fomento de Construcciones y Contratas, S.A.	164,115	169,147
Non-controlling interests of the Cementos Portland Valderrivas Group	5,251	28,909
Other non-controlling interests of the other companies	3,825	3,180
	173,191	**201,236**

At the Annual General Meeting of Fomento de Construcciones y Contratas, S.A. held on 1 June 2011, the shareholders approved the distribution of the profit for 2010 through a total dividend of EUR 1.43 gross per share. The shareholders of Fomento de Construcciones y Contratas, S.A. received this remuneration through the payment of an interim dividend in January 2011 equal to 71.5% gross of the par value of the shares, i.e. EUR 0.715 per share (2010: same amount per share) and the payment of a final dividend in July 2011 equal to 71.5% gross of the par value of the shares, i.e. EUR 0.715 per share (2010: same amount per share).

On 15 December 2011, it was resolved to distribute to the shareholders of Fomento de Construcciones y Contratas, S.A. an interim dividend out of the profit for the year equal to 65% gross of the par value of the shares, i.e. EUR 0.650 per share. The total amount of this dividend, EUR 80,616 thousand, was paid on or after 10 January 2012 on the outstanding shares carrying dividend rights (see Note 21-d).

In addition, to complete the dividend out of the profit for 2011, the Parent of the FCC Group, Fomento de Construcciones y Contratas, S.A., will propose for approval by the shareholders at the Annual General Meeting the distribution of a final dividend of EUR 0.650 per share which, together with the aforementioned interim dividend, gives a total dividend of EUR 1.30 per share.

7. INTANGIBLE ASSETS

The detail of the carrying amount of intangible assets at 31 December 2011 and 2010 is as follows:

	Cost	Accumulated amortisation	Impairment	Carrying amount
2011				
Concessions (Note 11)	1,447,171	(420,044)	(4,393)	1,022,734
Goodwill	2,659,928	—	(307,616)	2,352,312
Other intangible assets	1,497,625	(552,069)	(3,573)	941,983
	5,604,724	**(972,113)**	**(315,582)**	**4,317,029**
2010				
Concessions (Note 11)	1,465,354	(421,124)	(3,362)	1,040,868
Goodwill	2,663,382	—	(49,632)	2,613,750
Other intangible assets	1,958,450	(547,550)	(1,837)	1,409,063
	6,087,186	**(968,674)**	**(54,831)**	**5,063,681**

a) Concessions

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

The changes in "Concessions" in the consolidated balance sheet in 2011 and 2010 were as follows:

	Concessions	Accumulated amortisation	Impairment
Balance at 31/12/09	**1,349,733**	**(386,841)**	**(1,137)**
Additions or charge for the year	162,350	(43,410)	(2,127)
Disposals or reductions	(68,811)	13,767	—
Changes in the scope of consolidation, translation differences and other changes	(7,668)	50	(200)
Transfers	29,750	(4,690)	102
Balance at 31/12/10	**1,465,354**	**(421,124)**	**(3,362)**
Additions or charge for the year	114,067	(51,924)	(1,031)
Disposals or reductions	(21,857)	6,534	—
Changes in the scope of consolidation, translation differences and other changes	(37,020)	4,524	—
Transfers	(73,373)	41,946	—
Balance at 31/12/11	**1,447,171**	**(420,044)**	**(4,393)**

The most significant additions in 2011 related to the companies Aqualia Gestión Integral del Agua, S.A. (EUR 22,086 thousand), Concesionaria Túnel Coatzacoalcos, S.A. (EUR 35,865 thousand) and Autovía Conquense, S.A. (EUR 23,827 thousand) and those in 2010 related to Aqualia Gestión Integral del Agua, S.A. (EUR 65,994 thousand), Cartagua Aguas do Cartaxo, S.A. (EUR 23,000 thousand) and Autovía Conquense, S.A. (EUR 22,410 thousand).

The disposals in 2011 related to Estacionamientos y Servicios, S.A. (EUR 14,061 thousand) and Aqualia Gestión Integral del Agua, S.A. (EUR 6,424 thousand). The most notable disposals in 2010 were those relating to the sale for EUR 65,752 thousand of a portion of the underground parking spaces managed by Estacionamientos y Servicios, S.A. This transaction formed part of the sale agreement entered into with an insurance company in 2010 whereby 31 car parks with a total of 10,500 parking spaces were transferred for EUR 120 million (see Note 28-d).

"Changes in the Scope of Consolidation, Translation Differences and Other Changes" in 2011 includes most notably the reduction of EUR 46,768 thousand relating to the exclusion of Estacionamientos y Servicios, S.A. from the scope of consolidation (see Note 5) and the effect of the depreciation of the Mexican peso against the euro, which gave rise to a decrease of EUR 8,485 thousand at Túnel de Coatzacoalcos. The most noteworthy changes in 2010 were the reduction of EUR 25,138 thousand relating to the change in consolidation method of Tranvía de Murcia, which was accounted for using the equity method in that year (see Note 12) and the effect of the appreciation of the Mexican peso against the euro, which gave rise to an increase of EUR 9,410 thousand at Túnel de Coatzacoalcos.

The borrowing costs capitalised in 2011 amounted to EUR 2,248 thousand (2010: EUR 7,809 thousand) and accumulated capitalised borrowing costs amounted to EUR 21,291 thousand (2010: EUR 21,143 thousand).

b) Goodwill

The changes in goodwill in the accompanying consolidated balance sheet in 2011 and 2010 were as follows:

Balance at 31/12/09		**2,615,300**
Changes in the scope of consolidation, translation differences and other changes		
Waste Recycling Group	22,061	
Other	(6,611)	15,450
Impairment losses		
Flightcare Italia, SpA	(17,000)	(17,000)
Balance at 31/12/10		**2,613,750**
Changes in the scope of consolidation, translation differences and other changes		
Waste Recycling Group	21,815	
Other	2,846	24,661
Reclassifications to assets held for sale		
Giant Cement Holding, Inc. (Note 4)	(26,682)	(26,682)
Impairment losses		
Corporación Uniland Group	(239,026)	
Cementos Lemona Group	(14,499)	
Other	(5,892)	(259,417)
Balance at 31/12/11		**2,352,312**

The most significant change in 2011 was due to the impairment of goodwill, mainly of the cement business, including most notably that of the Corporación Uniland and Cementos Lemona groups as a result of the sharp contraction in recent years of the cement industry, whose recovery is not expected to take place in the short or medium term.

"Changes in the Scope of Consolidation, Translation Differences and Other Changes" in 2011 includes most notably the effect of the appreciation of the pound sterling against the euro, which gave rise to an increase of EUR 21,815 thousand (2010: EUR 22,061 thousand) in the goodwill associated with the UK WRG group, the balance of which upon inclusion in the Group amounted to EUR 875,173 thousand.

The breakdown of goodwill in the accompanying consolidated balance sheet at 31 December 2011 and 2010 is as follows:

	2011	2010
Waste Recycling Group	737,759	715,945
Corporación Uniland Group	586,831	825,857
Alpine Bau Group	270,655	269,665
Cementos Portland Valderrivas, S.A.	226,269	226,269
A.S.A. Group	137,947	138,145
Aqualia Gestión Integral del Agua, S.A.	80,410	80,410
FCC Logística Group	58,956	58,956
Cementos Lemona Group	56,230	70,729
FCC Environmental LLC	51,446	49,815
Ekonor Group	43,141	43,027
Giant Cement Holding, Inc.	—	26,682
Marepa Group	20,247	20,247
FCC Servicios Industriales y Energéticos, S.A.	21,499	20,228
Tratamientos y Recuperaciones Industriales, S.A.	9,860	9,860
FCC Construcción de Centroamérica Group	8,460	8,460
Flightcare Belgium, Naamloze Vennootschap	5,503	5,503
International Petroleum Corp. of Delaware	5,608	5,430
Canteras de Aláiz, S.A.	4,332	4,332
Flightcare Italia, SpA	4,220	4,220
Gonzalo Mateo Group	3,859	3,859
Cementos Alfa, S.A.	3,712	3,712
Áridos y Premezclados, S.A., Sole-Shareholder Company	—	3,704
Flightcare, S.L.	3,116	3,116
Other	12,252	15,579
	2,352,312	**2,613,750**

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

- Corporación Uniland Group. The production and sales assumptions were based on the volume of cement consumption in Spain for 2011 estimated by Oficemen on the date of the impairment test, i.e. approximately 20 million tonnes, and on the actual sales at that date. The projections used in the 2011 impairment test were based on a sales and production volume estimated by independent sources on the test date, similar to the actual consumption indicated by Oficemen for 2011. These estimates pointed to a continued contraction of the market in the short term, followed by a recovery in the medium and long term. Estimates for the medium and long term were made mainly by reference to the independent report entitled “World Cement to 2025. Country by Country Forecast of Cement Supply & Demand” published by Ocean Shipping Consultants Ltd, London. In view of the characteristics of the business and its cycle, a ten-year time horizon was considered, and the estimated cash flows were discounted using a discount rate of 7.77%. A zero growth rate was used to calculate perpetual return. The impairment test showed that the recoverable amount of the cash-generating unit was less than its carrying amount and, therefore, resulted in the recognition of an impairment loss of EUR 239,026 thousand.

- Waste Recycling Group. The assumptions used to estimate cash flows include a certain recovery in income for the coming four years. At the same time, they consider a decrease in the gross operating margin and the continuation of investments until 2014. There is also expected to be a change in the composition of revenue from waste treatment services:

    - On the one hand, a downward trend is observed in the direct landfill business, consisting mainly of the direct operation of landfills, as a result of the economic crisis and the introduction of new waste treatment technologies.

    - On the other hand, this decline is offset by the development of the aforementioned new technologies, which will generate income from, inter alia, recycling, the sale of waste by-products, waste composting, the extension of the incineration facilities and low-radioactive waste disposal, as well as an increase in the currently incipient activities for the use of the land on which the landfills are located, such as the installation of wind turbines and the expected enhanced performance of the Allington incinerator (although it is not expected to reach full operating capacity), as a direct result of the changes to its operation and maintenance procedures (since its start-up in 2008 this facility has not achieved stable full-capacity operation).

  In view of the structural characteristics of this business and the long useful lives of its assets, a ten-year time horizon was considered and the estimated cash flows were discounted using a discount rate equal to the weighted average cost of capital for the industry and country. As a result of all the above considerations, it was estimated that revenue would grow in the period from 2012 to 2015, as has already occurred in 2011. As regards the gross operating margin, a decline is observed with respect to that obtained in prior years, as a result of the commencement of new business activities. A zero growth rate was considered in calculating perpetual income. Current cash flow projections would withstand increases of around 35 basis points in the discount rate and a fall of more than 8% in the amount of the cash flows before impairment losses were incurred.

- Alpine Bau Group. It should be noted that the main assumptions used forecast decreases in revenue of around 3-4.5%, together with slight improvements in the gross operating margin, for the period from 2013 to 2015, as a result of the change in the business strategy, which is now focused on improving profitability through a more appropriate selection of contracts. In this case the discount rate used was 6.15%. A zero growth rate was used to calculate perpetual return. Current cash flow projections would withstand increases of around 190 basis points in the discount rate and a fall of more than 25% in the amount of the cash flows before impairment losses were incurred.

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

  The cash flows corresponding to the Alcalá de Guadaira CGU were calculated using assumptions consistent with those employed for Uniland, which were adapted to the particular circumstances of this CGU. More specifically, the projected future revenue growth considered a future volume of cement consumption based on external third-party reports together with the best estimates of Group commercial management, while future prices were estimated on the basis of knowledge of the market in the geographic area in which the unit operates. In view of the features and cycle of the cement business, the projections considered a ten-year time horizon and a 7.77% discount rate. Also, a zero growth rate was used to calculate perpetual return. The current projections would withstand an increase of more than 250 basis points in the discount rate and a fall of more than 25% in the present value of the cash flows.

  As regards the goodwill associated with the CGU consisting of the entire cement business, it should be noted that if we consider only the sum of the present values of the cash flows for the CGUs tested for impairment because goodwill had been allocated to them, discounted at a rate of 7.77%, such as Uniland, the Alcalá de Guadaira plant, Cementos Lemona, Giant, etc., this sum exceeds the carrying amount of the total cement business and, therefore, there is no impairment. If the cash flows relating to the entire cement business were taken into consideration, the excess of recoverable amount over carrying amount would be even greater.

c) Other intangible assets

The changes in "Other Intangible Assets" in the consolidated balance sheet in 2011 and 2010 were as follows:

	Other intangible assets	Accumulated amortisation	Impairment
Balance at 31/12/09	**1,897,946**	**(465,487)**	**(237)**
Additions or charge for the year	34,862	(105,186)	(1,799)
Disposals or reductions	(12,336)	10,041	—
Changes in the scope of consolidation, translation differences and other changes	36,493	13,810	199
Transfers	1,485	(728)	—
Balance at 31/12/10	**1,958,450**	**(547,550)**	**(1,837)**
Additions or charge for the year	52,272	(97,451)	(1,736)
Disposals or reductions	(13,114)	11,353	—
Reclassifications to assets held for sale (Note 4)	(507,260)	78,251	—
Changes in the scope of consolidation, translation differences and other changes	12,750	528	—
Transfers	(5,473)	2,800	—
Balance at 31/12/11	**1,497,625**	**(552,069)**	**(3,573)**

"Other Intangible Assets" includes the operating rights of the street furniture contracts, most notably the New York contract, the net amount of which was EUR 435,344 thousand in 2011 (2010: EUR 452,082 thousand) (see Note 3-c).

"Reclassifications to Assets Held for Sale" includes the Giant Cement Holding group and the Energy area (see Note 4).

8. PROPERTY, PLANT AND EQUIPMENT

The detail of the carrying amount of property, plant and equipment at 31 December 2011 and 2010 is as follows:

	Cost	Accumulated depreciation	Impairment	Carrying amount
2011				
Land and buildings	**2,149,757**	**(634,281)**	**(35,230)**	**1,480,246**
Land and natural resources	778,874	(98,217)	(27,751)	652,906
Buildings for own use	1,370,883	(536,064)	(7,479)	827,340
Plant and other items of property, plant and equipment	**8,026,387**	**(4,879,365)**	**(25,355)**	**3,121,667**
Plant	4,420,300	(2,502,941)	(16,496)	1,900,863
Machinery and transport equipment	2,668,562	(1,801,647)	(6,992)	859,923
Property, plant and equipment in the course of construction	116,056	-	-	116,056
Other property, plant and equipment	821,469	(574,777)	(1,867)	244,825
	10,176,144	**(5,513,646)**	**(60,585)**	**4,601,913**
2010				
Land and buildings	**2,322,684**	**(654,579)**	**(38,952)**	**1,629,153**
Land and natural resources	909,499	(91,706)	(37,681)	780,112
Buildings for own use	1,413,185	(562,873)	(1,271)	849,041
Plant and other items of property, plant and equipment	**9,030,024**	**(4,818,240)**	**(7,200)**	**4,204,584**
Plant	5,225,124	(2,530,955)	(4,966)	2,689,203
Machinery and transport equipment	2,727,517	(1,664,633)	(609)	1,062,275
Property, plant and equipment in the course of construction	175,031	-	-	175,031
Other property, plant and equipment	902,352	(622,652)	(1,625)	278,075
	11,352,708	**(5,472,819)**	**(46,152)**	**5,833,737**

The changes in 2010 and 2011 in property, plant and equipment accounts were as follows:

	Land and natural resources	Buildings for own use	LAND AND BUILDINGS	Plant	Machinery and transport equipment	Property, plant and equipment in the course of construction	Other property, plant and equipment	PLANT AND OTHER ITEMS OF PROPERTY, PLANT AND EQUIPMENT	ACCUMULATED DEPRECIATION	IMPAIRMENT
Balance at 31/12/09	**875,388**	**1,398,598**	**2,273,986**	**4,860,102**	**2,661,993**	**344,567**	**892,974**	**8,759,636**	**(5,034,493)**	**(41,651)**
Additions or charge for the year	18,050	24,203	42,253	31,239	146,540	153,902	45,131	376,812	(578,439)	(4,864)
Disposals or reductions	(6,428)	(35,726)	(42,154)	(24,759)	(142,953)	(4,535)	(51,057)	(223,304)	177,793	7,485
Changes in the scope of consolidation, translation differences and other changes	7,125	13,887	21,012	113,006	11,545	30,120	9,922	164,593	(45,038)	(7,122)
Transfers	15,364	12,223	27,587	245,536	50,392	(349,023)	5,382	(47,713)	7,358	—
Balance at 31/12/10	**909,499**	**1,413,185**	**2,322,684**	**5,225,124**	**2,727,517**	**175,031**	**902,352**	**9,030,024**	**(5,472,819)**	**(46,152)**
Additions or charge for the year	2,792	22,447	25,239	31,521	107,371	102,992	55,755	297,639	(495,469)	(47,756)
Disposals or reductions	(675)	(25,725)	(26,400)	(10,554)	(164,620)	(2,004)	(115,643)	(292,821)	240,934	145
Reclassifications to assets held for sale (Note 4)	(144,063)	(66,122)	(210,185)	(958,042)	(26,441)	(54,681)	(33,574)	(1,072,738)	262,678	29,934
Changes in the scope of consolidation, translation differences and other changes	(229)	(11,343)	(11,572)	70,919	(36,230)	(1,274)	(11,719)	21,696	11,840	1,058
Transfers	11,550	38,441	49,991	61,332	60,965	(104,008)	24,298	42,587	(60,810)	2,186
Balance at 31/12/11	**778,874**	**1,370,883**	**2,149,757**	**4,420,300**	**2,668,562**	**116,056**	**821,469**	**8,026,387**	**(5,513,646)**	**(60,585)**

The most significant “additions” in 2011 were the investments made for the performance of contracts in the Services business, mainly by Fomento de Construcciones y Contratas, S.A., amounting to EUR 55,860 thousand (2010: EUR 78,849 thousand) and those made in the Construction business, primarily by the Alpine Bau group, amounting to EUR 58,426 thousand (2010: EUR 62,862 thousand).

Impairment losses in 2011 included most notably EUR 41,642 thousand recognised in the cement business on non-current assets used in aggregate, mortar and concrete production plants that were shut down or had reported losses.

“Disposals or Reductions” includes disposals and inventory reductions relating to assets which, in general, have been depreciated substantially in full since they have reached the end of their useful lives. The most notable disposals in 2011 were those of the buildings situated at Federico Salmón, 13, in Madrid, and at Balmes, 36, in Barcelona, for a total amount, net of accumulated depreciation, of EUR 11,059 thousand. On the same date as the sale of these buildings, in which the Group's Central Services offices are located, an operating lease agreement was entered into for those offices (see Note 10).

“Reclassifications to Assets Held for Sale” in 2011 includes the assets of the Energy area and of Giant Cement Holding Inc., which were transferred because they are assets held for sale (see Note 4).

“Changes in the Scope of Consolidation, Translation Differences and Other Changes” in 2010 include most notably the effect of the appreciation of the pound sterling and the US dollar against the euro, which gave rise to an increase of EUR 82,918 thousand in the property, plant and equipment contributed by the WRG and Giant Cement groups.

The borrowing costs capitalised in 2011 amounted to EUR 834 thousand (2010: EUR 1,842 thousand) and accumulated capitalised borrowing costs amounted to EUR 39,810 thousand (2010: EUR 60,060 thousand).

The Group companies take out the insurance policies they consider necessary to cover the possible risks to which their property, plant and equipment are subject. At 2011 year-end, the Parent considered that the property, plant and equipment were fully insured.

Fully depreciated property, plant and equipment which, being in good working order, are used in production amounted to EUR 2,430,240 thousand at 31 December 2011 (31 December 2010: EUR 2,375,943 thousand).

Of the property, plant and equipment, net of accumulated depreciation, in the accompanying consolidated balance sheet, items located abroad, as indicated in Note 29, amounted to EUR 2,718,464 thousand at 31 December 2011 (31 December 2010: EUR 3,309,959 thousand).

Restrictions on title to assets

Of the total property, plant and equipment in the consolidated balance sheet at 31 December 2011, there are restrictions on title to assets amounting to EUR 1,183,753 thousand (31 December 2010: EUR 1,197,543 thousand), the detail being as follows:

	Cost	Accumulated depreciation	Carrying amount
2011			
Buildings, plant and equipment	2,383,170	(1,326,011)	1,057,159
Other items of property, plant and equipment	231,533	(104,939)	126,594
	2,614,703	**(1,430,950)**	**1,183,753**
2010			
Buildings, plant and equipment	2,313,516	(1,333,041)	980,475
Other items of property, plant and equipment	357,737	(140,669)	217,068
	2,671,253	**(1,473,710)**	**1,197,543**

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

Purchase commitments

In the course of their business activities, the Group companies had formalised property, plant and equipment purchase commitments amounting to EUR 4,219 thousand at 31 December 2011 (31 December 2010: EUR 4,520 thousand), the detail being as follows:

	2011	2010
Buildings for own use	170	1,182
Plant	963	722
Machinery and transport equipment	2,929	2,416
Other items of property, plant and equipment	157	200
	4,219	**4,520**

9. INVESTMENT PROPERTY

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

The detail of “Investment Property” at 31 December 2011 and 2010 is as follows:

	Cost	Accumulated depreciation	Carrying amount
2011			
Investment property	38,123	(3,665)	34,458
	38,123	**(3,665)**	**34,458**
2010			
Investment property			
Torre Picasso	296,079	(60,636)	235,443
Other	26,510	(2,920)	23,590
	322,589	**(63,556)**	**259,033**

The detail of the changes in 2011 and 2010 is as follows:

	Torre Picasso	Other	Total
Balance at 31/12/09	**238,197**	**25,896**	**264,093**
Additions	1,243	2,862	4,105
Disposals	(2)	(228)	(230)
Depreciation and impairment charge	(3,995)	(223)	(4,218)
Changes in the scope of consolidation, translation differences and other changes	-	(91)	(91)
Transfers	-	(4,626)	(4,626)
Balance at 31/12/10	**235,443**	**23,590**	**259,033**
Additions	1,193	11,343	12,536
Disposals	(233,306)	(391)	(233,697)
Depreciation and impairment charge	(4,044)	(805)	(4,849)
Changes in the scope of consolidation, translation differences and other changes	936	711	1,647
Transfers	(222)	10	(212)
Balance at 31/12/11	**-**	**34,458**	**34,458**

The figures included in profit or loss for 2011 and 2010 relating to the operation of the Torre Picasso building were as follows:

	2011	2010
Rental income	25,350	25,371
Transfer of costs to tenants	7,249	7,184
Profit net of taxes	12,723	12,572

On 29 December 2011, the FCC Group sold the Torre Picasso building for EUR 400 million, giving rise to a gain of EUR 135,194 thousand net of costs to sell, which is recognised under "Impairment and Gains or Losses on Disposals of Non-Current Assets" in the accompanying consolidated income statement (see Note 28). As provided for in the sale agreement, the FCC Group undertook to settle the obligations assumed by it under the financing agreement entered into on 18 December 2009, amounting to EUR 250,000 thousand, and cancelled the mortgage that had been taken out on the building and the additional commitments securing the loan.

At 2011 year-end, the Group did not have any firm commitments to purchase or construct investment property.

10. LEASES

a) Finance leases

The detail of the finance leases in force at the end of 2011 and 2010 and of the related cash flows is as follows:

	MOVABLE PROPERTY	REAL ESTATE	TOTAL
2011			
Carrying amount	**153,635**	**18,835**	**172,470**
Accumulated depreciation	79,095	4,337	83,432
Cost of the assets	**232,730**	**23,172**	**255,902**
Finance costs	18,925	9,024	27,949
Capitalised cost of the assets	**251,655**	**32,196**	**283,851**
Lease payments paid in prior years	(109,276)	(11,274)	(120,550)
Lease payments paid in the year	(59,484)	(289)	(59,773)
Lease payments outstanding, including purchase option	**82,895**	**20,633**	**103,528**
Unaccrued finance charges	(3,495)	(4,034)	(7,529)
Present value of lease payments outstanding, including purchase option (Note 21-c and -d)	**79,400**	**16,599**	**95,999**
Contract term (years)	2 to 5	10	
Value of purchase options	4,382	10,760	15,142

	MOVABLE PROPERTY	REAL ESTATE	TOTAL
2010			
Carrying amount	**195,802**	**19,321**	**215,123**
Accumulated depreciation	95,281	3,929	99,210
Cost of the assets	**291,083**	**23,250**	**314,333**
Finance costs	29,283	8,765	38,048
Capitalised cost of the assets	**320,366**	**32,015**	**352,381**
Lease payments paid in prior years	(105,655)	(10,479)	(116,134)
Lease payments paid in the year	(70,474)	(522)	(70,996)
Lease payments outstanding, including purchase option	**144,237**	**21,014**	**165,251**
Unaccrued finance charges	(6,879)	(4,278)	(11,157)
Present value of lease payments outstanding, including purchase option (Note 21-c and -d)	**137,358**	**16,736**	**154,094**
Contract term (years)	2 to 5	10	
Value of purchase options	9,466	10,721	20,187

The detail, by maturity, of the total amount of the lease payments and of their present value at 31 December 2011 and 2010 is as follows:

	Within one year	Between one and five years	After five years	Total
2011				
Lease payments outstanding, including purchase option	**48,870**	**43,796**	**10,862**	**103,528**
Unaccrued finance charges	(3,554)	(3,185)	(790)	(7,529)
Present value of lease payments outstanding, including purchase option	**45,316**	**40,611**	**10,072**	**95,999**
2010				
Lease payments outstanding, including purchase option	**77,376**	**78,415**	**9,460**	**165,251**
Unaccrued finance charges	(5,224)	(5,294)	(639)	(11,157)
Present value of lease payments outstanding, including purchase option	**72,152**	**73,121**	**8,821**	**154,094**

The finance leases arranged by the Group companies do not include lease payments the amount of which must be determined on the basis of future economic events or indices and, accordingly, in 2011 no expense was incurred in connection with contingent rent.

b) Operating leases

The operating lease payments recognised as an expense by the Group as a lessee in the year ended 31 December 2011 amounted to EUR 355,818 thousand (31 December 2010: EUR 375,669 thousand). These payments relate mainly to machinery leased in the construction business and to buildings leased for use by the Group in all the activities carried on by it.

The most noteworthy operating lease, due to its unique nature, is that entered into between the FCC Group and Hewlett Packard Servicios España, S.L. on 19 November 2010, through which the IT Infrastructure Operation Services were outsourced in order to improve efficiency and enable the Group to be more flexible and competitive on an international scale. This lease agreement, which is being applied and implemented from 2011 onwards, has a total cost of EUR 230,915 thousand and a term of seven years.

Also worthy of note is the lease agreement entered into between Fomento de Construcciones y Contratas, S.A. and the new owners of the buildings housing the offices of the FCC Group's Central Services, located at Federico Salmón 13, in Madrid and at Balmes 36, in Barcelona (see Note 8). On 29 December 2011, Fedemés, S.A., a wholly-owned investee of Fomento de Construcciones y Contratas, S.A. and owner of the aforementioned buildings, sold them for EUR 60,000 thousand. On that same date, the buyer company and Fomento de Construcciones y Contratas, S.A. entered into two operating lease agreements on the two buildings for a non-cancellable minimum term of 30 years, extendable at the Group's discretion by two five-year periods, with a combined annual rent of EUR 5,040 thousand, adjustable each year based on the CPI. The buyer, in turn, granted a purchase option to Fomento de Construcciones y Contratas, S.A., which can be exercised only at the end of the lease term at the higher of fair value and the CPI-adjusted selling price.

At 2011 year-end, the non-cancellable future payment obligations relating to operating leases for buildings, structures and IT infrastructure operation services amounted to EUR 931,748 thousand (2010: EUR 801,805 thousand). The detail, by maturity, of the non-cancellable future minimum payments at 31 December 2011 and 2010 is as follows:

	2011	2010
Within one year	169,562	148,815
Between one and five years	509,470	472,600
After five years	252,716	180,390
	931,748	**801,805**

It should be noted that substantially all the operating lease payments recognised as revenue by the Group as a lessor arose from the operation of the Torre Picasso building (see Note 9).

11. SERVICE CONCESSION ARRANGEMENTS

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

The following table includes the total amount of the assets held by the Group companies under service concession arrangements and recognised under "Intangible Assets", "Non-Current Financial Assets", "Current Financial Assets" and "Investments Accounted for Using the Equity Method" in the accompanying consolidated balance sheet at 31 December 2011 and 2010.

	Intangible assets	Financial assets	Jointly controlled entities	Associates	Total investment
2011					
Water services	1,127,147	30,188	81,510	34,420	1,273,265
Motorways and tunnels	190,357	-	424,616	59,912	674,885
Other	129,667	72,651	1,922	86,936	291,176
TOTAL	**1,447,171**	**102,839**	**508,048**	**181,268**	**2,239,326**
Accumulated amortisation	(420,044)	-	-	-	(420,044)
Impairment losses	(4,393)	-	-	-	(4,393)
	1,022,734	**102,839**	**508,048**	**181,268**	**1,814,889**
2010					
Water services	1,169,343	20,110	79,283	24,565	1,293,301
Motorways and tunnels	139,400	-	484,172	40,040	663,612
Other	156,611	73,538	211	103,454	333,814
TOTAL	**1,465,354**	**93,648**	**563,666**	**168,059**	**2,290,727**
Accumulated amortisation	(421,124)	-	-	-	(421,124)
Impairment losses	(3,362)	-	-	-	(3,362)
	1,040,868	**93,648**	**563,666**	**168,059**	**1,866,241**

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

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

It should also be noted that under the concession contracts the concession operators in which the Group holds ownership interests are obliged to purchase or construct, during the term of the related concession, property, plant and equipment items assigned to concessions amounting to EUR 219,769 thousand at 31 December 2011 (31 December 2010: EUR 111,135 thousand).

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

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

	2011	2010
Jointly controlled entities	777,084	878,712
Associates	338,635	344,183
	1,115,719	**1,222,895**

There were no impairment losses in the years ended 31 December 2011 and 2010 since the fair value of the investments accounted for using the equity method was equal to or higher than their carrying amount.

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

a) Jointly controlled entities

The changes in 2011 and 2010 were as follows:

	Acquisitions and disbursements	Profit (Loss) for the year	Dividends paid	Changes in fair value of financial instruments recognised in reserves	Sales	Changes in consolidation method and transfers	Translation differences and other changes	Value of the investment	Loans granted	Total
Balance at 31/12/09								**773,240**	**82,378**	**855,618**
Realia Business Group	112	337	-	(9,242)	-	-	279	(8,514)	1,877	(6,637)
Globalvía Group	-	(20,552)	-	(9,183)	-	-	32,324	2,589	-	2,589
Sociedad Concesionaria Tranvía de Murcia, S.A.	-	-	-	-	-	15,948	-	15,948	6,500	22,448
Proactiva Group	-	5,563	-	1,530	-	-	(3,734)	3,359	-	3,359
Guzmán Energia, S.A.	-	3,751	-	-	-	(3,751)	-	-	-	-
Mercia Waste Management, Ltd.	-	1,569	-	-	-	-	305	1,874	-	1,874
Valenciana de Servicios I.T.V., S.A.	-	1,511	(1,385)	-	(3,289)	-	-	(3,163)	-	(3,163)
Ecoparc del Besòs, S.A.	-	1,089	-	-	-	-	-	1,089	-	1,089
Atlas Gestión Medioambiental, S.A.	-	782	(1,000)	-	-	-	-	(218)	-	(218)
Other	-	8,173	(5,428)	512	-	-	(33)	3,224	(1,471)	1,753
Total 2010	112	2,223	(7,813)	(16,383)	(3,289)	12,197	29,141	16,188	6,906	23,094
Balance at 31/12/10								**789,428**	**89,284**	**878,712**
Realia Business Group	-	374	-	523	-	-	(6,847)	(5,950)	(52,531)	(58,481)
Globalvía Group	-	(14,468)	-	(35,097)	-	-	(9,993)	(59,558)	-	(59,558)
Sociedad Concesionaria Tranvía de Murcia, S.A.	3,400	186	-	8	-	-	-	3,594	644	4,238
Proactiva Group	-	5,665	(3,393)	2,360	-	-	(913)	3,719	-	3,719
ACE Caet XXI Construçoes	-	4,539	(164)	-	-	-	-	4,375	-	4,375
Mercia Waste Management, Ltd.	-	3,093	(9,578)	-	-	-	469	(6,016)	-	(6,016)
Atlántica de Graneles y Moliendas, S.A.	1,250	(906)	-	3	-	-	(77)	270	-	270
Other	988	4,152	(5,569)	(561)	(946)	-	2,065	129	9,696	9,825
Total 2011	5,638	2,635	(18,704)	(32,764)	(946)	-	(15,296)	(59,437)	(42,191)	(101,628)
Balance at 31/12/11								**729,991**	**47,093**	**777,084**

The most significant changes in the foregoing table in 2011 were contributed by the Realia Business and Globalvía Infraestructuras groups. Noteworthy in 2010 was the inclusion of Sociedad Concesionaria del Tranvía de Murcia, S.A., which became a jointly controlled entity in that year.

Following are the main aggregates in the financial statements of the jointly controlled entities, in proportion to the percentage of ownership held therein, at 31 December 2011 and 2010.

	2011	2010
Non-current assets	2,569,146	2,596,336
Current assets	872,011	904,191
Non-current liabilities	1,625,709	1,824,410
Current liabilities	831,542	632,494
Income statement		
Revenue	823,670	774,960
Profit from operations	127,736	117,776
Profit before tax	11,232	14,016
Profit attributable to the Parent	2,635	2,223

The jointly controlled entities engage mainly in the operation of concessions, such as motorways, tunnels and passenger transport, and in the real estate business, which consists of the property investments and residential developments of, respectively, Globalvía Infraestructura, S.A. and Realia Business, S.A.

Guarantees amounting to EUR 333,858 thousand (2010: EUR 323,136 thousand) were provided, mostly to government agencies and private customers, for businesses managed jointly with non-FCC Group third parties, as security for the performance of contracts in the Group's various business activities.

b) Associates

The changes in 2011 and 2010 were as follows:

	Acquisitions and disbursements	Profit (Loss) for the year	Dividends paid	Changes in fair value of financial instruments recognised in reserves	Sales	Translation differences and other changes	Value of the investment	Loans granted	Total
Balance at 31/12/09							**208,000**	**82,136**	**290,136**
Shariket Miyeh Ras Djinet, SpA	971	858	-	-	-	219	2,048	-	2,048
Shariket Tahlya Miyah Mostaganem, SpA	1,489	2,777	-	-	-	459	4,725	-	4,725
Urbs Iustitia Commodo Opera, S.A.	2,417	-	-	-	-	-	2,417	-	2,417
Concessió Estacions Aeroport L9, S.A.	-	12,666	-	6,782	-	-	19,448	11,410	30,858
NIHG South West Health Partnership Ltd.	-	(1,705)	-	(14,954)	-	6	(16,653)	3,964	(12,689)
N6 (Construction) Limited	-	(12,731)	-	-	-	-	(12,731)	-	(12,731)
M50 (D&C) Limited	-	(4,498)	-	-	-	-	(4,498)	-	(4,498)
FCC Elliot Construction Limited	-	3,639	(2,307)	-	-	14	1,346	-	1,346
Urbs Iudex et Causidicus, S.A.	-	1,056	-	(2,378)	-	-	(1,322)	-	(1,322)
Cedinsa	5,576	(1,060)	-	(2,126)	-	-	2,390	-	2,390
Alpine Group companies	-	1,148	-	-	-	(1,222)	(74)	17,905	17,831
Suministros Aguas de Queretaro, S.A.	-	2,034	-	-	-	1,014	3,048	1,867	4,915
Orasqualia Construction S.A.E.	4	2,571	-	-	-	(53)	2,522	4,027	6,549
Other	2,040	1,356	(5,486)	296	(184)	2,304	326	11,882	12,208
Total 2010	12,497	8,111	(7,793)	(12,380)	(184)	2,741	2,992	51,055	54,047
Balance at 31/12/10							**210,992**	**133,191**	**344,183**
Shariket Miyeh Ras Djinet, SpA	802	1,361	-	-	-	166	2,329	-	2,329
Shariket Tahlya Miyah Mostaganem, SpA	-	4,214	-	-	-	284	4,498	-	4,498
Time Group	-	1,196	(385)	-	-	-	811	-	811
Concessió Estacions Aeroport L9, S.A.	-	7,587	-	(33,921)	-	-	(26,334)	-	(26,334)
NIHG South West Health Partnership Ltd.	-	3,064	-	(12,052)	-	(390)	(9,378)	-	(9,378)
N6 (Construction) Limited	-	(7,763)	-	-	-	-	(7,763)	-	(7,763)
M50 (D&C) Limited	-	868	-	-	-	-	868	-	868
FCC Elliot Construction Limited	-	4,309	-	-	-	239	4,548	-	4,548
Urbs Iudex et Causidicus, S.A.	-	1,021	-	(5,089)	-	(3,085)	(7,153)	-	(7,153)
Cedinsa	22,700	1,250	-	(2,003)	-	(2,132)	19,815	-	19,815
Alpine Group companies	-	3,693	-		-	(7,039)	(3,346)	-	(3,346)
Nova Bocana Business, S.A.	2,789	(288)	-	-	-	-	2,501	-	2,501
Orasqualia Construction S.A.E.	-	4,287	(4,661)	-	-	(188)	(562)	-	(562)
Other	6,400	5,852	(7,941)	3,500	-	4,267	12,078	1,540	13,618
Total 2011	32,691	30,651	(12,987)	(49,565)	-	(7,878)	(7,088)	1,540	(5,548)
Balance at 31/12/11							**203,904**	**134,731**	**338,635**

Although there were no significant changes in the valuation of the associates in 2011 or 2010, it should be noted that an investment of EUR 22,700 thousand was made in Cedinsa in 2011.

The detail of the assets, liabilities, revenue and profit or loss for 2011 and 2010 of the associates, in proportion to the percentage of ownership held in each associate, is as follows:

	2011	2010
Non-current assets	1,660,585	1,424,794
Current assets	463,961	418,658
Non-current liabilities	1,561,327	1,228,387
Current liabilities	403,767	411,072
Revenue	410,933	339,376
Profit from operations	92,961	53,714
Profit before tax	41,298	15,856
Profit attributable to the Parent	30,986	8,111

13. JOINTLY MANAGED CONTRACTS

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

Following are the main aggregates of the jointly operated contracts included in the various headings in the accompanying consolidated balance sheet and consolidated income statement, in proportion to the ownership interest held therein, at 31 December 2011 and 2010.

	2011	2010
Non-current assets	134,619	140,654
Current assets	1,451,311	1,486,208
Non-current liabilities	33,104	23,384
Current liabilities	1,086,330	1,132,017
Income statement		
Revenue	1,498,631	1,567,275
Gross profit from operations	132,274	105,166
Net profit from operations	107,729	72,137

At 2011 year-end, the property, plant and equipment purchase commitments entered into directly by the jointly managed contracts amounted to EUR 17,963 thousand (2010: EUR 37,935 thousand), calculated on the basis of the percentage interest held by the Group companies.

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

Guarantees amounting to EUR 604,758 thousand (2010: EUR 776,595 thousand) were provided, mostly to government agencies and private customers, for contracts managed jointly with non-Group third parties, as security for the performance of construction projects and urban cleaning contracts.

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

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

a) Non-current financial assets

The detail of the non-current financial assets at 31 December 2011 and 2010 is as follows:

	Held-for-trading financial assets	Available-for-sale financial assets	Loans and receivables	Held-to-maturity investments	Hedging derivatives	Total
2011						
Equity instruments	—	69,741	—	—	—	69,741
Debt securities	—	1,691	3,166	4,243	—	9,100
Derivatives	12,222		—	—	3,597	15,819
Other financial assets	—	—	362,801	4,538	—	367,339
	12,222	**71,432**	**365,967**	**8,781**	**3,597**	**461,999**
2010						
Equity instruments	—	68,244	—	—	—	68,244
Debt securities	—	2,053	2,242	3,604	—	7,899
Derivatives	11,105	—	—	—	8,163	19,268
Other financial assets	—	—	313,358	7,030	—	320,388
	11,105	**70,297**	**315,600**	**10,634**	**8,163**	**415,799**

a.1) Available-for-sale financial assets

Breakdown of the balance at 31 December 2011 and 2010:

	Effective percentage of ownership	Fair value
2011		
Ownership interests of 5% or more:		
Equipamientos Urbanos de México, S.A. de C.V.	50.00	12,234
World Trade Center Barcelona, S.A.	16.52	11,422
Vertederos de Residuos, S.A.	16.03	9,076
Consorcio Traza, S.A.	16.60	10,290
Alpine Bau Group investees		17,533
Other		7,713
Ownership interests of less than 5%:		
Xfera Móviles, S.A.	3.44	—
Other		1,473
Debt securities		1,691
		71,432
2010		
Ownership interests of 5% or more:		
Equipamientos Urbanos de México, S.A. de C.V.	50.00	12,234
World Trade Center Barcelona, S.A.	16.52	11,422
Vertederos de Residuos, S.A.	16.03	8,998
Consorcio Traza, S.A.	16.60	8,925
Alpine Bau Group investees		16,643
Other		6,135
Ownership interests of less than 5%:		
Xfera Móviles, S.A.	3.44	—
Other		3,887
Debt securities		2,053
		70,297

At 31 December 2011, the Parent, Fomento de Construcciones y Contratas, S.A., had granted loans to Xfera Móviles, S.A. totalling EUR 24,115 thousand (2010: same amount) for which an allowance of EUR 3,685 thousand had been recognised (2010: EUR 22,085 thousand). The EUR 18,400 thousand reversal of this allowance in 2011 is included under “Impairment and Gains or Losses on Disposals of Financial Instruments” in the consolidated income statement. In addition, the Parent has provided guarantees amounting to EUR 13,286 thousand for Xfera Móviles, S.A. (2010: EUR 3,995 thousand).

Also, it should be noted that the 50% ownership interest in the share capital of Equipamientos Urbanos de México, S.A. de C.V. (Eumex) is recognised as an available-for-sale financial asset because the Group does not exercise significant influence over Eumex since, in spite of the equal footing held by it from a legal standpoint, the business relations with the partner-shareholder, which manages Eumex, are neither fluid nor lawful and, consequently, no Group representative participates in any of Eumex's governing bodies.

The changes in the available-for-sale financial assets in 2011 and 2010 were as follows:

	Cost	Impairment	Disposals and reductions	Changes in scope of consolidation, translation differences and other changes	Carrying amount	Changes in fair value	Fair value
Balance at 31/12/09					**70,069**	**(8,484)**	**61,585**
Vertedero de Residuos, S.A.	-	-	-	-	-	1,947	1,947
Consorcio Traza, S.A.	7,560	-	-	-	7,560	-	7,560
Other	645	(271)	(723)	(251)	(600)	(195)	(795)
Total 2010	*8,205*	*(271)*	*(723)*	*(251)*	*6,960*	*1,752*	*8,712*
Balance at 31/12/10					**77,029**	**(6,732)**	**70,297**
Vertedero de Residuos, S.A.	-	-	-	-	-	78	78
Consorcio Traza, S.A.	1,365	-	-	-	1,365	-	1,365
Other	658	(30)	(47)	(921)	(340)	32	(308)
Total 2011	*2,023*	*(30)*	*(47)*	*(921)*	*1,025*	*110*	*1,135*
Balance at 31/12/11					**78,054**	**(6,622)**	**71,432**

a.2) Loans and receivables

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

	2013	2014	2015	2016	2017 and subsequent years	Total
Deposits and guarantees	8,335	682	168	1,202	26,970	37,357
Debt securities	-	-	-	-	3,166	3,166
Non-trade loans	26,380	18,952	20,615	16,319	146,938	229,204
Non-current collection rights - concession arrangement (Notes 3-a and 11)	4,612	4,612	4,612	4,612	77,792	96,240
	39,327	**24,246**	**25,395**	**22,133**	**254,866**	**365,967**

The non-trade loans include mainly the amounts granted to government agencies for the refinancing of debt in the water service and urban cleaning businesses, which earn interest at market rates, in addition to the loans granted to Xfera Móviles, S.A. referred to in the preceding section. In 2011 there were no events that raised doubts concerning the recovery of these loans.

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

a.3) Other non-current financial assets

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

	2013	2014	2015	2016	2017 and subsequent years	Total
Held-to-maturity investments	489	-	13	-	8,279	8,781
Derivatives	4,831	10,988	-	-	-	15,819
	5,320	**10,988**	**13**	**-**	**8,279**	**24,600**

“Derivatives” includes EUR 11,312 thousand relating to the valuation of the call options and cash flow swaps arranged by the Parent in the framework of the share option plan for executives and executive directors (see Notes 19 and 24).

This item also includes the embedded derivative (trigger call option) associated with the convertible bond issue described in Note 18-e.

b) Other current financial assets

The detail of "Other Current Financial Assets" at 31 December 2011 and 2010 is as follows:

	Held-for-trading financial assets	Available-for-sale financial assets	Loans and receivables	Held-to-maturity investments	Hedging derivatives	Total
2011						
Equity instruments	1,083	—	—	—	—	1,083
Debt securities	—	—	1,093	286	—	1,379
Derivatives	—	—	—	—	1,893	1,893
Other financial assets	—	—	388,876	2,458	—	391,334
	1,083	**—**	**389,969**	**2,744**	**1,893**	**395,689**
2010						
Equity instruments	777	1,212	—	—	—	1,989
Debt securities	—	65	368	5,540	—	5,973
Derivatives	—	—	—	—	1,622	1,622
Other financial assets	—	1,208	197,530	17,441	—	216,179
	777	**2,485**	**197,898**	**22,981**	**1,622**	**225,763**

This heading in the accompanying consolidated balance sheet includes current financial assets which, maturing at more than three months in order to cater for certain specific cash situations, are classified as held-for-trading financial assets, available-for-sale financial assets, held-to-maturity investments or loans and receivables, based on the initial nature of the investments.

These assets are unrestricted as to their use, except for "Deposits and Guarantees Given" (EUR 33,655 thousand included under "Other Financial Assets"), which relate to amounts paid to secure certain contracts which will be recovered once the contracts expire.

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

15. INVENTORIES

The detail of "Inventories" at 31 December 2011 and 2010 is as follows:

		2011		2010
Property assets		628,020		522,397
Raw materials and other supplies		396,911		436,919
Construction	258,306		271,887	
Cement	84,138		107,629	
Versia	22,858		27,543	
Environmental services	31,609		28,262	
Other business activities	—		1,598	
Finished goods		37,484		44,091
Advances		208,940		134,968
		1,271,355		**1,138,375**

"Property Assets" includes building lots earmarked for sale that were acquired by the FCC Construcción group mainly in exchange for outstanding or completed construction work. This heading also includes properties in the course of construction, on which there are sale commitments representing a final value on delivery to customers of EUR 91,700 thousand (2010: EUR 263,170 thousand). The advances paid by certain customers for the aforementioned "property assets" are secured by insurance contracts or bank guarantees, pursuant to the requirements of Law 57/68, of 27 July, as amended by Law 38/99, of 5 November. The detail of the main unsold real estate products is as follows:

	2011	2010
Properties at Badalona (Barcelona)	46,167	46,167
Properties at Ensanche Vallecas (Madrid)	25,206	25,206
Properties at Sant Joan Despí (Barcelona)	56,453	56,453
Properties at Tres Cantos (Madrid)	101,059	85,162
Residential development - Pino Montano (Seville)	38,284	17,520
Residential development - Tres Cantos (Madrid)	66,736	23,922
Residential development - Terrenos Gran Vía - Hospitalet (Barcelona)	25,136	25,136
Residential development - Vitoria (Álava)	22,620	40,712
Building - Calle Barquillo (Madrid)	24,600	—
Other properties and developments	128,149	101,877
	534,410	**422,155**

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

At 2011 year-end there were no significant property asset sale or purchase commitments.

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

Inventory write-downs totalled EUR 15,186 thousand at 31 December 2011 (2010: EUR 13,138 thousand).

At 31 December 2011, there were no material differences between the fair value and the carrying amount of the assets recognised.

16. TRADE AND OTHER RECEIVABLES

a) Trade receivables for sales and services

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

The detail of the balance of accounts receivable from non-Group debtors at 31 December 2011 and 2010 is as follows:

	2011	2010
Progress billings receivable and trade receivables for sales	3,695,674	3,670,395
Amounts to be billed for work performed	926,689	875,895
Retentions	83,205	103,261
Production billed to associates and jointly controlled entities	248,245	289,023
Trade receivables for sales and services	4,953,813	4,938,574
Advances received on orders (Note 23)	(1,156,610)	(936,794)
Total net balance of trade receivables for sales and services	**3,797,203**	**4,001,780**

The foregoing total is the net balance of trade receivables, after considering the adjustments for the risk of doubtful debts amounting to EUR 192,904 thousand (31 December 2010: EUR 193,233 thousand) and after deducting the balance of the item “Trade and Other Payables - Advances Received on Orders” on the liability side of the accompanying consolidated balance sheet. This item also includes the amounts of progress billings in various connections, irrespective of whether or not they have been collected.

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

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

At 2011 year-end, trade receivables amounting to EUR 816,570 thousand had been factored to banks without recourse against the Group companies in the event of default (31 December 2010: EUR 574,236 thousand). This amount was deducted from the balance of "Progress Billings Receivable and Trade Receivables for Sales". Also, the Group sold EUR 251,141 thousand of future collection rights arising from construction project contracts awarded under the lump-sum payment method (31 December 2010: EUR 219,975 thousand). This amount was deducted from the balance of "Amounts to Be Billed for Work Performed".

b) Other receivables

The detail of "Other Receivables" at 31 December 2011 and 2010 is as follows:

	2011	2010
VAT refundable (Note 25)	150,806	175,878
Other tax receivables (Note 25)	69,954	61,049
Other receivables	290,065	271,942
Advances and loans to employees	3,878	5,914
Total other receivables	**514,703**	**514,783**

17. CASH AND CASH EQUIVALENTS

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

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

The detail, by currency, of cash and cash equivalents for 2011 and 2010 is as follows:

	2011	2010
Euro	1,930,208	1,287,553
US dollar	66,859	66,554
Pound sterling	132,741	100,886
Czech koruna	34,981	41,222
Europe (other currencies)	82,645	111,842
Latin America (various currencies)	34,053	25,670
Other	21,154	44,924
Total	**2,302,641**	**1,678,651**

18. EQUITY

The accompanying consolidated statements of changes in equity for the years ended 31 December 2011 and 2010 show the changes in equity attributable to the shareholders of the Parent and to the non-controlling interests in those years.

I. Equity attributable to the Parent

a) Share capital

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

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

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

The only investment of 10% or more owned directly or indirectly (through subsidiaries) by other companies, according to the information provided pursuant to current legislation, is that held by B-1998, S.L., which has a direct and indirect ownership interest of 53.829% in the share capital.

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

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

b) Retained earnings and other reserves

The breakdown of “Retained Earnings and Other Reserves” in the accompanying consolidated balance sheet at 31 December 2011 and 2010 is as follows:

	2011	2010
Reserves of the Parent	1,132,022	1,109,873
Consolidation reserves	1,837,632	1,701,384
	2,969,654	**2,811,257**

b.1) Reserves of the Parent

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

The detail at 31 December 2011 and 2010 is as follows:

	2011	2010
Share premium	242,133	242,133
Legal reserve	26,113	26,113
Reserve for retired capital	6,034	6,034
Voluntary reserves	857,742	835,593
	1,132,022	**1,109,873**

Share premium

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

Legal reserve

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

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

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

At 31 December 2011, the Parent's legal reserve had reached the stipulated level.

Reserve for retired capital

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

Voluntary reserves

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

b.2) Consolidation reserves

"Consolidation Reserves" in the accompanying consolidated balance sheet includes the consolidated reserves generated in each of the business areas since their inclusion in the Group. In accordance with IAS 27, Consolidated and Separate Financial Statements, it also includes those arising from changes in the ownership interests in Group companies, where control is maintained, at the difference between the amount of the further acquisition or sale and the carrying amount of the ownership interest. The detail of the amounts included under "Consolidation Reserves" at 31 December 2011 and 2010 is as follows:

	2011	2010
Environmental services	280,463	230,477
Versia	69,780	29,698
Construction	426,367	414,836
Cement	583,867	587,675
Energy	(12,666)	364
Corporate	489,821	438,334
	1,837,632	**1,701,384**

In addition, also in accordance with IAS 27, the Construction consolidated reserves include EUR 29,365 thousand due to the final agreement on the exercise of the purchase option for the remaining 17% of the share capital of Alpine Holding GmbH (see Note 21).

c) Treasury shares

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

The Board of Directors and the subsidiaries were authorised by the shareholders at the Annual General Meeting of Fomento de Construcciones y Contratas, S.A. to derivatively acquire treasury shares, with the limits and in accordance with the requirements of Article 144 et seq of the Limited Liability Companies Law.

The changes in treasury shares in 2011 and 2010 were as follows:

Balance at 31 December 2009	**(270,882)**
Sales	47
Acquisitions	(76,080)
Balance at 31 December 2010	**(346,915)**
Sales	2,872
Acquisitions	(3,436)
Balance at 31 December 2011	**(347,479)**

The detail of treasury shares at 31 December 2011 and 2010 is as follows:

	2011		2010	
	Number of shares	Amount	Number of shares	Amount
Fomento de Construcciones y Contratas, S.A.	3,278,047	(89,476)	3,182,582	(89,130)
Asesoría Financiera y de Gestión, S.A.	9,418,830	(258,003)	9,432,369	(257,785)
TOTAL	12,696,877	(347,479)	12,614,951	(346,915)

At 31 December 2011, the shares of the Parent owned by it or by its subsidiaries represented 9.97% of the share capital (31 December 2010: 9.91%).

d) Interim Dividend

On 15 December 2011, it was resolved to distribute to the shareholders of Fomento de Construcciones y Contratas, S.A. an interim dividend out of profit for 2011 equal to 65% gross of the par value of the shares, i.e. EUR 0.65 per share. The total amount of this dividend, EUR 80,616 thousand, was paid on or after 10 January 2012 on outstanding shares carrying dividend rights (see Note 21-d).

e) Other equity instruments

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

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

- The amount of the issue is EUR 450,000,000 with a maturity date of 30 October 2014.
- The bonds were issued at par and with a face value of EUR 50,000.
- The bonds accrue interest at a fixed annual rate of 6.5% payable every six months.
- The exchange price of the bonds for shares of the Company is EUR 39.287 per share, which means that each bond will be convertible into 1,272.68 ordinary shares.
- The bonds are convertible or redeemable at the option of the holder or at the option of Fomento de Construcciones y Contratas, S.A., and the terms and conditions for the exercise of the option are included in the "Issue Agreement". Both newly issued shares and old shares held by the Parent may be delivered.
- This issue is backed by the Company's equity and there are no other special third-party guarantees.
- The issue is underwritten by financial institutions and is intended for qualified international investors.

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

I) Pursuant to Article 414 of the Consolidated Spanish Limited Liability Companies Law, to increase share capital by the amount required to attend to requests by the holders of the bonds to convert them, up to an initially envisaged maximum of EUR 12 million, but subject to possible amendments in accordance with the provisions of the “Issue Agreement”.
II) To approve a buy back programme of the Company's treasury shares for the sole purpose of meeting the obligations to deliver treasury shares resulting from the bond issue and capital reduction of the Company mentioned in the following paragraph.
III) To reduce the share capital by means of the redemption of the shares purchased under the buy back programme mentioned above or of the treasury shares already held, including for such purposes the treasury shares made available through a loan to the underwriters of the transaction. This capital reduction may be for a maximum nominal amount equivalent to the number of new shares issued by the Company to meet the requests to exchange the bonds.

In relation to the Company's treasury share buy back programme, it should be noted that, due to the existing treasury share position and the number of shares required to cover the possible conversion or exchange of the bonds, equivalent to 9.11% of the share capital, there is no dilution risk for the current shareholders arising from the bond issue.

At 31 December 2011 the number of loaned securities was 1,144,605 (2010: 1,313,322 shares).

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

f) Valuation adjustments

The detail of "Valuation Adjustments" at 31 December 2011 and 2010 is as follows:

	2011	2010
Changes in fair value of financial instruments	(317,523)	(178,385)
Translation differences	(116,617)	(98,751)
	(434,140)	**(277,136)**

f.1) Changes in fair value of financial instruments

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

The detail of the adjustments due to changes in the fair value of financial instruments at 31 December 2011 and 2010 is as follows:

	2011		2010	
Available-for-sale financial assets		(2,415)		(2,467)
World Trade Center Barcelona, S.A.	3,363		3,363	
Vertederos de Residuos, S.A.	7,968		7,890	
SCL Terminal Aéreo de Santiago, S.A.	1,165		1,165	
Xfera Móviles, S.A.	(14,900)		(14,900)	
Other	(11)		15	
Financial derivatives		(315,108)		(175,918)
Fomento de Construcciones y Contratas, S.A.	(43,099)		(33,248)	
Azincourt Investment, S.L.	(19,463)		(25,218)	
Urbs Iudex et Causidicus, S.A.	(26,203)		(18,029)	
Realia Business Group	(16,874)		(17,396)	
NIHG South West Health Partnership	(27,006)		(14,954)	
Globalvía Group	(54,248)		(12,438)	
WRG Group	(23,400)		(10,616)	
Portland, S.L.	(4,031)		(8,548)	
Cementos Portland Valderrivas Group	(1,785)		(5,865)	
Concessió Estacions Aeroport L9, S.A.	(34,798)		(903)	
Energy Group	(36,373)		(4,688)	
Other	(27,828)		(24,015)	
		(317,523)		**(178,385)**

f.2) Translation differences

The detail of the amounts included under "Translation Differences" for each of the most significant companies at 31 December 2011 and 2010 is as follows:

	2011		2010	
European Union:				
Waste Recycling Group	(106,497)		(126,298)	
Dragon Alfa Cement Limited	(2,178)		(2,382)	
Other	(3,065)	(111,740)	(5,704)	(134,384)
USA:				
Giant Cement Holding, Inc.	(4,024)		(7,401)	
Cemusa Group	(4,910)		(4,652)	
Other	1,417	(7,517)	135	(11,918)
Latin America:				
Globalvía Group	34,523		46,259	
FCC Construcción de Centroamérica, S.A.	(1,927)		(2,277)	
Proactiva Group	(8,114)		(7,475)	
Cemusa Group	2,042		2,544	
Other	(720)	25,804	1,626	40,677
Alpine Bau Group companies		(20,626)		1,814
Other currencies		(2,538)		5,060
		(116,617)		**(98,751)**

The changes in 2011 were due mainly to the depreciation of various Latin American currencies against the euro, which was offset in part by the appreciation of sterling and the dollar against the euro.

Net investment abroad in currencies other than the euro represented approximately 56.9% of the FCC Group's equity (2010: 50.1%).

The detail, by geographical market, of this net investment, after translation to euros as described in Note 3-k, is as follows:

	2011	2010
UK	942,542	853,086
USA	366,987	312,353
Latin America	228,427	217,876
Czech Republic	120,558	92,304
Other	148,785	131,809
	1,807,299	**1,607,428**

g) Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to the Parent by the weighted average number of ordinary shares outstanding in 2011, resulting in earnings per share of EUR 0.94 (2010: EUR 2.60).

In relation to the bond issue described in paragraph e) above, it should be noted that dilutive effects could exist if the bondholders were to exercise the conversion option under certain conditions. Under IAS 33, Earnings per Share, diluted earnings per share shall be calculated by adjusting the weighted average number of shares outstanding under the assumption that all the bonds have been converted into ordinary shares. In addition, the profit attributable to the Parent shall be adjusted by increasing it by the amount of the interest, net of the tax effect, relating to the bonds recognised in the accompanying consolidated income statement. In accordance with the resulting calculations, in 2011 there was no dilution of the earnings per share, whereas in 2010 the diluted earnings per share were EUR 2.56.

II. Non-controlling interests

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

The detail of "Non-Controlling Interests" at 31 December 2011 and 2010 in relation to the main companies is as follows:

	Equity			
	Share capital	Reserves	Profit or loss	Total
2011				
Cementos Portland Valderrivas Group	15,802	586,233	(102,482)	499,553
Alpine Bau Group	15	6,872	(4,703)	2,184
Other	23,103	9,365	1,851	34,319
	38,920	**602,470**	**(105,334)**	**536,056**
2010				
Cementos Portland Valderrivas Group	15,843	573,253	10,101	599,197
Alpine Bau Group	19	6,030	(1,454)	4,595
Other	18,123	17,773	3,683	39,579
	33,985	**597,056**	**12,330**	**643,371**

19. SHARE-BASED PAYMENT TRANSACTIONS

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

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

First tranche

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

Second tranche

- Commencement date: 06 February 2009.
- Exercise period: from 06 February 2012 to 05 February 2014.
- Number of shares: 1,500,000 shares, of which 147,500 correspond to executive directors and senior executives (12 persons) and the remaining 1,352,500 to other executives (225 persons).
- The option exercise price is EUR 24.71 per share.

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

At 31 December 2011, EUR 2,323 thousand in staff costs (the same amount as in 2010) (see Note 28-c), net of the hedges indicated in the following paragraph, had accrued in relation to the obligations to employees, while the provision recognised in the accompanying consolidated financial statements amounted to EUR 2,054 thousand (2010: EUR 1,439 thousand).

In order to hedge the risk of a rise in the share price, the Group has arranged with financial institutions a call option and a put option for each of the tranches described above, together with an interest rate/dividend swap with the same exercise price, nominal amount and maturity as the plan. The treasury shares linked to this hedge were delivered to the aforementioned financial institutions.

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

The change in the fair value of the financial derivatives that do not qualify for hedge accounting represented a gain in 2011 of EUR 14,400 thousand (2010: a loss of EUR 24,286 thousand). For information on the fair value of the financial derivatives see Notes 24 and 28-g to these consolidated financial statements.

Lastly, it should be noted in relation to the first tranche that no options were exercised within the exercise period relating to 2011 and, accordingly, no amounts were settled.

20. NON CURRENT AND CURRENT PROVISIONS

The detail of the provisions at 31 December 2011 and 2010 is as follows:

	2011		2010	
Non current		**1,083,109**		**1,047,836**
Non current employee benefit obligations	88,342		108,814	
Dismantling, removal and restoration of non-current assets	132,356		187,683	
Environmental activities	217,850		199,282	
Litigation	194,496		171,703	
Contractual and legal guarantees and obligations	113,931		116,746	
Other non current provisions	336,134		263,608	
Current		**178,887**		**143,233**
Construction contract settlement and project losses	163,605		130,369	
Other current provisions	15,282		12,864	

The changes in “Non current Provisions” and "Current Provisions" in 2011 and 2010 were as follows:

	Non current provisions	Current provisions
Balance at 31/12/2009	**906,535**	**110,773**
Environmental expenses for the removal or dismantling of assets	36,633	—
Provisions recognised/(reversed)	142,907	33,735
Amounts used	(49,844)	(131)
Changes in the scope of consolidation, translation differences and other changes	11,605	(1,144)
Balance at 31/12/2010	**1,047,836**	**143,233**
Environmental expenses for the removal or dismantling of assets	38,682	-
Provisions recognised/(reversed)	106,655	41,032
Amounts used	(70,574)	(37)
Transfer to "Liabilities Associated with Non-Current Assets Classified as Held for Sale"	(41,906)	—
Changes in the scope of consolidation, translation differences and other changes	2,416	(5,341)
Balance at 31/12/2011	**1,083,109**	**178,887**

The provisions recognised in 2011 include EUR 26,128 thousand (2010: EUR 17,732 thousand) relating to the adjustment for provision discounting.

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

The transfer to "Liabilities Associated with Non-Current Assets Classified as Held for Sale" relates to EUR 29,791 thousand of Giant Cement Holding, Inc. and EUR 12,115 thousand of the Energy business.

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

The timing of the expected outflows of economic benefits at 31 December 2011 arising from the obligations covered by non-current provisions is as follows:

	Within five years	After five years	Total
Long-term employee benefit obligations	7,169	81,173	88,342
Dismantling, removal and restoration of non-current assets	78,259	54,097	132,356
Environmental activities	63,541	154,309	217,850
Litigation	64,934	129,562	194,496
Contractual and legal guarantees and obligations	87,581	26,350	113,931
Other provisions	105,703	230,431	336,134
	407,187	**675,922**	**1,083,109**

Long-term employee benefit obligations

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

Environmental provisions

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

FCC Group management considers that the Group companies' contingencies relating to environmental protection and improvement at 31 December 2011 would not have a significant impact on the accompanying consolidated financial statements, which include provisions to cover any probable environmental risks that might arise.

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

Provisions for litigation

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

Contractual and legal guarantees and obligations

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

Provisions for construction contract settlements and project losses

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

Provisions for other contingencies and charges

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

This heading also includes the Group's obligations relating to share-based payments. Note 19, “Share-based Payment Transactions" includes details on the characteristics of these obligations.

21. NON-CURRENT AND CURRENT FINANCIAL LIABILITIES

The FCC Group's general policy is to provide all the Group companies with the financing that is best suited to the normal conduct of their business activities. In this connection, the Group companies are furnished with the credit facilities required to cater for their budgetary plans, which are monitored on a monthly basis. Also, risk is generally spread over various banks and the Group companies currently have credit facilities with more than 130 financial institutions.

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

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

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

On 1 June 2011 the Alpine Group made a EUR 90,000 thousand bond placement on the corporate fixed-rate markets. The issue was for a term of five years with a single repayment at the end of that term and an annual coupon of 5.25%. The funds were used to cover corporate needs of the Alpine Group.

The main characteristics of the non-current and current debt instruments arranged by the Group in prior years and maintained in 2011 are as follows:

The new issue launched in 2011 by the Alpine Group as described in the previous paragraph joined the issue launched in July 2010 for a total amount of EUR 100,000 thousand. The issue was for a term of five years with a single repayment at the end of that term and an annual coupon of 5.25%.

On 30 October 2009, the Parent launched an issue of subordinated convertible bonds amounting to EUR 450,000 thousand. This issue was intended for international institutional investors. The purpose of the issue was to strengthen the balance sheet equity structure due to the fact that the bonds are convertible and subordinate to the corporate loans arranged by the Parent, and to diversify the Group's financing base, by supplementing the bank financing.

In accordance with applicable accounting regulations, in addition to their financial component, the convertible bonds have another component that is recognised in equity as described in Note 18-e to these consolidated financial statements. Note 18-e also describes the terms of the convertible bond issue. The balance recognised in this connection at 31 December 2011 under "Debt Instruments and Other Marketable Securities" in the accompanying consolidated balance sheet amounts to EUR 433,436 thousand. These bonds traded at 87.45% of par at 31 December 2011 according to Bloomberg.

Also, in 2005 Severomoravské Vodovody a Kanalizace Ostrava, A.S. (SmVaK) issued non-convertible bonds amounting to CSK 2,000,000 thousand (EUR 77,594 thousand) at 31 December 2011. These bonds, which were traded on the Prague Stock Exchange, mature in 2015 and bear nominal interest of 5%. As security for this issue, the Czech company is obliged not to grant additional pledges on its assets to third parties, not to sell assets above a certain cumulative value and not to incur indebtedness over a certain amount.

b) Non-current and current bank borrowings

The detail at 31 December 2011 and 2010 is as follows:

		Non-current		Current		Total
2011						
Credit facilities and loans		2,743,522		3,530,437		6,273,959
Limited recourse project financing loans		843,982		954,128		1,798,110
Waste Recycling Group	668,974		62,170		731,144	
Uniland Group	—		647,171		647,171	
Other	175,008		244,787		419,795	
		3,587,504		**4,484,565**		**8,072,069**
2010						
Credit facilities and loans		4,499,894		1,394,259		5,894,153
Limited recourse project financing loans		1,759,456		132,276		1,891,732
Waste Recycling Group	714,595		48,459		763,054	
Uniland Group	632,919		56,009		688,928	
Other	411,942		27,808		439,750	
Liabilities associated with non-current assets classified as held for sale (see Note 4)		629,995		108,941		738,936
		6,889,345		**1,635,476**		**8,524,821**

The main characteristics of the most significant non-current and current bank borrowings arranged by the Group in 2011 are as follows:

- On 11 August 2011 the Parent entered into a syndicated loan to finance part of the 2011 investment plan for EUR 120,000 thousand which matures in three years (11 August 2014). The participating banks are ICO, BBVA and Santander. The first repayment of 20% falls due in 2013 and the rest upon maturity.

- To optimise the Group's treasury share position, on 15 April 2011 the Parent executed a transaction with Societé Generale on 6,165,000 treasury shares of FCC, S.A. without losing control thereof, in order to obtain EUR 127,920 thousand in liquidity. This transaction, with an initial maturity date of 14 October 2011, was renewed and the original terms and conditions were amended. EUR 32,930 thousand of the debt was repaid and at 31 December 2011, the outstanding debt in relation to this transaction amounted to EUR 95,036 thousand. On 16 January 2012 it was renewed once again with a maturity date of 16 April 2012 under the same terms and conditions as those in force at the end of 2011.

The credit facilities and loans arranged by the Group in prior years and maintained in 2011 notably include the following:

- On 30 July 2010, the Parent refinanced the syndicated loan for EUR 1,225 million that matured on 8 May 2011, under a forward start arrangement. This loan matures in three years (8 May 2014) with repayment of 50% in 2013. It consists of three tranches: the first, a EUR 735 million loan, the second, a EUR 490 million credit facility and the third, a new money tranche of EUR 62 million available from 1 January 2011. Therefore, the amount of the new transaction totals EUR 1,287 million. This loan had been drawn down in full at 31 December 2011.

- On 22 December 2010. the Alpine Group signed a syndicated financing facility amounting to EUR 160,000 thousand and maturing on 22 December 2013. The agreement consists of two tranches:

  a) One tranche, 50% of which is backed by the Austrian government under the Austrian Enterprise Liquidity Support Law ("ULSG"), approved in August 2009 to strengthen the liquidity of Austrian companies, whereby the Austrian government provides access to liquidity to encourage investment and growth through a programme of government guarantees. The cost of this tranche is fixed. This is the second financing facility under this structure executed by the Alpine Group.

  b) Another commercial tranche, the cost of which is determined on the basis of the net debt/EBITDA ratio.

  This financing was paid out in full in January 2011, thereby enabling Alpine to make repayments relating to 2011 early.

- On 29 April 2009, the Parent arranged a syndicated loan of EUR 375,000 thousand which was extended on 4 and 27 May to a total of EUR 451,000 thousand, divided into two tranches: the first, a long-term loan of EUR 225,500 thousand and the second, a long-term credit facility of EUR 225,500 thousand. The syndicated loan has a term of three years, a single maturity, 28 April 2012, and bears interest at Euribor plus a spread established on the basis of the FCC Group’s debt ratio as per the financial statements for each year.

- On 23 October 2009 the Parent arranged a long-term credit facility of EUR 175,000 thousand with the European Investment Bank (EIB) which matures on 6 November 2012 and may be extended to 2015. The stipulated price is 3-month Euribor plus a fixed spread.

  The loan was granted to finance and develop the following environmental investments:

  a) the acquisition of a fleet of 1,900 vehicles equipped with the latest technology to provide urban cleaning services in 130 municipalities in Spain.
  b) financing of related investments (acquisition of filling stations, vehicle cleaning devices and wastewater treatment plants) and
  c) the development of hybrid electric vehicles for intensive use, which are more energy efficient and use harmless fuels, thereby reducing the emission of polluting gases.

- On 9 December 2009, the Alpine Group arranged a syndicated financing facility amounting to EUR 200,000 thousand and maturing on 31 October 2014. The agreement has the same characteristics as the agreement executed on 22 December 2010 which is described above.

- On 9 December 2009, Aqualia Gestión Integral del Agua, S.A. (wholly owned by the FCC Group) refinanced a corporate loan signed in 2006 of CSK 4,800,000 thousand (approximately EUR 190 million) for the acquisition of the company Severomoravské Vodovody a Kanalizace Ostrava, A.S.(SmVaK). The refinancing is structured in two tranches: one corporate tranche at Aqualia Gestión Integral del Agua, S.A and a limited recourse loan signed by the newly created company Aqualia Chech, S.L. (wholly owned by the FCC Group), which holds 98.68% of the share capital of SmVaK.

  The characteristics of the two tranches are as follows:

  a) A multi-currency euro and Czech Republic koruna corporate loan of EUR 71,750 thousand and CSK 967,220 thousand which matures in 2012.
  b) A limited resource loan of CSK 2,000,000 thousand maturing in 2015.

  The stipulated price consists of the reference index (Euribor or Pribor) plus a fixed spread in the case of the corporate financing and another calculated on the basis of the debt service coverage ratio for the limited resource financing.

- On 18 December 2009, the FCC Group arranged long-term limited recourse financing of EUR 250,000 thousand which matures in 2024 and bears interest at Euribor plus a spread stipulated in the agreement. This loan is secured by a mortgage on the Torre Picasso building under the terms and conditions indicated in Note 9 to these consolidated financial statements and had been repaid prior to the formal preparation of these consolidated financial statements.

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

  a) The first, a long-term loan of USD 40,000 thousand granted to the Parent. USD 8,000 thousand were repaid on 10 October 2011.
  b) The second, a long-term credit facility of USD 58,900 thousand granted to Dédalo Patrimonial S.L. USD 11,780 thousand were repaid on 10 October 2011.
  c) The third, a long-term loan of USD 88,000 thousand granted to Dédalo Patrimonial S.L. USD 17,600 thousand were repaid on 10 October 2011.

  The established price comprises the reference rate (Libor) plus a spread based on the variation in the consolidated net debt/consolidated EBITDA ratio.

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

In addition, Azincourt Investment, S.L. obtained a syndicated loan of a maximum of GBP 625,000 thousand (approximately EUR 726 million) which had been drawn down in full at year-end. The loan is repayable in half-yearly instalments until 2013. The interest rate is Libor plus a 1.05% annual spread payable in an interest period of one, three or six months at the borrower's discretion.

- A long-term syndicated financing facility of EUR 800,000 thousand arranged by the Parent, maturing on 19 July 2012 with the possibility of an extension until 2014. The agreement is divided into two tranches: the first is a long-term loan of EUR 280,000 thousand, 50% of which had been repaid at 31 December 2011 and the second is a long-term loan of EUR 520,000 thousand. The established price comprises the reference rate (Euribor) plus a spread based on the variation in the consolidated net debt/consolidated EBITDA ratio.

- Senior management of the FCC Group expects to bring the refinancing processes of the financial debt maturing in 2012 which are described in the preceding paragraphs to a successful conclusion.

- In August 2010 Cementos Portland Valderrivas arranged the refinancing of a loan of EUR 150,000 thousand. This loan is repayable in half-yearly instalments of EUR 15,000 thousand each from August 2011 until the final instalment of EUR 75,000 thousand in February 2014. The loan bears interest at Euribor plus a spread of 2.95%. There are two interest rate hedges on this financing, one with a fixed rate of 2.20% for a notional amount of EUR 81 million and another with 1.618% for a notional amount of EUR 27 million which expire in February 2012.

- In August 2006 Cementos Portland Valderrivas arranged a long-term syndicated loan of a maximum of EUR 780,000 thousand to finance in part the purchase of shares of Corporación Uniland through the Group company Portland S.L. This loan is repayable in half-yearly instalments from 15 January 2007 and matures in 2012. The interest rate is Euribor plus a spread calculated on the basis of the variation in the net financial debt/EBITDA ratio. At 31 December 2011, a total of EUR 354,545 thousand had been drawn down.

  In addition, Portland, S.L. obtained a syndicated loan for a maximum amount of EUR 800,000 thousand, EUR 635,633 thousand of which had been drawn down at the end of 2011. This loan is repayable in half-yearly instalments until 2013, with a final payment of 70% of the capital drawn down. The shares of Corporación Uniland, S.A. were pledged to secure this loan and there is no possibility of recourse to the Parent. This loan is subject to the achievement of certain ratios relating to the coverage of the financial burden and to levels of net financial debt in relation to the gross profit from operations in the consolidated financial statements of Portland, S.L. and the Corporación Uniland Group.

  The accompanying consolidated balance sheet at 31 December 2011 discloses a working capital deficiency of EUR 623 million, EUR 463 million of which are contributed by the Cementos Portland Valderrivas Group due to the classification under "Current Liabilities" of the syndicated loans arranged in 2006 to finance the purchase of shares of Corporación Uniland, S.A. for an outstanding amount of EUR 988,550 thousand, because certain ratios had not been achieved at 31 December 2011. This financing is guaranteed by various companies in the aforementioned Group.

This Group is also involved in a process to refinance its main loans which is expected to be concluded successfully in the first half of 2012 in order to align its debt servicing requirements with the funds that the Group is expected to generate in the current economic context. In this connection, the Group is finalising the preparation of a business plan for the 2012-2016 period to be submitted to the creditor banks as part of the aforementioned refinancing process. The sale of the subsidiary Giant Cement Holding, Inc. (see Note 4) that Group management and the directors expect to complete in the coming months will help the Group to face the refinancing process with greater guarantees of success.

The detail of the bank borrowings, by currency and amounts drawn down at 31 December 2011 and 2010, is as follows:

	Euros	US dollar	Pound sterling	Czech koruna	Brazilian real	Other	Total
2011							
Credit facilities and loans	5,875,967	165,734	127,670	30,116	13,489	60,983	6,273,959
Limited recourse project financing loans	1,045,881	—	731,145	—	—	21,084	1,798,110
	6,921,848	**165,734**	**858,815**	**30,116**	**13,489**	**82,067**	**8,072,069**
2010							
Credit facilities and loans	5,498,862	343,916	148,340	33,488	7,064	52,045	6,083,715
Limited recourse project financing loans	1,644,593	—	763,053	—	—	33,460	2,441,106
	7,143,455	**343,916**	**911,393**	**33,488**	**7,064**	**85,505**	**8,524,821**

The credit facilities and loans denominated in US dollars are being used mainly to finance assets in the Services area, such as the purchase of FCC Environmental LLC in 2008, in the Construction area in companies in Central America and in the Versia Group in the United States; those arranged in pounds sterling relate to the financing of the assets of the WRG Group (Waste Recycling Group Ltd) in the United Kingdom; and those arranged in Czech koruna are being used to finance the operations of SmVaK (Severomoravské Vodovody a Kanalizace Ostrava, A.S.) and the assets of the Alpine Bau Group in the Czech Republic.

The credit facilities and loans denominated in Brazilian reals and other currencies are being used to finance the assets of Cemusa in Brazil, the positions of the Alpine Bau Group and A.S.A. in currencies other than the euro in Eastern Europe and the operations of the Uniland Group in Tunisia.

With regard to the FCC Group's financing, besides the financing mentioned above of the Cementos Portland Valderrivas Group, it should be noted that certain ratios must be met concerning coverage of financial expenses and levels of net debt in relation to EBITDA. The ratios established were being met at year-end.

c) Other non-current financial liabilities

	2011	2010
Non-current		
Obligations under finance leases	50,683	81,942
Borrowings - non-Group third parties	35,146	162,446
Liabilities relating to financial derivatives	200,174	212,709
Guarantees and deposits received	29,846	29,745
Street furniture contract financing	556,569	563,589
Other	5,845	16,675
	878,263	**1,067,106**

Until 2010 "Borrowings - Non-Group Third Parties" in the above table included the purchase option granted by FCC Construcción, S.A. to a non-controlling interest in Alpine Holding GmbH. on 17% of its investment therein. In 2011 the non-controlling interest exercised part of the sale option which resulted in the FCC Group holding 86.5% of that Group. In parallel, also in 2011 it was resolved to exercise the remaining 13.5% in January 2012 and the amount was reclassified to "Other Current Liabilities" (see Note 21-d).

As regards "Liabilities Relating to Financial Derivatives", the detail of which is provided in Note 24 "Derivative Financial Instruments", the following is noteworthy: on the one hand, the EUR 42,789 thousand (2010: EUR 56,399 thousand) relating to the fair value of the put option on FCC treasury shares associated with the share option plan for executives and executive directors indicated in Note 19 and, on the other hand, the financial derivatives designated as hedging instruments, mainly interest rate swaps.

"Street Furniture Contract Financing" includes the payment obligations acquired by the FCC Group due to the operating rights arising from the street furniture operating contracts (see Notes 2 and 7).

d) Other current financial liabilities

	2011	2010
Current		
Obligations under finance leases	45,316	72,152
Interim dividend payable	80,820	89,950
Borrowings - non-Group third parties	59,504	19,706
Payable to non-current asset suppliers and notes payable	40,543	56,888
Payable to associates and joint ventures	27,127	17,483
Liabilities relating to financial derivatives	14,055	13,378
Guarantees and deposits received	5,475	13,232
Street furniture contract financing	59,721	59,405
Other	2,853	2,428
	335,414	**344,622**

"Other Current Financial Liabilities" includes various payables, notably the Parent's interim dividends payable amounting to EUR 80,616 thousand in 2011 (2010: EUR 88,746 thousand) and EUR 52,560 thousand relating to the settlement agreed in relation to the sale option with a non-controlling interest in Alpine Holding GmbH, whereby that Group became wholly owned by the FCC Group. The aforementioned sale option was settled after the reporting period.

e) Repayment schedule

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

	2013	2014	2015	2016	2017 and subsequent years	Total
2011						
Debt instruments and other marketable securities	—	428,548	176,575	89,418	—	694,541
Non-current bank borrowings	2,146,998	1,023,975	102,463	48,674	265,394	3,587,504
Other financial liabilities	201,756	115,992	60,776	61,936	437,803	878,263
	2,348,754	**1,568,515**	**339,814**	**200,028**	**703,197**	**5,160,308**

22. OTHER NON-CURRENT LIABILITIES

The detail at 31 December 2011 and 2010 is as follows:

	2011	2010
Payable to public authorities - long-term deferrals	111,332	—
Other non-current liabilities	25,372	24,987
	136,704	**24,987**

In 2011 the Large Taxpayers Central Office of the State Tax Agency and the Social Security General Treasury authorised deferral of the payment of certain taxes and social security contributions due to the delay in collection from public customers. The deferred amount is payable monthly up to a maximum of four years at an interest rate of 5% (see Note 15).

23. TRADE AND OTHER PAYABLES

The detail of "Trade and Other Payables" in the consolidated balance sheet at 31 December 2011 and 2010 is as follows:

	2011	2010
Payable to suppliers	2,934,933	3,318,288
Current tax liabilities	58,425	107,507
Deferred payables to public authorities (Notes 15 and 22)	71,503	—
Other accounts payable to public authorities	575,002	558,440
Customer advances (Note 16)	1,156,610	936,794
Remuneration payable	193,761	193,613
Other payables	587,180	548,326
	5,577,414	**5,662,968**

In relation to the resolution issued by the Spanish Accounting and Audit Institute (ICAC) on 29 December 2010 implementing Law 15/2010, of 5 July, on combating late payment in commercial transactions, it should be noted with respect to 2011 that in Spain the Group operates mainly with public customers such as the state, autonomous communities, local corporations and other public bodies which take considerably longer to settle their payment obligations than the periods established in public sector contract legislation and in Law 3/2004, of 29 December, on combating late payment. The resulting effects can be seen under "Changes in Working Capital" in the accompanying consolidated statement of cash flows.

Due to this situation, in order to adapt the Group's financial policy to reasonable levels of efficiency, the usual payment periods to the suppliers in the sectors in which the Group operates were maintained throughout 2011, which has offset in part the negative change in working capital mentioned above. In accordance with the resolutions issued by the ICAC and Transitional Provisions Two and Three of Law 15/2010, of 5 July, which establish an applicable schedule of maximum payment periods at 31 December 2011, it should be noted that the average payment period to suppliers which is within the maximum period under the law is between 85 and 120 days, depending on whether suppliers and subcontractors related to construction agreements or other commercial transactions are involved.

The Group's supplier payment policy described above is also supported by the provisions of Article 9 of Law 3/2004, which does not consider "deferral due to objective reasons" to be abusive (which is the serious delay in payment by the public authorities described above), taking into consideration deferrals arranged by mutual agreement with the suppliers of the usual payment period in the business sectors in which the Group operates. In any case, the Group acknowledges and pays suppliers, always by mutual agreement, the late-payment interest agreed in the agreements and provides those suppliers who request them, negotiable payment methods associated with actions for collection of a bill of exchange, and the discount costs, if any, are borne by the Group. Such agreements are also allowed under Directive 2011/7/EU of the European Parliament and of the Council of 16 February and are expressly provided for in the recent Consolidated Public Sector Contracts Law.

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

PAYMENTS MADE AND OUTSTANDING PAYMENTS AT THE REPORTING DATE	2011	
	Amount	%
Within the maximum payment period	1,459,587	43
Other	1,918,694	57
Total payments of the year	**3,378,281**	**100**
Weighted average period of late payment	89 days	
Balance past due by more than the maximum payment period at year-end	820,414	

In 2010, in compliance with Transitional Provision Two of the aforementioned resolution, it was disclosed that the balance payable to suppliers at the end of that year, exclusively by the companies located in Spain, totalled EUR 2,056,041 thousand. It was also indicated that the aforementioned Law 15/2010 entered into force on 5 July 2010 and, accordingly, applied to the agreements signed after that date and because of the period of time that normally elapses between the signing, the delivery of the goods or service and the maximum payment periods valid during the transitional period of application of the law, there were no balances past due to highlight in the Group that exceeded the maximum limits established in the legislation in force.

24. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

At 31 December 2011, the FCC Group had arranged interest rate hedging transactions totalling EUR 6,400,778 thousand (31 December 2010: EUR 6,249,680 thousand) mainly in the form of IRSs in which the Group companies, associates and joint ventures pay fixed interest rates and receive floating interest rates.

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

	Type of derivative	Type of hedge	% hedged	Notional amount at 31/12/10	Notional amount at 31/12/11	Value at 31/12/10	Value at 31/12/11	Maturity
Fully consolidated companies								
Fomento de Construcciones y Contratas, S.A.	IRS	CF	100%	148,023	129,113	(12,710)	(9,248)	30/12/13
	IRS	CF	2%	13,539	11,693	(786)	(608)	30/12/13
	IRS	CF	20%	113,389	97,929	(7,093)	(5,408)	30/12/13
	IRS	CF	31%	172,622	149,086	(11,155)	(8,454)	30/12/13
	IRS	CF	17%	96,465	83,313	(5,996)	(4,577)	30/12/13
	BASIS SWAP	CF		105,000	-	11	-	30/06/11
	BASIS SWAP	CF		245,000	-	43	-	30/06/11
	BASIS SWAP	CF		26,998	-	1	-	30/06/11
	BASIS SWAP	CF		46,016	-	8	-	30/06/11
	BASIS SWAP	CF		-	200,000	-	(994)	29/06/12
	BASIS SWAP	CF		-	50,000	-	(238)	29/06/12
	BASIS SWAP	CF		-	92,020	-	(454)	29/06/12
	IRS	CF	100%	-	24,733	-	70	10/10/13
	IRS	CF	95%	-	1,225,000	-	(28,541)	08/05/14
	IRS	CF	38%	9,918	6,037	166	(693)	02/04/24
	IRS	CF	19%	4,959	3,019	83	(347)	02/04/24
	IRS	CF	12%	3,178	1,934	53	(222)	02/04/24
	IRS	CF	12%	2,799	1,704	47	(196)	02/04/24
Azincourt Investment, S.L.	IRS	CF	15%	99,630	94,234	(9,291)	(7,170)	31/12/13
	IRS	CF	15%	99,630	94,234	(9,291)	(7,170)	31/12/13
	IRS	CF	15%	99,630	94,234	(9,291)	(7,170)	31/12/13
	IRS	CF	14%	87,441	82,705	(8,154)	(6,293)	31/12/13
WRG -RE3	IRS	CF	82%	36,748	35,882	(2,628)	(8,057)	30/09/29
Kent	IRS	CF	37%	52,797	51,177	(7,497)	(11,700)	31/03/27
	IRS	CF	16%	22,627	21,933	(3,213)	(5,014)	31/03/27
	IRS	CF	27%	38,760	36,555	(5,355)	(8,357)	31/03/27
WRG - Lincolnshire	Currency forward	CF	100%	-	63,077	-	(2,376)	21/03/14
WRG - WREXHAM	IRS	CF	100%	27,657	27,465	(6,128)	(8,471)	30/09/32
Depurplan 11, S.A.	IRS	CF	65%	8,280	7,825	(901)	(1,305)	01/12/25
Ecodeal-Gestao Integral de Residuos Industriais, S.A.	IRS	CF	80%	11,337	9,912	(769)	(835)	15/12/17
Autovía Conquense, S.A.	IRS	CF	100%	43,246	42,111	(4,447)	(3,085)	30/06/24
	IRS	CF	100%	21,623	21,055	(2,224)	(3,085)	28/06/24
Aqualia Czech, S.L.	Forward IRS	CF	17%	13,036	11,136	(869)	(467)	15/05/15
	Forward IRS	CF	12%	8,691	7,424	(205)	(312)	15/05/15
	Forward IRS	CF	11%	8,147	6,960	(192)	(292)	15/05/15
	Forward IRS	CF	7%	5,432	4,640	(128)	(195)	15/05/15
	Forward IRS	CF	3%	2,067	29	(3)	(3)	15/05/15
	Forward IRS	CF		-	859	-	(109)	15/05/15

	Type of derivative	Type of hedge	% hedged	Notional amount at 31/12/10	Notional amount at 31/12/11	Value at 31/12/10	Value at 31/12/11	Maturity
Alpine	IRS	CF	43%	85,714	85,714	1,834	(681)	31/12/14
	IRS	CF	29%	-	57,143	-	(490)	31/05/13
	IRS	CF	13%	-	20,000	-	(366)	29/11/13
	IRS	CF	25%	-	40,000	-	(687)	29/11/13
	IRS	CF	25%	-	40,000	-	(659)	29/11/13
	IRS	CF	38%	-	60,000	-	(1,094)	29/11/13
	Currency forward	CF	100%	1,664	-	(11)	-	31/03/11
	Currency forward	CF	100%	-	39,720	-	(66)	14/02/12
	Currency forward	CF	100%	-	40,932	-	239	09/07/12
	Currency forward	CF	100%	-	6,488	-	(113)	08/03/12
	Currency forward	CF	100%	-	1,623	-	(6)	29/02/12
Sociedad Concesionaria del Túnel de Coatzacoalcos, S.A. de C.V.	IRS	CF	100%	42,724	37,685	(3,464)	(2,922)	10/06/14
Integraciones Ambientales de Cantabria, S.A.	IRS	CF	67%	-	8,329	-	(1,027)	21/12/22
Dédalo Patrimonial	IRS	CF	69%	-	54,412	-	122	10/10/13
Cementos Portland Valderrivas, S.A.	IRS	CF	14%	15,000	11,667	(129)	(32)	15/07/12
	IRS	CF	14%	15,000	11,667	(129)	(32)	15/07/12
	IRS	CF	14%	15,000	11,667	(129)	(32)	15/07/12
	IRS	CF	100%	150,000	-	(656)	-	22/02/11
	IRS	CF	60%	337,527	-	(4,084)	-	15/07/11
	BASIS SWAP	CF		439,636	-	(6)	-	15/07/11
	IRS	FCF		57,109	-	50	-	15/07/11
	BASIS SWAP	CF		150,000	-	(124)	-	22/02/11
	IRS	CF	60%	-	81,000	-	(1,049)	22/02/14
	BASIS SWAP	CF	60%	-	81,000	-	(98)	22/02/12
	BASIS SWAP	CF	60%	-	27,000	-	(24)	22/02/12
	IRS	CF	60%	-	27,000	-	(99)	24/02/14
Portland, S.L.	IRS	CF	12%	84,473	79,173	(2,826)	(933)	15/07/12
	IRS	CF	6%	45,485	42,632	(1,535)	(507)	15/07/12
	IRS	CF	12%	84,473	79,173	(2,826)	(933)	15/07/12
	IRS	CF	6%	45,485	42,632	(1,535)	(507)	15/07/12
	IRS	CF	12%	84,473	79,173	(2,826)	(933)	15/07/12
	IRS	CF	6%	45,485	42,632	(1,535)	(507)	15/07/12
	IRS	CF	6%	42,236	39,587	(1,413)	(466)	15/07/12
	IRS	CF	3%	22,743	21,316	(767)	(253)	15/07/12
	IRS	CF	6%	42,236	39,587	(1,413)	(466)	15/07/12
	IRS	CF	3%	22,743	21,316	(767)	(253)	15/07/12
Cementos Lemona, S.A.	IRS	CF	50%	2,400	800	(60)	(7)	01/06/12
	IRS	CF	50%	2,475	825	(68)	(9)	14/06/12
	IRS	CF	70%	1,313	3,150	(34)	(132)	15/04/16

	Type of derivative	Type of hedge	% hedged	Notional amount at 31/12/10	Notional amount at 31/12/11	Value at 31/12/10	Value at 31/12/11	Maturity
Uniland Cementera, S.A.	Currency forward	CF		-	3,955	-	(151)	10/10/13
Olivento	IRS	CF	7%	32,081	30,275	(945)	(2,591)	31/12/24
	IRS	CF	9%	39,600	37,371	(1,167)	(3,199)	31/12/24
	IRS	CF	16%	69,283	65,383	(2,048)	(5,596)	31/12/24
	IRS	CF	6%	27,569	26,017	(815)	(2,227)	31/12/24
	IRS	CF	7%	32,081	30,275	(948)	(2,591)	31/12/24
	IRS	CF	9%	37,202	35,108	(1,100)	(3,005)	31/12/24
	IRS	CF	6%	25,798	24,346	(760)	(2,084)	31/12/24
	IRS	CF	7%	32,081	30,275	(948)	(2,591)	31/12/24
	IRS	CF	9%	37,202	35,108	(1,096)	(3,005)	31/12/24
Torre Picasso	IRS	CF	89%	200,000	-	(5,218)	-	18/12/14
Helios Patrimonial 1, S.L. and Helios Patrimonial 2, S.L.	IRS	CF	13%	14,900	-	495	-	22/12/23
	IRS	CF	13%	14,900	-	526	-	22/12/23
	IRS	CF	27%	29,832	-	1,022	-	22/12/23
	IRS	CF	27%	29,832	-	1,053	-	22/12/23
Guzmán Energía, S.L.	IRS	CF	85%	-	38,972	-	(9,335)	01/04/31
	IRS	CF	85%	-	64,954	-	(15,521)	31/03/31
	IRS	CF	85%	-	25,981	-	(6,224)	01/04/31
Giant Cement Holding, Inc.	IRS	CF	100%	72,156	73,310	(7,793)	(4,460)	22/05/13
	IRS	CF	26%	33,886	28,984	(2,937)	(2,438)	05/10/14
	IRS	CF	26%	33,886	28,984	(2,937)	(2,438)	05/10/14
Total fully consolidated companies				**4,272,368**	**4,603,369**	**(157,983)**	**(223,854)**	
Companies accounted for using the equity method								
Tramvia Metropolità, S.A.	IRS	CF	56%	8,341	8,044	(1,649)	(2,018)	31/10/23
	IRS	CF	24%	3,575	3,447	(706)	(863)	31/10/23
Tramvia Metropolità del Besòs, S.A.	IRS	CF	64%	10,544	10,031	(1,535)	(1,983)	30/06/23
	IRS	CF	16%	2,636	2,508	(384)	(496)	30/06/23
Cedinsa Eix del Llobregat, S.A.	IRS	CF	70%	40,898	50,288	(2,002)	(8,291)	01/05/33
Urbs Iudex et Causidicus, S.A.	IRS	CF	100%	75,811	74,901	(30,161)	(41,135)	30/12/33
Cedinsa d'Aro, S.A.	IRS	CF	100%	8,351	10,183	(913)	(2,310)	03/01/33
Ibisan Sociedad Concesionaria, S.A.	IRS	CF		28,136	27,428	(1,782)	(4,252)	31/12/27
Suministro de Aguas de Querétaro, S.A. de C.V.	CAP	CF	100%	30,066	-	-	-	20/01/11
Nova Bocana Barcelona, S.A.	IRS	CF	17%	5,491	5,355	(621)	(985)	30/06/25
	IRS	CF	33%	10,983	10,710	(1,240)	(1,970)	30/06/25
Betearte, S.A.U.	IRS	CF	33%	1,826	1,621	(173)	(178)	06/02/18

	Type of derivative	Type of hedge	% hedged	Notional amount at 31/12/10	Notional amount at 31/12/11	Value at 31/12/10	Value at 31/12/11	Maturity
Nihg South West Health Partnership Limited	IRS	CF	33%	28,443	35,690	(1,947)	(6,301)	19/05/39
	IRS	CF	33%	28,443	35,690	(1,947)	(6,301)	19/05/39
	IRS	CF	33%	28,443	35,690	(1,947)	(6,301)	19/05/39
	CAP	CF	18%	20,571	21,018	-	-	31/03/14
	CAP	CF	18%	20,571	21,018	-	-	31/03/14
	Inflation swap	CF	50%	866	883	(2,781)	(3,069)	31/03/39
	Inflation swap	CF	50%	866	883	(2,781)	(3,069)	31/03/39
Cedinsa Ter Concessionaria de la Generalitat, S.A.	IRS	CF	32%	22,613	28,267	(658)	(1,573)	31/12/14
	IRS	CF	7%	4,947	6,183	(144)	(344)	31/12/14
	IRS	CF	14%	9,611	12,013	(280)	(668)	31/12/14
	IRS	CF	7%	4,947	6,183	(144)	(344)	31/12/14
	IRS	CF	14%	9,921	12,402	(289)	(690)	31/12/14
Concessió Estacions Aeroport L9	IRS	CF	9%	42,475	42,436	(75)	(145)	23/09/12
	IRS	CF	3%	13,521	13,508	(24)	(46)	23/09/12
	IRS	CF	3%	14,674	14,660	(26)	(50)	23/09/12
	IRS	CF	3%	13,746	13,733	(24)	(47)	23/09/12
	IRS	CF	3%	5,757	5,752	(10)	(20)	23/09/12
	IRS	CF	3%	5,757	3,588	(6)	(12)	23/09/12
	IRS	CF	36%	169,899	169,743	1,140	(21,966)	23/12/33
	IRS	CF	12%	54,083	54,033	363	(6,992)	23/12/33
	IRS	CF	13%	58,696	58,642	394	(7,589)	23/12/33
	IRS	CF	12%	54,983	54,932	369	(7,109)	23/12/33
	IRS	CF	12%	23,028	23,007	154	(2,977)	23/12/33
	IRS	CF	13%	23,028	14,351	96	(1,857)	23/12/33
Sociedad Concesionaria Tranvía de Murcia, S.A.	IRS	CF	34%	19,856	-	(4)	-	31/03/11
	IRS	CF	25%	14,894	-	(3)	-	31/03/11
	IRS	CF	42%	24,825	-	(5)	-	31/03/11
Concesionaria Atención Primaria, S.A.	IRS	CF	75%	3,767	3,767	(7)	(140)	20/12/18
Atlántica de Graneles y Moliendas, S.A.	IRS	CF	100%	219	-	(2)	-	02/06/11
	IRS	CF	100%	219	-	(2)	-	02/06/11
	IRS	CF	100%	219	-	(2)	-	02/06/11
	IRS	CF	100%	219	-	(2)	-	02/06/11
Autopista Central Galega Sociedad Concesionaria Española, S.A Unipersonal	IRS	CF		42,187	42,187	(3,203)	(2,440)	31/07/13
	IRS	CF		25,312	25,312	(1,922)	(1,464)	31/07/13
Phunciona Gestión Hospitalaria, S.A. (Hospital del Sureste, S.A.)	IRS	CF		14,225	13,836	(597)	(2,027)	31/12/32
	IRS	CF		13,738	1,883	(299)	(316)	31/12/32
Túnel d'Envalira, S.A. Concesionaria del Principat d'Andorra	COLLAR	CF		8,865	6,542	(637)	(1,048)	20/07/22
Tranvía de Parla, S.A.	IRS	CF		26,010	24,397	(2,739)	(4,285)	30/12/22

	Type of derivative	Type of hedge	% hedged	Notional amount at 31/12/10	Notional amount at 31/12/11	Value at 31/12/10	Value at 31/12/11	Maturity
Concesiones de Madrid, S.A.	IRS	CF		33,555	32,521	(1,976)	(1,697)	15/12/13
Terminal Polivalente de Castellón, S.A.	IRS	CF		6,537	6,436	(676)	(894)	15/01/18
	IRS	CF		3,268	3,218	(338)	(447)	15/01/18
Compañía Concesionaria del Túnel de Sóller, S.A.	IRS	CF		5,173	4,773	(167)	(305)	30/06/18
	IRS	CF		5,173	4,773	(168)	(305)	30/06/18
Metro Barajas Sociedad Concesionaria, S.A.	IRS	CF		7,595	7,483	(93)	(717)	24/06/24
Autopista de la Costa Cálida Concesionaria Española de Autopistas, S.A.	IRS	CF		20,109	20,109	(889)	(508)	15/12/12
	IRS	CF		20,109	20,109	(889)	(508)	15/12/12
Madrid 407 Sociedad Concesionaria, S.A.	IRS	CF		11,589	11,586	(1,700)	(3,255)	10/07/33
N6 (Concession) Limited	IRS	CF		6,405	2,486	(249)	(67)	30/06/13
	IRS	CF		4,257	3,963	(364)	(593)	30/06/34
	IRS	CF		373	347	(33)	(53)	30/06/34
	IRS	CF		4,805	1,865	(195)	(55)	28/06/13
	IRS	CF		3,193	2,973	(270)	(447)	30/06/34
	IRS	CF		280	260	(24)	(40)	30/06/34
	IRS	CF		6,407	2,487	(261)	(74)	28/06/13
	IRS	CF		4,258	3,964	(359)	(596)	30/06/34
	IRS	CF		373	347	(31)	(52)	30/06/34
	IRS	CF		6,407	2,487	(247)	(67)	28/06/13
	IRS	CF		4,258	3,964	(350)	(584)	30/06/34
	IRS	CF		373	347	(31)	(52)	30/06/34
Ruta de los Pantanos, S.A.	IRS	CF		17,137	-	(2,267)	-	02/01/18
Autovía del Camino, S.A.	INFLATION SWAP	CF		5,487	-	9,131	-	15/12/27
	IRS	CF		27,838	-	(5,076)	-	15/12/27
	IRS	CF		17,118	-	(2,863)	-	15/12/24
	IRS	CF		17,003	-	(186)	-	16/12/30
Portsur Castellón, S.A.	IRS	CF		4,466	-	(538)	-	31/10/11
M50 (Concession) Limited	IRS	CF		6,109	6,107	(1,135)	(2,130)	28/03/40
	IRS	CF		6,109	6,107	(1,196)	(2,194)	28/03/40
	IRS	CF		6,109	6,107	(1,195)	(2,195)	28/03/40
	IRS	CF		6,109	6,107	(1,195)	(2,195)	28/03/40
Autopistas del Sol, S.A.	IRS	CF		33,734	34,248	(4,865)	(8,260)	30/11/23
Concesionaria Hospital Son Dureta, S.A.	IRS	CF		16,108	16,108	(2,399)	(4,408)	25/07/29
	IRS	CF		16,108	16,108	(2,392)	(4,408)	25/07/29

	Type of derivative	Type of hedge	% hedged	Notional amount at 31/12/10	Notional amount at 31/12/11	Value at 31/12/10	Value at 31/12/11	Maturity
Autovía Necaxa - Tihuatlan, S.A. de C.V.	IRS	CF		28,907	25,934	(4,688)	(4,909)	06/12/27
	IRS	CF		28,454	25,171	(4,550)	(4,765)	06/12/27
	IRS	CF		28,057	25,171	(4,550)	(4,765)	06/12/27
Scutvias-Autoestradas da Beira Interior, S.A.	IRS	CF		12,140	10,977	(1,934)	(1,914)	04/10/18
	IRS	CF		7,587	6,861	(1,208)	(1,195)	04/10/18
	IRS	CF		7,587	6,861	(1,208)	(1,195)	04/10/18
	IRS	CF		3,035	2,744	(486)	(480)	04/10/18
Aeropuerto de Castellón	IRS	CF		5,605	5,431	(498)	(742)	30/09/19
Auto-Estradas XXI - Subconcessionaria Transmontana, S.A.	IRS	CF		23,769	21,276	(1,528)	(3,745)	31/12/29
	IRS	CF		8,665	7,747	(556)	(1,364)	31/12/29
	IRS	CF		15,340	13,731	(986)	(2,417)	31/12/29
	IRS	CF		23,769	21,276	(1,528)	(3,745)	31/12/29
	IRS	CF		23,769	21,276	(1,528)	(3,745)	31/12/29
	IRS	CF		22,601	20,231	(1,452)	(3,561)	31/12/29
	IRS	CF		12,875	11,525	(827)	(2,029)	31/12/29
Ciralsa Sociedad Anónima Concesionaria del Estado	IRS	CF		7,083	7,083	(331)	(1,122)	30/12/24
	IRS	CF		7,083	7,083	(331)	(1,122)	30/12/24
	IRS	CF		7,083	7,083	(333)	(1,122)	30/12/24
Metros Ligeros de Madrid	IRS	CF		-	17,830	-	(5,086)	30/06/34
	IRS	CF		-	18,454	-	(4,145)	31/12/26
	IRS	CF		-	2,664	-	(760)	30/06/34
Realia Patrimonio, S.L.U.	IRS	CF		8,064	15,568	(734)	(1,356)	30/06/14
	IRS	CF		8,064	15,568	(732)	(1,356)	30/06/14
	IRS	CF		16,128	15,568	(1,403)	(1,421)	30/06/14
	IRS	CF		16,128	15,568	(1,495)	(1,421)	30/06/14
	IRS	CF		16,128	15,568	(1,495)	(1,421)	30/06/14
	IRS	CF		16,128	15,568	(1,463)	(1,421)	30/06/14
	IRS	CF		8,064	15,568	(748)	(1,398)	30/06/14
	IRS	CF		8,064	15,568	(734)	(1,398)	30/06/14
	IRS	CF		16,128	7,784	(1,403)	(710)	30/06/14
	IRS	CF		16,128	7,784	(1,495)	(710)	30/06/14
	IRS	CF		16,128	7,784	(1,495)	(701)	30/06/14
	IRS	CF		16,128	7,784	(1,463)	(701)	30/06/14
	IRS	CF		8,064	7,784	(748)	(701)	30/06/14
	IRS	CF		8,064	7,784	(734)	(701)	30/06/14
	IRS	CF		8,064	7,784	(734)	(699)	30/06/14
	IRS	CF		8,064	7,784	(732)	(699)	30/06/14

	Type of derivative	Type of hedge	% hedged	Notional amount at 31/12/10	Notional amount at 31/12/11	Value at 31/12/10	Value at 31/12/11	Maturity
Société d'Investissements Inmobiliers Cotée (SIIC) de Paris	IRS	CF		7,798	14,929	(718)	(1,301)	30/06/14
	IRS	CF		7,798	14,929	(705)	(1,301)	30/06/14
	IRS	CF		15,595	14,929	(1,436)	(1,363)	30/06/14
	IRS	CF		15,595	14,929	(1,348)	(1,363)	30/06/14
	IRS	CF		15,595	7,465	(1,348)	(681)	30/06/14
	IRS	CF		15,595	7,465	(1,436)	(681)	30/06/14
	IRS	CF		7,798	7,465	(718)	(672)	30/06/14
	IRS	CF		7,798	7,465	(705)	(672)	30/06/14
Hermanos Revilla, S.A.	IRS	CF		1,761	473	(41)	(3)	16/01/12
Total equity method				**1,977,312**	**1,797,409**	**(141,228)**	**(269,556)**	

The detail, by maturity, of the notional amount of the hedging transactions arranged at 31 December 2011 is as follows:

	Notional maturity				
	2012	**2013**	**2014**	**2015**	**2016 and subsequent years**
Fully consolidated companies	1,348,915	1,786,849	857,591	56,540	553,474
Companies accounted for using the equity method	214,488	169,906	395,428	25,665	991,922

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

	Type of derivative	Type of hedge	Notional amount at 31/12/10	Notional amount at 31/12/11	Value at 31/12/10	Value at 31/12/11	Maturity
Fully consolidated companies							
A.S.A. Abfall Service Zistersdorf GmbH	COLLAR	SP	70,667	65,333	(6,426)	(8,631)	28/03/24
Autovía Conquense, S.A.	IRS	SP	-	42,111	-	(2,395)	30/06/24
	IRS	SP	-	21,055	-	(2,395)	28/06/24
Hermeriel, S.A.	IRS	SP	-	1,500	-	(101)	01/03/14
	IRS	SP	-	200	-	2	10/05/12
Total fully consolidated companies			**70,667**	**130,199**	**(6,426)**	**(13,520)**	
Companies accounted for using the equity method							
Zabalgarbi, S.A.	BARRIER SWAP	SP	3,000	3,000	(263)	(226)	26/01/14
	COLLAR	SP	4,500	4,500	(428)	(355)	27/01/14
Suministro de Aguas de Querétaro, S.A. de C.V.	CAP	SP	473	-	-	-	20/01/11
Nihg South West Health Partnership Limited	CAP	SP	20,571	21,018	55	1	31/03/14
	CAP	SP	20,571	21,018	56	1	31/03/14
Total equity method			**49,115**	**49,536**	**(580)**	**(579)**	

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

	Notional maturity				
	2012	**2013**	**2014**	**2015**	**2016 and subsequent years**
Fully consolidated companies	5,347	7,281	6,864	6,656	104,051
Companies accounted for using the equity method	-	—	49,536	-	—

The following table relates to the fair value of the put options on treasury shares associated with the share option plan for executives and executive directors indicated in Note 19:

Type of derivative	Classification	Amount arranged	Maturity	Fair value 2010 Assets	Fair value 2010 Liabilities	Fair value 2011 Assets	Fair value 2011 Liabilities
First tranche							
CALL	Hedge	61,596	30/09/13	1,065	-	904	-
PUT	Non-hedging instruments	61,596	30/09/13	-	37,910		29,560
Swap	Non-hedging instruments	61,596	30/09/13	4,336	-	3,747	-
				5,401	**37,910**	**4,651**	**29,560**
Second tranche							
CALL	Hedge	37,065	10/02/14	2,505	-	2,513	-
PUT	Non-hedging instruments	37,065	10/02/14	-	18,489	-	13,229
Swap	Non-hedging instruments	37,065	10/02/14	5,014	-	4,148	-
				7,519	**18,489**	**6,661**	**13,229**

25. TAX MATTERS

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

Under authorisation 18/89, the Parent of the FCC Group files consolidated income tax returns with all the other Group companies that meet the requirements established by tax legislation. The subsidiaries Cementos Portland Valderrivas, S.A. and Corporación Uniland, S.A. also file consolidated income tax returns and make up their own consolidated tax groups.

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

With respect to the years audited, it should be noted that in relation to the companies resident in Spain, the Group has been issued tax assessments in the last four years relating mainly to income tax and has filed the corresponding appeals, unless it has signed assessments on an uncontested basis. The income tax deficiency relating to the appealed assessments amounts to EUR 59.2 million, EUR 25.2 million of which relate to the tax assessments for 1991 to 1994. A judgment has not yet been handed down by the Supreme Court on the corresponding appeal filed by the Group. All of the tax assessments have been provided for.

a) Deferred tax assets and liabilities

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

The tax losses of the subsidiaries were generally offset by deducting from the income tax the investment valuation allowances recognised by the Group companies owning the holding, or by deducting these losses from the consolidated tax base in the case of subsidiaries that file consolidated tax returns. However, certain companies recognised deferred tax assets relating to tax losses amounting to EUR 21,669 thousand, since they considered that there are no doubts as to their recoverability (31 December 2010: EUR 51,817 thousand). Of the changes in the year, EUR 34,054 thousand relate to the reclassification to "Non-Current Assets Classified as Held for Sale" of the subsidiary Giant Cement Holding (see Note 4).

Deferred tax liabilities arose mainly as a result of:

- The differences between the tax base and the carrying amount resulting from the recognition of assets at fair value in connection with the corporate acquisitions in the FCC Group's various business segments, as indicated in Notes 3-b and 5. In general, these liabilities do not represent future cash outflows since they reverse at the same rate as that of the depreciation taken on the revalued assets.

- The depreciation for tax purposes of leased assets and of certain items of property, plant and equipment qualifying for accelerated depreciation for tax purposes, and the accelerated depreciation of the investments made, enabling them to be depreciated in full provided that certain requirements are met.

- The profit of joint ventures that will be included in the income tax base for the following year.

- The deductibility for tax purposes of the goodwill arising on the acquisition of non-resident companies prior to 2008.

In 2011 an increase of EUR 30,092 thousand (31 December 2010: a decrease of EUR 14,437 thousand) was recognised in equity under "Valuation Adjustments" and "Non-Controlling Interests" arising from the tax effect of translation differences and the adjustment of the fair value of financial instruments, with a balancing entry in the related deferred taxes

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

	2012	2013	2014	2015	2016 and subsequent years	Total
Assets	142,470	37,438	25,371	11,216	326,449	**542,944**
Liabilities	120,539	37,052	27,291	23,208	787,378	**995,468**

b) Tax receivables and payables

The detail at 31 December 2011 and 2010 of "Current Tax Assets" and "Current Tax Liabilities" is as follows:

Current assets

	2011	2010
VAT refundable (Note 16)	150,806	175,878
Current tax	28,282	38,334
Other taxes, etc. (Note 16)	69,954	61,049
	249,042	**275,261**

Current liabilities

	2011	2010
VAT payable (Note 23)	258,454	255,560
Current tax	58,425	107,507
Accrued social security and other taxes payable (Note 23)	316,548	302,880
	633,427	**665,947**

c) Income tax expense

The income tax expense incurred in 2011 amounts to EUR 27,154 thousand (2010: EUR 97,761 thousand), as shown in the accompanying consolidated income statement. Following is the reconciliation of the expense to the tax charge payable:

	2011			2010		
Consolidated profit before tax from continuing operations			**54,993**			**444,265**
	Increase	**Decrease**		**Increase**	**Decrease**	
Consolidation adjustments and eliminations	204,852	-	204,852	-	(6,940)	(6,940)
Permanent differences	45,182	(99,603)	(54,421)	42,706	(29,795)	12,911
Adjusted consolidated accounting profit			**205,424**			**450,236**
Permanent differences with an impact on reserves (*)			-			(2,703)
Temporary differences						
-Arising in the year	262,887	(317,175)	(54,288)	226,605	(222,208)	4,397
-Arising in prior years	300,243	(116,731)	183,512	346,387	(184,194)	162,193
Changes in the scope of consolidation (Note 5)			(12,331)			-
Consolidated taxable profit			**322,317**			**614,123**

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

Noteworthy in 2011 with respect to the table above was the increase in “Consolidation Adjustments and Eliminations" arising from the impairment loss on goodwill recognised due to the cement business (see Notes 7-b and 28-d) and the decrease due to permanent differences arising from the monetary adjustment to determine the tax relief on the gains arising on the sale of the Torre Picasso and Federico Salmón buildings in Madrid and the Balmes building in Barcelona (see Notes 8 and 9).

	2011	2010
Adjusted consolidated accounting profit	205,424	450,236
Income tax charge	56,741	131,434
Tax credits and tax relief	(17,616)	(35,058)
Adjustments due to change in tax rate (*)	(22,403)	(50)
Other adjustments	10,432	1,435
Income tax expense	**27,154**	**97,761**

(*) Due mainly to the reduction of the tax rate in the UK, mainly in the WRG Group.

26. PENSION PLANS AND SIMILAR OBLIGATIONS

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

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

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

The accompanying consolidated income statement does not include any premium payments in 2011 or 2010 in relation to this insurance policy and there was no income from rebates on the premiums paid previously. At 31 December 2011, the fair value of the contributed premiums covers all of the actuarial obligations assumed.

The liability side of the accompanying consolidated balance sheet for 2011 includes the present value, totalling EUR 2,973 thousand (2010: EUR 3,029 thousand), of the amounts payable in relation to the Spanish Group companies' post-employment benefit obligations to former executives. Also, remuneration amounting to EUR 221 thousand in both 2011 and 2010 was paid with a charge to this provision.

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

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

- The accompanying consolidated balance sheet at 31 December 2011 includes the employee benefit obligations of the Waste Recycling Group companies, resident in the UK. These obligations are represented by certain assets assigned to the plans funding the benefits, the fair value of which amounted to EUR 36,658 thousand (31 December 2010: EUR 35,888 thousand), and the actuarial value of the accrued obligations amounted to EUR 43,880 thousand (31 December 2010: EUR 40,927 thousand). The net difference, representing a liability of EUR 7,222 thousand (31 December 2010: EUR 5,039 thousand), was recognised under “Long-Term Provisions” in the accompanying consolidated balance sheet. “Staff Costs” in the accompanying consolidated income statement includes a cost of EUR 643 thousand (31 December 2010: EUR 713 thousand) relating to the net difference between the service cost and the return on the plan assets. The average actuarial rate applied was 4.7% (2010: 5.4%).

- At 31 December 2011, the Alpine Bau Group companies contributed EUR 61,386 thousand (31 December 2010: EUR 59,444 thousand) relating to the actuarial value of their accrued pension and termination benefit obligations. This amount is recognised under “Non Current Provisions” in the accompanying consolidated balance sheet. A cost of EUR 6,527 thousand (31 December 2010: EUR 4,836 thousand) is included in the accompanying consolidated income statement in respect of the aforementioned items. The average actuarial rate applied was 4.7% (2010: 4.5%).

- Lastly, Flightcare Italia, SpA also contributed EUR 10,071 thousand (31 December 2010: EUR 11,237 thousand) to “Non Current Provisions - Long-Term Employee Benefit Obligations" in the accompanying consolidated balance sheet at 31 December 2011. This amount relates to the actuarial value of the accrued obligations, to which no assets have been assigned. “Staff Costs” in the accompanying consolidated income statement includes a cost of EUR 746 thousand (31 December 2010: EUR 532 thousand) relating to the net difference between the service cost and the discounted present value. The average actuarial rate applied was 0.86% (2010: 0.96%).

The detail of the changes in 2011 in the obligations and assets associated with the pension plans is as follows:

2011

Actual evolution of the present value of the obligation

	Waste Recycling Group	Alpine	Flightcare
Balance of obligations at beginning of year	**40,927**	**79,693**	**11,000**
Current service cost	627	7,276	-
Interest cost	2,264	2,989	47
Contributions by participants	46	1,419	699
Actuarial gains/losses	(70)	(1,724)	(658)
Changes due to exchange rate	1,247	1,071	-
Benefits paid in 2011	(1,269)	(8,206)	(1,912)
Past service cost	108	-	-
Balance of obligations at end of year	**43,880**	**82,518**	**9,176**

Actual evolution of the fair value of the plan assets

	Waste Recycling Group	Alpine	Flightcare
Balance of plan assets at beginning of year	**35,888**	**16,813**	**-**
Expected return on assets	2,355	416	-
Actuarial gains/losses	(3,000)	213	-
Changes due to exchange rate	1,094	627	-
Contributions by the employer	1,544	1,038	-
Contributions by participants	46	1,420	-
Benefits paid	(1,269)	(935)	-
Balance of plan assets at end of year	**36,658**	**19,592**	**-**

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

	Waste Recycling Group	Alpine	Flightcare
Net balance of obligations less plan assets at end of year	**7,222**	**62,926**	**9,176**
Actuarial gains/losses not recognised in the balance sheet (within the 10% limit)	-	(1,540)	895
Actuarial gains/losses not recognised in the balance sheet to be recognised in subsequent years			
Past service cost not recognised in the balance sheet (IAS 19.58 (b))			
Net balance (liabilities-assets) recognised at end of year	**7,222**	**61,386**	**10,071**

<u>2010</u>

Actual evolution of the present value of the obligation

	Giant (*)	Waste Recycling Group	Alpine	Flightcare
Balance of obligations at beginning of year	**74,294**	**36,195**	**71,034**	**11,796**
Current service cost	1,426	678	4,934	-
Interest cost	4,520	2,108	2,553	108
Contributions by participants	-	50	-	424
Actuarial gains/losses	6,519	2,207	2,597	137
Changes due to exchange rate	6,382	1,151	3,781	-
Benefits paid in the year	(4,891)	(1,496)	(7,247)	(1,465)
Past service cost	-	34	-	-
Business contingencies	-	-	2,041	-
Balance of obligations at end of year	**88,250**	**40,927**	**79,693**	**11,000**

(*) In 2011 the Giant Group is included in the accompanying consolidated financial statements as a discontinued operation.

Actual evolution of the fair value of the plan assets

	Giant (*)	Waste Recycling Group	Alpine	Flightcare
Balance of plan assets at beginning of year	**36,987**	**31,661**	**12,895**	**-**
Expected return on assets	3,676	2,128	324	-
Actuarial gains/losses	-	1,922	254	-
Changes due to exchange rate	2,888	1,006	2,216	-
Contributions by the employer	78	617	2,733	-
Contributions by participants	-	50	-	-
Benefits paid	(3,350)	(1,496)	(1,609)	-
Balance of plan assets at end of year	**40,279**	**35,888**	**16,813**	**-**

(*) In 2011 the Giant Group is included in the accompanying consolidated financial statements as a discontinued operation.

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

	Giant (*)	Waste Recycling Group	Alpine	Flightcare
Net balance of obligations less plan assets at end of year	**47,971**	**5,039**	**62,880**	**11,000**
Actuarial gains/losses not recognised in the balance sheet (within the 10% limit)	-	-	(3,436)	237
Actuarial gains/losses not recognised in the balance sheet to be recognised in subsequent years	(23,559)	-	-	-
Past service cost not recognised in the balance sheet (IAS 19.58 (b))	-	-	-	-
Net balance (liabilities-assets) recognised at end of year	**24,412**	**5,039**	**59,444**	**11,237**

(*) In 2011 the Giant Group is included in the accompanying consolidated financial statements as a discontinued operation.

27. GUARANTEE COMMITMENTS TO THIRD PARTIES AND OTHER CONTINGENT LIABILITIES

At 31 December 2011, the Group had provided EUR 4,907,229 thousand (31 December 2010: EUR 5,372,792 thousand) of guarantees to third parties, mostly consisting of completion bonds provided to government agencies and private-sector customers as security for the performance of construction projects and urban cleaning contracts.

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

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

28. INCOME AND EXPENSES

a) Operating income

The Group classifies operating income under “Revenue”, except for that arising from Group work on non-current assets, grants related to income and expenses chargeable to tenants in the property business, which is recognised as “Other Operating Income” in the accompanying consolidated income statement.

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

The detail of “Other Operating Income” in 2011 and 2010 is as follows:

	2011	2010
Income from sundry services	180,337	193,535
CO_2 emission allowances (Note 30)	43,502	62,784
Compensation received from insurance companies	20,001	15,221
Grants related to income	23,290	22,575
Other income	20,449	17,382
Excessive provisions	34,731	24,385
	322,310	**335,882**

b) Procurements

The detail of the balance of “Procurements” at 31 December 2011 and 2010 is as follows:

	2011	2010
Work performed by subcontractors and other companies	3,395,751	3,430,666
Purchases and procurements	2,119,324	2,158,939
Other external expenses	312	291
	5,515,387	**5,589,896**

c) Staff costs

The detail of “Staff Costs” in 2011 and 2010 is as follows:

	2011	2010
Wages and salaries	2,599,465	2,562,649
Social security costs	640,066	640,569
Other staff costs	53,141	54,935
	3,292,672	**3,258,153**

"Staff Costs" at 31 December 2011 includes EUR 2,323 thousand (the same amount as in 2010) relating to the share option plan (see Note 19).

The average number of employees at the Group, by professional category, in 2011 and 2010 was as follows:

	2011	2010
Managers and university graduates	4,136	4,255
Line personnel (holding further education qualifications)	7,815	7,679
Clerical and similar staff	9,971	10,246
Other salaried employees	69,369	70,113
	91,291	**92,293**

The average number of employees at the Group, by gender, in 2011 and 2010 was as follows:

	2011	2010
Men	71,910	72,656
Women	19,381	19,637
	91,291	**92,293**

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

The detail of "Impairment and Gains or Losses on Disposals of Non-Current Assets" in 2011 and 2010 is as follows:

	2011	2010
Gain on disposal of Estacionamientos y Servicios, S.A (Note 5).	15,665	-
Gain on disposal of the General Servicios I.T.V. Group	-	163,385
Sale of the Federico Salmón and Balmes buildings (Notes 8 and 10)	44,437	-
Sale of Torre Picasso (Note 9)	135,194	-
Gains or losses on disposals of other items of property plant and equipment and intangible assets	15,529	6,657
Impairment of goodwill (Note 7)	(259,417)	(17,000)
Impairment of other items of property, plant and equipment and intangible assets:		
(Recognition) Reversal (Notes 7 and 8)	(50,417)	(4,345)
Other	316	(3,679)
	(98,693)	**145,018**

The impairment losses recognised for goodwill in 2011 include notably the impairment loss of EUR 239,026 thousand relating to the Uniland Group, while in 2010 impairment losses of EUR 17,000 thousand were recognised for the goodwill of Flightcare Italia S.p.A. (see Note 7).

e) Other gains or losses

"Other Gains or Losses" in the accompanying consolidated income statement includes notably the provisions of EUR 69,800 thousand (2010: EUR 61,400 thousand) recognised by the Parent in relation to litigation, guarantees, environmental risks and other items under "Non current Provisions" in the consolidated balance sheet (see Note 20).

In addition, the Cementos Portland Group recognised EUR 33,473 thousand in relation to, inter alia, adjustments to the Group's structure to adapt it to current demand in the cement market.

f) Finance income and costs

The detail of the finance income in 2011 and 2010, based on the assets giving rise thereto, is as follows:

	2011	2010
Held-for-trading financial assets	5,753	5,730
Available-for-sale financial assets	1,749	3,801
Held-to-maturity investments	9,592	11,003
Non-current and current loans	41,994	17,283
“Lump-sum payment” construction projects	16,758	7,618
Cash and cash equivalents	13,993	14,064
	89,839	**59,499**

The detail of the finance costs in 2011 and 2010 is as follows:

	2011	2010
Credit facilities and loans	307,747	230,082
Limited recourse project financing loans	88,721	84,645
Obligations under finance leases	3,717	4,498
Other payables to third parties	32,778	38,909
Assignment of accounts receivable and “lump-sum payment” construction projects	31,539	15,877
Other finance costs	36,839	17,467
	501,341	**391,478**

g) Changes in fair value of financial instruments

"Changes in Fair Value of Financial Instruments" notably includes the positive change in fair value of the derivatives that do not qualify for hedge accounting associated with the share option plan that amounts to EUR 14,400 thousand (2010: loss of EUR 24,286 thousand) (see Note 19).

h) Result of companies accounted for using the equity method

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

	2011	2010
Profit (Loss) for the year (Note 12)		
Joint ventures	2,635	(1,741)
Associates	30,651	8,139
Gains or losses on disposals	-	6,505
	33,286	**12,903**

29. SEGMENT REPORTING

a) Business segments

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

The "Corporate" column includes the financial activity relating to the Group's centralised cash management, operation of the Torre Picasso building and the companies that do not belong to any of the Group's business areas mentioned above.

Income statement by segment

In particular, the information shown in the following tables includes the following items as the segment result for 2011 and 2010:

- All operating income and expenses of the subsidiaries and jointly managed contracts relating to the business carried on by the segment.

- Interest income and expenses arising from segment assets and liabilities, dividends and gains and losses on sales of the financial assets of the segment.

- Share of the result of companies accounted for using the equity method

- The income tax expense relating to the transactions performed by each segment.

- The “Corporate” column includes, in addition to the aforementioned items, the eliminations due to financial or other transactions between Group segments.

- The contribution of each area to the equity attributable to the shareholders of Fomento de Construcciones y Contratas, S.A. is shown under “Contribution to FCC Group Profit”.

	Total Group	Services		Construction	Cement	Energy	Corporate
		Environmental services	Versia				
2011							
Revenue	11,754,765	3,735,415	767,330	6,686,208	609,078	-	(43,266)
Other income	375,951	87,485	27,653	151,345	81,146	-	28,322
Operating expenses	(10,878,393)	(3,124,979)	(680,058)	(6,533,605)	(540,126)	-	375
Depreciation and amortisation charge	(643,516)	(334,377)	(94,632)	(104,709)	(101,565)	-	(8,233)
Other gains or losses	(208,011)	2,680	15,912	13,099	(341,638)	-	101,936
Profit (loss) from operations	400,796	366,224	36,205	212,338	(293,105)	-	79,134
Percentage of revenue	3.41%	9.80%	4.72%	3.18%	(48.12%)	-	(182.90%)
Finance income and costs	(411,502)	(234,902)	(32,641)	(81,619)	(53,308)	-	(9,032)
Other financial profit (loss)	32,413	(1,349)	(676)	(3,727)	2,794	-	35,371
Result of companies accounted for using the equity method	33,286	28,834	1,659	16,112	(1,840)	-	(11,479)
Profit before tax from continuing operations	**54,993**	**158,807**	**4,547**	**143,104**	**(345,459)**	-	**93,994**
Income tax	(27,154)	(16,346)	2,579	(33,928)	19,681	-	860
Profit for the year from continuing operations	**27,839**	**142,461**	**7,126**	**109,176**	**(325,778)**	-	**94,854**
Loss for the year from discontinued operations, net of tax	(24,925)	-	-	-	(10,929)	(13,996)	-
Consolidated profit (loss) for the year	**2,914**	**142,461**	**7,126**	**109,176**	**(336,707)**	**(13,996)**	**94,854**
Profit (Loss) attributable to non-controlling interests	105,334	(2,670)	226	5,175	9,270	120	93,213
Profit attributable to the Parent	**108,248**	**139,791**	**7,352**	**114,351**	**(327,437)**	**(13,876)**	**188,067**
Contribution to FCC Group profit	**108,248**	**139,791**	**7,352**	**114,351**	**(234,224)**	**(13,876)**	**94,854**

	Total Group	Services		Construction	Cement	Energy	Corporate
		Environmental services	Versia				
2010							
Revenue	11,908,088	3,672,222	846,347	6,693,575	753,335	-	(57,391)
Other income	398,634	81,592	35,733	173,085	94,216	-	14,008
Operating expenses	(10,940,599)	(3,096,162)	(743,092)	(6,511,175)	(630,804)	-	40,634
Depreciation and amortisation charge	(659,217)	(333,246)	(96,400)	(115,100)	(106,548)	-	(7,923)
Other gains or losses	71,029	(895)	150,350	1,215	(19,241)	-	(60,400)
Profit (loss) from operations	777,935	323,511	192,938	241,600	90,958	-	(71,072)
Percentage of revenue	6.53%	8.81%	22.80%	3.61%	12.07%	-	123.84%
Finance income and costs	(331,979)	(183,864)	(33,149)	(59,355)	(54,495)	-	(1,116)
Other financial profit (loss)	(14,594)	3,688	3,123	6,800	2,272	-	(30,477)
Result of companies accounted for using the equity method	12,903	26,740	3,270	(1,920)	(1,499)	-	(13,688)
Profit before tax from continuing operations	**444,265**	**170,075**	**166,182**	**187,125**	**37,236**	**-**	**(116,353)**
Income tax	(97,761)	(32,657)	(31,078)	(31,321)	(4,294)	-	1,589
Profit (loss) for the year from continuing operations	**346,504**	**137,418**	**135,104**	**155,804**	**32,942**	**-**	**(114,764)**
Loss for the year from discontinued operations, net of tax	(32,921)	-	-	-	(21,982)	(10,939)	-
Consolidated profit (loss) for the year	**313,583**	**137,418**	**135,104**	**155,804**	**10,960**	**(10,939)**	**(114,764)**
Profit (Loss) attributable to non-controlling interests	(12,330)	(2,985)	64	637	(9,757)	55	(344)
Profit attributable to the Parent	**301,253**	**134,433**	**135,168**	**156,441**	**1,203**	**(10,884)**	**(115,108)**
Contribution to FCC Group profit	**301,253**	**134,433**	**135,168**	**156,441**	**859**	**(10,884)**	**(114,764)**

With regard to “Corporation” in the tables above, the following items are particularly worthy of note in 2011 and 2010:

Revenue

	2011	2010
Torre Picasso	25,350	25,371
Elimination of inter-segment transactions	(72,468)	(87,242)
Other	3,852	4,480
	(43,266)	**(57,391)**

Contribution to FCC Group profit (Net of tax)

	2011	2010
Gain on the sale of the Federico Salmón and Balmes buildings	36,676	-
Gain on the sale of the Torre Picasso building (Note 9)	121,340	-
Results of the Realia Business accounted for using the equity method	374	335
Results of the Global Vía Group accounted for using the equity method	(14,469)	(20,552)
Share option derivatives and other	11,881	(21,350)
Operation of Torre Picasso (Note 9)	12,723	12,572
Sundry provisions	(48,860)	(42,280)
Non-recurring staff costs	(12,952)	(14,423)
Other	(11,859)	(29,066)
	94,854	**(114,764)**

Balance sheet by segment

2011	Total Group	Services: Environmental services	Services: Versia	Construction	Cement	Corporate
ASSETS						
Non-current assets	**11,074,062**	**5,536,070**	**992,273**	**1,668,499**	**1,994,774**	**882,446**
Intangible assets	4,317,029	2,082,217	689,280	559,592	800,295	185,645
Property, plant and equipment	4,601,913	2,714,247	222,531	603,393	1,081,638	(19,896)
Investment property	34,458	6,461	-	34,459	-	(6,462)
Investments accounted for using the equity method	1,115,719	245,442	25,369	-	42,564	578,959
Non-current financial assets	461,999	315,811	30,493	76,497	7,172	32,026
Deferred tax assets	542,944	171,892	24,600	171,173	63,105	112,174
Current assets	**11,373,405**	**2,132,230**	**485,975**	**5,884,545**	**1,287,690**	**1,582,965**
Non-current assets classified as held for sale	1,846,971	-	-	-	684,519	1,162,452
Inventories	1,271,355	85,906	25,316	1,043,195	110,441	6,497
Trade and other receivables	5,496,798	1,590,407	210,042	3,591,808	139,141	(34,600)
Other current financial assets	395,689	167,635	235,240	132,506	99,444	(239,136)
Other current assets	59,951	28,111	2,894	24,825	2,023	2,098
Cash and cash equivalents	2,302,641	260,171	12,483	1,092,211	252,122	685,654
Total assets	**22,447,467**	**7,668,300**	**1,478,248**	**7,553,044**	**3,282,464**	**2,465,411**
EQUITY AND LIABILITIES						
Equity	**2,914,940**	**669,677**	**135,381**	**861,726**	**1,149,550**	**98,606**
Non-current liabilities	**7,535,310**	**2,476,494**	**677,710**	**1,499,934**	**382,329**	**2,498,843**
Grants	159,721	33,771	376	122,168	3,406	-
Non current provisions	1,083,109	486,091	52,250	191,763	37,494	315,511
Non-current financial liabilities	5,160,308	1,426,845	582,173	1,058,083	132,017	1,961,190
Deferred tax liabilities	995,468	491,798	36,410	103,305	209,412	154,543
Other non-current liabilities	136,704	37,989	6,501	24,615	-	67,599
Current liabilities	**11,997,217**	**4,522,129**	**665,157**	**5,191,384**	**1,750,585**	**(132,038)**
Liabilities associated with non-current assets classified as held for sale	1,396,653	-	-	-	464,751	931,902
Current provisions	178,887	13,299	544	165,003	41	-
Current financial liabilities	4,830,637	936,519	291,238	846,994	1,177,779	1,578,107
Trade and other payables	5,577,414	1,023,430	208,347	4,119,980	101,810	123,847
Other current liabilities	13,626	1,579	14	5,732	6,204	97
Intra-Group transactions	-	2,547,302	165,014	53,675	-	(2,765,991)
Total equity and liabilities	**22,447,467**	**7,668,300**	**1,478,248**	**7,553,044**	**3,282,464**	**2,465,411**

	Total Group	Services		Construction	Cement	Energy	Corporate
		Environmental services	Versia				
2010							
ASSETS							
Non-current assets	**13,393,742**	**5,531,277**	**1,093,382**	**1,701,173**	**2,948,299**	**1,038,847**	**1,080,764**
Intangible assets	5,063,681	2,081,316	763,147	515,487	1,104,295	530,749	68,687
Property, plant and equipment	5,833,737	2,735,409	253,817	669,093	1,686,434	498,482	(9,498)
Investment property	259,033	6,461	-	23,590	-	-	228,982
Investments accounted for using the equity method	1,222,895	226,334	23,890	242,090	39,122	967	690,492
Non-current financial assets	415,799	301,298	20,626	68,208	9,371	3,243	13,053
Deferred tax assets	598,597	180,459	31,902	182,705	109,077	5,406	89,048
Current assets	**8,585,395**	**1,966,588**	**426,142**	**5,396,214**	**796,888**	**55,500**	**(55,937)**
Inventories	1,138,375	56,623	28,853	904,899	136,173	761	11,066
Trade and other receivables	5,491,691	1,521,680	253,218	3,521,899	219,315	17,761	(42,182)
Other current financial assets	225,763	100,682	120,852	117,108	13,115	5,702	(131,696)
Other current assets	50,915	24,743	2,720	14,538	4,325	235	4,354
Cash and cash equivalents	1,678,651	262,860	20,499	837,770	423,960	31,041	102,521
Total assets	**21,979,137**	**7,497,865**	**1,519,524**	**7,097,387**	**3,745,187**	**1,094,347**	**1,024,827**
EQUITY AND LIABILITIES							
Equity	**3,206,301**	**617,203**	**133,086**	**878,994**	**1,472,091**	**(7,526)**	**112,453**
Non-current liabilities	**10,962,527**	**2,680,823**	**719,796**	**1,312,167**	**1,829,277**	**642,214**	**3,778,250**
Grants	104,693	20,932	386	80,902	2,473	-	-
Non current provisions	1,047,836	474,913	57,005	186,163	75,221	12,115	242,419
Non-current financial liabilities	8,628,968	1,639,458	634,506	949,206	1,456,681	530,018	3,419,099
Deferred tax liabilities	1,156,043	520,533	27,899	95,896	294,902	100,081	116,732
Other non-current liabilities	24,987	24,987	-	-	-	-	-
Current liabilities	**7,810,309**	**4,199,839**	**666,642**	**4,906,226**	**443,819**	**459,659**	**(2,865,876)**
Current provisions	143,233	14,730	2,801	125,655	47	-	-
Current financial liabilities	1,988,231	784,381	266,841	621,726	272,455	441,676	(398,848)
Trade and other payables	5,662,968	1,032,167	221,334	4,151,898	167,776	17,983	71,810
Other current liabilities	15,877	5,202	34	6,947	3,541	-	153
Intra-Group transactions	-	2,363,359	175,632	-	-	-	(2,538,991)
Total equity and liabilities	**21,979,137**	**7,497,865**	**1,519,524**	**7,097,387**	**3,745,187**	**1,094,347**	**1,024,827**

NOTE: In 2011 the Energy area was included in the accompanying consolidated financial statements under "Non-Current Assets Classified as Held for Sale" and "Liabilities Associated with Non-Current Assets Classified as Held for Sale" in the "Corporate" column due to the fact that it is a discontinued operation (see Note 4).

Cash flows by segment

	Total Group	Services		Construction	Cement	Corporate
		Environmental services	Versia			
2011						
From operating activities	999,439	540,124	102,735	59,448	97,553	199,579
From investing activities	5,222	(316,992)	(115,410)	(73,486)	(35,439)	546,549
From financing activities:	(350,904)	(229,086)	4,921	271,551	(187,318)	(210,972)
Other cash flows	(29,767)	3,264	(260)	(3,071)	(46,633)	16,933
Cash flows for the year	**623,990**	**(2,690)**	**(8,014)**	**254,442**	**(171,837)**	**552,089**
2010						
From operating activities	967,815	489,641	156,231	37,318	260,189	24,436
From investing activities	(507,360)	(356,175)	31,879	(288,534)	(7,115)	112,585
From financing activities	(404,230)	(145,749)	(193,632)	220,601	(235,323)	(50,127)
Other cash flows	(32,036)	4,301	4,362	3,676	(44,204)	(171)
Cash flows for the year	**24,189**	**(7,982)**	**(1,160)**	**(26,939)**	**(26,453)**	**86,723**

b) Activities and investments by geographical market

Approximately 52% of the Group's business is conducted abroad (2010: 46%).

The breakdown, by market, of the revenue earned abroad by the Group companies in 2011 and 2010 is as follows:

	Total	Services		Construction	Cement
		Environmental services	Versia		
2011					
European Union	4,740,506	1,224,364	204,685	3,268,218	43,239
USA	183,291	137,713	39,350	41	6,187
Latin America	467,561	26,351	18,484	422,726	-
Other	771,876	25,860	738	673,850	71,428
	6,163,234	**1,414,288**	**263,257**	**4,364,835**	**120,854**
2010					
European Union	4,443,696	1,145,077	216,503	3,033,846	48,270
USA	155,531	106,072	35,801	11,033	2,625
Latin America	226,057	3,133	28,817	193,244	863
Other	599,676	56,978	598	433,162	108,938
	5,424,960	**1,311,260**	**281,719**	**3,671,285**	**160,696**

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

	Total Group	Spain	UK	Czech Republic	Other European Union countries	USA	Latin America	Other
2011								
ASSETS								
Intangible assets	4,317,029	2,308,335	741,749	1,014	609,691	527,344	128,888	8
Property, plant and equipment	4,601,913	1,883,448	1,456,173	294,328	753,185	103,665	31,537	79,577
Investment property	34,458	-	-	-	27,344	-	-	7,114
Deferred tax assets	542,944	373,282	119,661	1,772	27,696	15,013	5,995	(475)
2010								
ASSETS								
Intangible assets	5,063,681	3,055,770	725,336	897	597,440	582,028	102,210	-
Property, plant and equipment	5,833,737	2,523,778	1,467,515	302,958	813,801	590,726	43,584	91,375
Investment property	259,033	235,443	-	-	23,590	-	-	-
Deferred tax assets	598,597	357,782	135,052	1,787	21,889	76,192	5,873	22

c) Headcount

The average number of employees in 2011 and 2010, by business area, was as follows:

	2011	2010
Services		
Environmental services	49,345	49,513
Versia	10,384	11,201
Construction	27,811	27,583
Cement	3,245	3,529
Corporate	506	467
	91,291	**92,293**

30. INFORMATION ON THE ENVIRONMENT

At a meeting held on 3 June 2009, the Board of Directors of FCC approved the FCC Group's environmental policy which responded to the initial objectives of the 2009-2010 Corporate Responsibility Master Plan, thereby reinforcing the Group's social responsibility commitment as part of its strategy, and reflecting its considerable involvement in environmental services.

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

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

On-going improvement

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

Control and monitoring

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

Climate change and prevention of pollution

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

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

Observation of the environment and innovation

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

Life cycle of the products and services

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

Everyone's participation is needed

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

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

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

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

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

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

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

The performance of production activities in the Environmental Services area requires the use of specialised structures, plant and machinery that are efficient in terms of environmental protection and conservation. At 31 December 2011, the acquisition cost of the non-current assets assigned to production in the Services area, net of depreciation and amortisation, totalled EUR 4,796,463 thousand (31 December 2010: EUR 4,816,724 thousand). The environmental provisions, mainly for landfill sealing and shutdown expenses, totalled EUR 356,556 thousand (31 December 2010: EUR 353,556 thousand).

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

At 31 December 2011, Cementos Portland Valderrivas Group had made environmental investments amounting to EUR 176,909 thousand (2010: EUR 192,856 thousand), which were recognised under “Intangible Assets” and “Property, Plant and Equipment”. The related accumulated depreciation and amortisation charge amounted to EUR 76,506 thousand (2010: EUR 88,251 thousand).

Due to the cement business the Group receives CO_2 emission allowances for no consideration in accordance with the corresponding national allocation plans. In this respect, it should be noted that in 2011 and 2010 the Group received for no consideration emission allowances equivalent to 7,763 thousand tonnes per annum relating to Cementos Portland Valderrivas, S.A., Cementos Alfa, S.A., Lemona Industrial, S.A. and Uniland Cementera, S.A.

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

"Other Operating Income" in the accompanying consolidated income statement includes the income from sales transactions relating to greenhouse gas emission allowances in 2011 amounting to EUR 43,502 thousand (2010: EUR 62,784 thousand) (see Note 28-a).

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

Also, it is considered that there were no significant contingencies in relation to the protection and improvement of the environment at 31 December 2011 that might have a material impact on the accompanying consolidated financial statements.

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

31. FINANCIAL RISK MANAGEMENT POLICIES

The concept of financial risk refers to the changes in the financial instruments arranged by the Group as a result of political, market and other factors and the repercussion thereof on the consolidated financial statements.

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

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

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

Capital risk management

The Group manages its capital to ensure that the Group companies are able to continue operating as profitable businesses whilst maximising shareholders' returns.

The strategy of the Group as a whole continues to focus on geographical diversification, namely the development and expansion of its activity in Europe, North and Central America and North Africa.

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

One of the objectives of this investment analysis, in addition to the habitual objectives (profitability, return period, risk assumed, strategic and market valuation), is to maintain the net debt/EBITDA ratio at a reasonable level and within the range negotiated with banks.

Financial management, which is responsible for the management of financial risks, periodically reviews the debt-equity ratio and compliance with the financing covenants and the capital structure of the subsidiaries.

Interest rate risk

In order to ensure a position that is in the FCC Group's best interest, an interest rate risk management policy is actively implemented based on the on-going monitoring of markets and assuming different positions based primarily on the asset financed.

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

Even so, the FCC Group performed interest rate hedging transactions in 2011, ending the year with various hedging instruments of varying maturities on 65.7% of the Group's total net debt, including project structured financing hedges.

Complying with the policy of classifying original instruments as hedges, the FCC Group has arranged interest rate hedges, mainly swaps (IRSs) in which the Group companies pay a fixed rate and receive a floating rate.

Foreign currency risk

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

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

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

Foreign currency risk is expressed as the portion of the Group’s equity denominated in currencies other than the euro, as indicated in Note 18-f, “Equity”, the most noteworthy currency being the pound sterling.

Solvency risk

At 31 December 2011, the FCC Group's net financial debt amounted to EUR 6,277,570 thousand, as shown in the following table:

	2011	2010
Bank borrowings	8,072,069	8,524,821
Debt instruments and other marketable securities	705,199	680,650
Other interest-bearing financial debt	195,328	447,675
Current financial assets	(392,766)	(225,763)
Cash and cash equivalents	(2,302,641)	(1,678,651)
Net financial debt	**6,277,189**	**7,748,732**
Net limited recourse debt	**(2,052,298)**	**(2,760,615)**
Net borrowings with recourse	**4,224,891**	**4,988,117**

The most relevant ratio for the purposes of measuring solvency and debt repayment capacity is net debt/EBITDA. The Group’s ratios are reasonable and fulfil the conditions negotiated with banks.

Liquidity risk

This risk results from the timing mismatches between the funds generated by the activities and the funds needed for the payment of debts, working capital etc.

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

Despite the adverse situation that affected the financial markets throughout 2011, the FCC Group has remained adequately positioned and has anticipated any potential adversity by paying close attention to the evolution of the factors that may help to resolve liquidity difficulties in the future and to the various sources of financing and their characteristics.

To ensure adequate management of this risk, the FCC Group closely monitors the maturities of all the credit lines and financing so that they can be renewed in sufficient time and on the best terms offered by the market, analyses the suitability of the financing on a case-by-case basis and studies alternatives with more favourable terms, where necessary.

In order to diversify its liquidity risk, the FCC Group operates with over 130 Spanish and international financial institutions.

The detail of the credit lines granted at consolidated level at 31 December 2011, taking into account only current and non-current bank borrowings and excluding the items accounted for as non-recourse borrowings, amounts payable under finance leases and accrued interest payable, is as follows:

	Amount granted	Undrawn balance	Balance drawn down
Consolidated	7,062,840	827,311	6,235,529

Credit risk

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

The Group requests commercial reports and assesses the financial solvency of its customers before entering into agreements with them and also engages in on-going monitoring of customers, and has a procedure in place to be followed in the event of insolvency. In the case of public customers, the Group follows the policy of not accepting projects without an allocated budget and financial approval.

The following risks arose in 2011:

1. Delay in investment in the construction of infrastructures for certain Spanish public customers, due to restrictions applied to investments as a result of the current economic and financial crisis, which led to the rescheduling of certain construction work over a longer period of time. This situation was mitigated by an increase in the presence abroad and the obtainment of new contracts with new customers, the success of which is reflected in the foreign business in the Construction area and in the significant growth in the overseas backlog.

2. Delay in collection from certain public customers for the provision of urban environmental services due to the economic crisis which has affected the financial equilibrium of public customers. Permanent monitoring and control committees have been established to minimise the volume of assets generated and thereby reduce the financial cost assumed and prevent it from increasing in the future.

Credit risk can also be due to counterparty breach of a financial asset, equivalents or derivatives contract. To manage this risk, the FCC Group restricts the use of these contracts to cases where the counterparties are credit institutions with proven creditworthiness and solvency. These contracts are also arranged with a large number of institutions, thereby diversifying the risk.

Concentration risk

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

- Sources of financing: the FCC Group obtains financing from over 130 Spanish and international banks.

- Markets/geographical area (Spanish, foreign): the FCC Group operates in a wide variety of Spanish and international markets and 87% of the Group's debt is concentrated in euros and 13% in various currencies in several international markets.

- Products: the FCC Group arranges a broad spectrum of financial products, including loans, credit facilities, debt instruments, syndicated transactions and discounting facilities.

- Currency: the FCC Group finances its operations in a wide variety of currencies. Although there is a significant concentration of investments in euros, US dollars and pounds sterling, investments tends to be financed in the local currency provided this is possible in the country of origin.

Sensitivity analysis

In relation to the sensitivity test on hedging derivatives and net debt, the amounts obtained in relation to the derivatives in force at year-end with an impact on equity and in the income statement after applying, where applicable, the related percentage of ownership, are shown below (in thousands of euros): In this respect, in view of the possible instability of the financial markets, the sensitivity test was performed using, on the one hand, three upward scenarios of the interest rate curve at 31 December 2011, assuming an increase in the curve of 50 bp, 100 bp and 125 bp and, on the other hand, a downwards scenario of the interest rate curve of 100 bp, 75 bp and 50 bp.

	Hedging derivatives					
	-100 bp	-75 bp	-50 bp	+50 bp	+100 bp	+125 bp
Impact on equity (full consolidation)	(47,873)	(38,904)	(26,832)	25,922	51,724	64,231
Impact on equity (equity method)	(114,247)	(84,049)	(54,973)	52,039	102,513	125,662

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

As in the case of derivatives, a table is shown below summarising the effect that the aforementioned upwards and downwards changes in the interest rate curve (+50 bp, +100 bp, +125 bp, and -100 bp, -75 bp and -50 bp, respectively) and in the interest rates on the net debt, after excluding any hedged debt, would have on the FCC Group's consolidated income statement:

	Net debt					
	-100 bp	-75 bp	-50 bp	+50 bp	+100 bp	+125 bp
Impact on the income statement	(32,901)	(24,675)	(16,450)	16,450	32,901	41,126

32. INFORMATION ON RELATED PARTY TRANSACTIONS

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

The amounts accrued in 2011 in relation to bylaw stipulated emoluments for members of the Board of Directors of Fomento de Construcciones y Contratas, S.A. to be paid by the Company or any of the Group companies, joint ventures or associates, totalled EUR 1,974 thousand (2010: EUR 1,937 thousand).

The detail of the fixed and variable remuneration earned by the executive directors of Fomento de Construcciones y Contratas, S.A. in 2011 and 2010 and payable to them by the Company or by any of the Group companies, joint ventures or associates is as follows:

	2011	2010
Fixed remuneration	3,778	3,724
Variable remuneration	939	1,639
	4,717	**5,363**

The senior executives listed below, who are not members of the Board of Directors, earned total remuneration of EUR 6,951 thousand in 2011 (2010: EUR 6,668 thousand).

2011 and 2010

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

The payments made by the Group in relation to the insurance policy taken out for, among others, certain executive directors and executives of Fomento de Construcciones y Contratas, S.A. or the Group are disclosed in Note 26, "Pension plans and similar obligations".

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

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

- Do not carry on, as independent professionals or as employees, any activity that is identical, similar or complementary to the activity that constitutes the Company's object.

- Do not own any investments in the share capital of companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the company object of Fomento de Construcciones y Contratas, S.A.

- Had not performed, with the Company or any company of the same Group, other transactions outside the course of the Company's ordinary business operations, or in conditions that were not on an arm's length basis.

The foregoing does not include the director B-1998, S.L. which has notified that its representative, Esther Koplowitz Romero de Juseu is also a member of the Board of Directors of Veolia Environnement, S.A. Henri Proglio is also a member of the Board of Directors of Veolia Environnement, S.A. and Chairman of Electricité de France (EDF).

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

Name or company name of director	Group company name	Position
CARTERA DEVA, S.A.	CEMENTOS PORTLAND VALDERRIVAS, S.A. REALIA BUSINESS, S.A.	DIRECTOR DIRECTOR
EAC INVERSIONES CORPORATIVAS, S.L.	CEMENTOS PORTLAND VALDERRIVAS, S.A. FCC CONSTRUCCIÓN, S.A. REALIA BUSINESS, S.A.	DIRECTOR DIRECTOR DIRECTOR
FERNANDO FALCÓ FERNÁNDEZ DE CÓRDOVA	FCC CONSTRUCCIÓN, S.A. WASTE RECYCLING GROUP LIMITED REALIA BUSINESS, S.A.	DIRECTOR DIRECTOR DIRECTOR
RAFAEL MONTES SÁNCHEZ	FCC CONSTRUCCIÓN, S.A. CEMENTOS PORTLAND VALDERRIVAS, S.A. ALPINE HOLDING GMBH REALIA BUSINESS, S.A.	DIRECTOR DIRECTOR DIRECTOR DIRECTOR
JUAN CASTELLS MASANA	WASTE RECYCLING GROUP LIMITED CEMENTOS PORTLAND VALDERRIVAS, S.A. ALPINE HOLDING GMBH	DIRECTOR DIRECTOR DIRECTOR
BALDOMERO FALCONES JAQUOTOT	FCC ENERGÍA, S.A. (Sole-Shareholder Company) FCC POWER GENERATION, S.L. (Sole-Shareholder Company)	CHAIRMAN CHAIRMAN
FELIPE B. GARCÍA PÉREZ	FCC ENERGÍA, S.A. (Sole-Shareholder Company) FCC ENVIRONMENTAL LLC. FCC POWER GENERATION, S.L. (Sole-Shareholder Company)	DIRECTOR DIRECTOR DIRECTOR
JAVIER RIBAS	FCC ENVIRONMENTAL LLC. ALPINE HOLDING GMBH	DIRECTOR DIRECTOR

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

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

Name or company name of the directors or executives	Name or company name of the Group company or entity	Type of transaction	Type of relationship	Amount
Dominum Desga, S.A.	Servicios Especiales de Limpieza, S.A.	Contractual	Cleaning services	3,772
B-1998, S.L.	FCC Medio Ambiente, S.A.	Contractual	Cleaning services	1,801

b) Transactions between Group companies or entities

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

The revenue recognised in the accompanying consolidated income statement includes EUR 313,909 thousand (2010: EUR 340,623 thousand) relating to Group company billings to associates and joint ventures.

The Group's consolidated financial statements also include purchases from associates and joint ventures amounting to EUR 105,291 thousand (2010: EUR 72,760 thousand).

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

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

33. FEES PAID TO AUDITORS

The 2011 and 2010 fees for financial audit services and for other professional services provided to the various Group companies and joint ventures composing the FCC Group by the principal auditor and by other auditors participating in the audit of the various Group companies, and by entities related to them, both in Spain and abroad, are shown in the following table:

	2011		2010	
Fees for financial audit services		**6,361**		**6,331**
Principal auditor	3,810		3,755	
Other auditors	2,551		2,576	
Fees for other services		**5,166**		**7,541**
Principal auditor	584		444	
Other auditors	4,582		7,097	
		11,527		13,872

34. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These consolidated financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group (see Note 2.1). Certain accounting practices applied by the Group that conform to that regulatory framework may not conform to other generally accepted accounting principles and rules.

SUBSIDIARIES (FULLY CONSOLIDATED)

Company	Registered office	Effective percentage of ownership	Auditor
ENVIRONMENTAL SERVICES			
Abastecimientos y Saneamientos del Norte, S.A., Sole-Shareholder Company	Uruguay, 11 - Vigo (Pontevedra)	100.00	
Abrantaqua-Serviço de Aguas Residuais Urbanas do Municipio de Abrantes, S.A.	Portugal	60.00	Ernst & Young
Acque di Caltanissetta, S.p.A.	Italy	89.28	Ernst & Young
Adobs Orgànics, S.L.	Sant Benet, 21 - Manresa (Barcelona)	60.00	
AEBA, Ambiente y Ecología de Buenos Aires, S.A.	Argentina	52.50	Estudio Torrent Auditores
Aguas Torrelavega, S.A.	La Viña, 4 - Torrelavega (Cantabria)	51.00	Audinfor
Aigües de l'Alt Empordà, S.A. - in liquidation-	Lluis Companys, 43 - Roses (Girona)	51.40	
Aigües de Vallirana, S.A., Sole-Shareholder Company	Conca de Tremp, 14 - Vallirana (Barcelona)	100.00	
Alfonso Benítez, S.A.	Federico Salmón, 13 - Madrid	100.00	PriceWaterhouseCoopers
Apex/FCC Llc.	USA	51.00	
Aqua Campiña, S.A.	Avda. Blas Infante, 6 - Écija (Seville)	90.00	Audinfor
Aquaelvas - Aguas de Elvas, S.A.	Portugal	100.00	Ernst & Young
Aquafundalia-Agua do fundao, S.A.	Portugal	100.00	
Aqualia Czech, S.L.	Ulises, 18 - Madrid	100.00	Ernst & Young
Aqualia Gestión Integral del Agua, S.A.	Federico Salmón, 13 - Madrid	100.00	Ernst & Young
Aqualia Infraestructuras Inzenyring s.r.o.	Czech Republic	100.00	Ing. Ladislav Balaz
Aqualia Infraestructuras de México, S.A. de C.V.	Mexico	100.00	Ernst & Young
Aqualia Infraestructuras, S.A.	Ulises, 18 - Madrid	100.00	Ernst & Young
Aqualia Infraestructuras Montenegro (AIM) DOO Niksic	Montenegro	100.00	
Aqualia New Europe B.V.	Netherlands	51.00	Ernst & Young
Aquamaior-Aguas de Campo Maior, S.A.	Portugal	100.00	Ernst & Young
Armigesa, S.A.	Plaza de la Constitución, 1 - Armilla (Granada)	51.00	
Augas Municipais de Arteixo, S.A.	Plaza Alcalde Ramón Dopico - Arteixo (La Coruña)	51.00	PriceWaterhouseCoopers
Azincourt Investment, S.L., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	Deloitte
Baltecma, Gestión de Residuos Industriales, S.L.	Conradors, parcela 34 P.I. Marratxi - Marratxi (Balearic Islands)	70.00	
Cartagua, Aguas do Cartaxo, S.A.	Portugal	60.00	Ernst & Young
Castellana de Servicios, S.A.	Federico Salmón, 13 - Madrid	100.00	PriceWaterhouseCoopers

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Company	Registered office	Effective percentage of ownership	Auditor
Chemipur Químicos, S.L., Sole-Shareholder Company	Pincel, 25 - Seville	100.00	
Colaboración, Gestión y Asistencia, S.A.	Federico Salmón, 13 - Madrid	100.00	
Compañía Catalana de Servicios, S.A.	Balmes, 36 - Barcelona	100.00	PriceWaterhouseCoopers
Compañía de Control de Residuos, S.L.	Peña Redonda, 27 - P.I. Silvota - Llanera (Asturias)	64.00	
Compañía Onubense de Aguas, S.A.	Avda. Martín Alonso Pinzón, 8 - Huelva	60.00	
Corporación Inmobiliaria Ibérica, S.A.	Ulises, 18 - Madrid	100.00	
Cristales Molidos, S.L.	Partida San Gregorio - Cadrete (Zaragoza)	100.00	
Dédalo Patrimonial, S.L., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	
Depurplan 11, S.A.	San Miguel, 4 3ºB - Zaragoza	100.00	Audinfor
Depurtebo, S.A.	San Pedro, 57 - Zuera (Zaragoza)	100.00	
Ecoactiva de Medio Ambiente, S.A.	Ctra. Puebla Albortón a Zaragoza Km. 25	60.00	
Ecodeal-Gestao Integral de Residuos Industriais, S.A.	Portugal	53.62	PriceWaterhouseCoopers
Ecogenesis Société Anonime Rendering of Cleansing and Waste Management Services	Greece	51.00	
Ecoparque Mancomunidad del Este, S.A.	Federico Salmón, 13 - Madrid	100.00	Audinfor
Egypt Environmental Services, S.A.E.	Egypt	100.00	PriceWaterhouseCoopers
Ekonor, S.A.	Larras de San Juan - Iruña de Oca (Álava)	100.00	PriceWaterhouseCoopers
Ekostone Áridos Siderúrgicos, S.L.	Trinidad, 9 - Getxo (Vizcaya)	51.00	
Empresa Comarcal de Serveis Mediambientals del Baix Penedés - ECOBP, S.L.	Plaza del Centre, 3 - El Vendrell (Tarragona)	66.60	Audinfor
Empresa Mixta de Conservación de la Estación Depuradora de Aguas Residuales de Butarque, S.A.	Princesa, 3 - Madrid	70.00	
Empresa Municipal de Desarrollo Sostenible Ambiental de Úbeda, S.L.	Plaza Vázquez de Molina, s/n -Úbeda (Jaén)	90.00	Audinfor
Entemanser, S.A.	Castillo, 13 - Adeje (Santa Cruz de Tenerife)	97.00	Ernst & Young
Enviropower Investments Limited	UK	100.00	Deloitte
F.S. Colaboración y Asistencia, S.A.	Ulises, 18 - Madrid	65.00	Audinfor
FCC Ámbito, S.A.	Federico Salmón, 13 - Madrid	100.00	PriceWaterhouseCoopers
FCC Environmental Llc.	USA	100.00	
FCC Lubricants Llc.	USA	51.00	
FCC Medio Ambiente, S.A.	Federico Salmón, 13 - Madrid	100.00	PriceWaterhouseCoopers
Focsa Services, U.K. Ltd.	UK	100.00	Deloitte

Company	Registered office	Effective percentage of ownership	Auditor
Focsa Serviços de Saneamento Urbano de Portugal, S.A.	Portugal	100.00	PriceWaterhouseCoopers
Gamasur Campo de Gibraltar, S.L.	Antigua Ctra. de Jimena de la Frontera, s/n - Los Barrios (Cádiz)	85.00	PriceWaterhouseCoopers
Gandia Serveis Urbans, S.A.	LLanterners, 6 - Gandia (Valencia)	65.00	
GEMECAN, Gestora Medioambiental y de Residuos, S.L.	Josefina Mayor, 12 - Telde (Las Palmas)	100.00	
Geneus Canarias, S.L., Sole-Shareholder Company	Electricista, 2. U. I. de Salinetas - Telde (Las Palmas)	100.00	
Gestió i Recuperació de Terrenys, S.A.	Rambla Catalunya, 2-4 - Barcelona	80.00	Audinfor
Gonzalo Mateo, S.L.	Partida San Gregorio - Cadrete (Zaragoza)	100.00	PriceWaterhouseCoopers
Graver Española, S.A., Sole-Shareholder Company	Epalza, 8 - Bilbao (Vizcaya)	100.00	Audinfor
A.S.A. Group	Austria		
1. Polabská	Czech Republic	100.00	
.A.S.A. Abfall Service AG	Austria	100.00	PriceWaterhouseCoopers
.A.S.A. Abfall Service Betriebs GmbH	Austria	100.00	
.A.S.A. Abfall Service Halbenrain GmbH	Austria	99.80	
.A.S.A. Abfall Service Industrieviertel Betriebs GmbH	Austria	100.00	
.A.S.A. Abfall Service Neunkirchen GmbH	Austria	100.00	
.A.S.A. Abfall Service Zistersdorf GmbH	Austria	100.00	PriceWaterhouseCoopers
.A.S.A. AbfallService Halbenrain GmbH & Co Nfg KG	Austria	100.00	PriceWaterhouseCoopers
.A.S.A. AbfallService Industrieviertel GmbH & Co Nfg KG	Austria	100.00	
.A.S.A. AbfallService Wiener Neustadt GmbH	Austria	100.00	
.A.S.A. Bulgaria E.O.O.D.	Bulgaria	100.00	PriceWaterhouseCoopers
.A.S.A. Ceské Budêjovice s.r.o	Czech Republic	75.00	PriceWaterhouseCoopers
.A.S.A. Dacice s.r.o	Czech Republic	60.00	
.A.S.A. EKO d.o.o	Serbia	100.00	PriceWaterhouseCoopers
.A.S.A. EKO Polska sp. z.o.o.	Poland	100.00	PriceWaterhouseCoopers
.A.S.A. EKO s.r.o.	Slovakia	100.00	
.A.S.A. EKO Znojmo s.r.o	Czech Republic	49.72	PriceWaterhouseCoopers

Company	Registered office	Effective percentage of ownership	Auditor
.A.S.A. Es Únanov s.r.o.	Czech Republic	60.41	
.A.S.A. Finanzdienstleistungen GmbH	Austria	100.00	
.A.S.A. Hódmezövásárhel y Köztisztasági Kft	Hungary	61.83	PriceWaterhouseCoopers
.A.S.A. Hp spol. s.r.o.	Czech Republic	100.00	PriceWaterhouseCoopers
.A.S.A. International Environmental Services GmbH	Austria	100.00	
.A.S.A. Kikinda d.o.o.	Serbia	80.00	PriceWaterhouseCoopers
A S A Kisalföld Szállitó Környezetvédelmi És H Kft	Hungary	100.00	
.A.S.A. Liberec s.r.o.	Czech Republic	55.00	PriceWaterhouseCoopers
.A.S.A. Lubliniec sp. z.o.o.	Poland	61.97	
A S A Magyarország Környezetvédelem És H Kft	Hungary	100.00	PriceWaterhouseCoopers
.A.S.A. Odpady Litovel s.r.o.	Czech Republic	49.00	
.A.S.A. Olsava spol. s.r.o.	Slovakia	100.00	
.A.S.A. Slovensko spol. s.r.o.	Slovakia	100.00	PriceWaterhouseCoopers
.A.S.A. Sluzby Zabovresky s.r.o.	Czech Republic	89.00	
.A.S.A. spol. s.r.o.	Czech Republic	100.00	PriceWaterhouseCoopers
.A.S.A. Tarnobrzeg sp. z.o.o.	Poland	60.00	
.A.S.A. TRNAVA spol. s.r.o.	Slovakia	50.00	PriceWaterhouseCoopers
.A.S.A. TS Prostejov s.r.o.	Czech Republic	49.00	PriceWaterhouseCoopers
.A.S.A. V.O.D.S. Sanacie s.r.o.	Slovakia	51.00	
.A.S.A. Vilnius UAB	Lithuania	100.00	
.A.S.A. Vrbak d.o.o.	Serbia	51.02	
.A.S.A. Zabcice spol. s.r.o.	Czech Republic	80.00	PriceWaterhouseCoopers
.A.S.A. Zohor spol. s.r.o.	Slovakia	85.00	PriceWaterhouseCoopers
Abfallwirtschaftszentrum Mostviertel GmbH	Austria	100.00	
Bec Odpady s.r.o.	Czech Republic	100.00	PriceWaterhouseCoopers
EKO-Radomsko sp. z.o.o.	Poland	100.00	
Entsorga Entsorgungs GmbH Nfg KG	Austria	100.00	

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Company	Registered office	Effective percentage of ownership	Auditor
EnviCon G s.r.o.	Czech Republic	100.00	PriceWaterhouseCoopers
Erd-Kom Érdi Kommunális Hulladékkezelö	Hungary	90.00	PriceWaterhouseCoopers
Inerta Abfallbehandlungs GmbH	Austria	100.00	
Kreindl GmbH	Austria	100.00	
Miejska Przedsiebiorstwo Gospodarki Komunalnej sp. z.o.o. Zabrze	Poland	80.00	PriceWaterhouseCoopers
Obsed a.s.	Czech Republic	100.00	
Quail spol. s.r.o.	Czech Republic	100.00	PriceWaterhouseCoopers
Regios AS	Czech Republic	99.00	PriceWaterhouseCoopers
S.C. A.S.A. Servicii Ecologice SRL	Romania	100.00	PriceWaterhouseCoopers
SC Valmax Impex SRL	Romania	60.00	PriceWaterhouseCoopers
Siewierskie Przedsiebiorstwo Gospodarki Komunalnej sp. z.o.o.	Poland	60.00	
Skladka Uhy spol. s.r.o.	Czech Republic	100.00	PriceWaterhouseCoopers
Technické Sluzby - A S A s.r.o.	Slovakia	100.00	PriceWaterhouseCoopers
Textil Verwertung GmbH	Austria	100.00	
Waste City spol. s.r.o. -in liquidation-	Slovakia	100.00	
Waste Recycling Group:	UK		
3C Holdings Limited	UK	100.00	Deloitte
3C Waste Limited	UK	100.00	Deloitte
Airdriehill Quarries Limited	UK	100.00	
Allington O & M Services Limited	UK	100.00	Deloitte
Allington Waste Company Limited	UK	100.00	Deloitte
Anti-Waste (Restoration) Limited	UK	100.00	Deloitte
Anti-Waste Limited	UK	100.00	Deloitte
Arnold Waste Disposal Limited	UK	100.00	Deloitte
BDR Property Limited	UK	80.00	Deloitte
BDR Waste Disposal Limited	UK	100.00	Deloitte
Darrington Quarries Limited	UK	100.00	Deloitte

Company	Registered office	Effective percentage of ownership	Auditor
Derbyshire Waste Limited	UK	100.00	Deloitte
East Waste Limited	UK	100.00	Deloitte
Enviropower Investments Ltd.	UK	100.00	Deloitte
FCC Energy Limited	UK	100.00	
FCC Environmental Services Limited	UK	100.00	
FCC Environmental Services UK Limited	UK	100.00	
Finstop Limited	UK	100.00	
Herrington Limited	UK	100.00	
Integrated Waste Management Limited	UK	100.00	Deloitte
Kent Conservation & Management Limited	UK	100.00	
Kent Energy Limited	UK	100.00	Deloitte
Kent Enviropower Limited	UK	100.00	Deloitte
Landfill Management Limited	UK	100.00	Deloitte
Lincwaste Limited	UK	100.00	Deloitte
Norfolk Waste Limited	UK	100.00	Deloitte
Oxfordshire Waste Limited	UK	100.00	
Pennine Waste Management Limited	UK	100.00	Deloitte
RE3 Holding Limited	UK	100.00	Deloitte
RE3 Limited	UK	100.00	Deloitte
Site&Field Equipment Limited	UK	100.00	
T Shooter Limited	UK	100.00	Deloitte
Waste Recovery Limited	UK	100.00	Deloitte
Waste Recycling Group (Central) Limited	UK	100.00	Deloitte
Waste Recycling Group (Scotland) Limited	UK	100.00	Deloitte
Waste Recycling Group (Yorkshire) Limited	UK	100.00	Deloitte
Waste Recycling Group Limited	UK	100.00	Deloitte
Waste Recycling Limited	UK	100.00	Deloitte
Wastenotts (Reclamation) Limited	UK	100.00	Deloitte

Company	Registered office	Effective percentage of ownership	Auditor
Wastenotts O & M Services Limited	UK	100.00	Deloitte
Welbeck Waste Management Limited	UK	100.00	Deloitte
Winterton Power Limited	UK	100.00	
WRG (LincolnShire) Limited	UK	100.00	Deloitte
WRG (Management) Limited	UK	100.00	Deloitte
WRG (Midlands) Limited	UK	100.00	Deloitte
WRG (Northern) Limited	UK	100.00	Deloitte
WRG Acquisitions 2 Limited	UK	100.00	Deloitte
WRG Berkshire Limited	UK	100.00	Deloitte
WRG Environmental Limited	UK	100.00	Deloitte
WRG PFI Holdings Limited	UK	100.00	Deloitte
WRG Properties Limited	UK	100.00	
WRG Waste Services Limited	UK	100.00	Deloitte
WRG Wrexham PFI Holdings Limited	UK	65.00	Deloitte
WRG Wrexham PFI Limited	UK	65.00	Deloitte
Hidrotec Tecnología del Agua, S.L., Sole-Shareholder Company	Pincel, 25 - Seville	100.00	
Instugasa, S.L., Sole-Shareholder Company	La Presa , 14 - Adeje (Santa Cruz de Tenerife)	100.00	Ernst & Young
Integraciones Ambientales de Cantabria, S.A.	Barrio la Barquera, 13 - Torres - Reocín - Cartes (Cantabria)	70.00	PriceWaterhouseCoopers
International Petroleum Corp. of Delaware	USA	100.00	
International Services Inc., S.A., Sole-Shareholder Company	Arquitecto Gaudí, 4 - Madrid	100.00	
Inversora Riutort, S.L.	Berlín, 38-43 - Barcelona	100.00	
Jaime Franquesa, S.A.	P.I. Zona Franca Sector B calle D49 - Barcelona	100.00	
Jaume Oro, S.L.	Avda. de Les Garrigues, 15 - Bellpuig (Lleida)	100.00	
Limpieza e Higiene de Cartagena, S.A.	Luis Pasteur, 6 - Cartagena (Murcia)	90.00	PriceWaterhouseCoopers
Limpiezas Urbanas de Mallorca, S.A.	Ctra. San Margalida-Can Picafort - Santa Margalida (Balearic Islands)	100.00	Audinfor
Manipulación y Recuperación MAREPA, S.A.	Av. San Martín de Valdeiglesias, 22 - Alcorcón (Madrid)	100.00	PriceWaterhouseCoopers
Municipal de Serveis, S.A.	Joan Torrà i Cabrosa, 7 - Girona	80.00	Cataudit Auditors Associats

Company	Registered office	Effective percentage of ownership	Auditor
Nilo Medioambiente, S.L., Sole-Shareholder Company	Pincel, 25 - Seville	100.00	Audinfor
Onyx Gibraltar, Ltd.	UK	100.00	
Ovod spol. s.r.o.	Czech Republic	100.00	Ing. Ladislav Balaz
Recuperació de Pedreres, S.L.	Rambla de Catalunya, 2 - Barcelona	80.00	PriceWaterhouseCoopers
Saneamiento y Servicios, S.A.	Federico Salmón, 13 - Madrid	100.00	PriceWaterhouseCoopers
Serveis d'Escombreries i Neteja, S.A.	Coure, s/n - P.I. Riu Clar - Tarragona	100.00	
Servicios de Levante, S.A.	Ctra. de Valencia Km. 3 - Castellón de la Plana (Castellón)	100.00	PriceWaterhouseCoopers
Servicios Especiales de Limpieza, S.A.	Federico Salmón, 13 - Madrid	100.00	PriceWaterhouseCoopers
Serveis Municipals de Neteja de Girona, S.A.	Pl. del Vi, 1 - Girona	75.00	
Severomoravské Vodovody a Kanalizace Ostrava A.S.	Czech Republic	98.68	Ernst & Young
Sociedad Española de Aguas Filtradas, S.A.	Ulises, 18 - Madrid	100.00	Ernst & Young
Sociedad Ibérica del Agua, S.I.A., S.A., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	
Societat Municipal Medioambiental d'Igualada	Pl. del Ajuntament, 1 - Igualada (Barcelona)	65.91	
Telford & Wrekin Services, Ltd.	UK	100.00	Deloitte
Tratamiento Industrial de Aguas, S.A.	Federico Salmón, 13 - Madrid	100.00	Audinfor
Tratamiento y Reciclado Integral de Ocaña, S.A.	Federico Salmón, 13 - Madrid	100.00	
Tratamientos y Recuperaciones Industriales, S.A.	Rambla de Catalunya, 2-4, P.5 - Barcelona	75.00	PriceWaterhouseCoopers
Valoración y Tratamiento de Residuos Urbanos, S.A.	Riu Magre, 6 - P.I. Patada del Cid - Quart de Poblet (Valencia)	80.00	
Valorización y Tratamiento de Residuos, S.A.	Alameda de Mazarredo, 15-4º A - Bilbao (Vizcaya)	100.00	Audinfor
VERSIA			
Aparcamientos Concertados, S.A.	Arquitecto Gaudí, 4 - Madrid	100.00	PriceWaterhouseCoopers
Beta de Administración, S.A.	Federico Salmón, 13 - Madrid	100.00	Centium
C.G.T. Corporación General de Transportes, S.A.	Federico Salmón, 13 - Madrid	100.00	
Camusa Corporación Americana de Mobiliario Urbano, S.A.	Argentina	100.00	
Cemusa Amazonia, S.A.	Brazil	100.00	PriceWaterhouseCoopers
Cemusa Boston, Llc.	USA	100.00	
Cemusa Brasilia, S.A.	Brazil	100.00	PriceWaterhouseCoopers

Company	Registered office	Effective percentage of ownership	Auditor
Cemusa do Brasil Ltda.	Brazil	100.00	PriceWaterhouseCoopers
Cemusa, Corporación Europea de Mobiliario Urbano, S.A.	Francisco Sancha, 24 - Madrid	100.00	PriceWaterhouseCoopers
Cemusa Inc.	USA	100.00	PriceWaterhouseCoopers
Cemusa Italia, S.R.L.	Italy	100.00	
Cemusa Miami, Llc.	USA	100.00	
Cemusa Miami, Ltd.	USA	100.00	
Cemusa NY, Llc.	USA	100.00	
Cemusa Portugal, Companhia de Mobiliario Urbano e Publicidade, S.A.	Portugal	100.00	PriceWaterhouseCoopers
Cemusa Rio, S.A.	Brazil	100.00	PriceWaterhouseCoopers
Cemusa Salvador, S.A.	Brazil	65.00	PriceWaterhouseCoopers
Conservación y Sistemas, S.A.	Federico Salmón, 13 - Madrid	100.00	PriceWaterhouseCoopers
Equipos y Procesos, S.A.	Conde de Peñalver, 45 - Madrid	80.73	
Estacionamientos y Servicios, S.A.	Federico Salmón, 13 - Madrid	100.00	
FCC Logística Portugal, S.A.	Portugal	100.00	PriceWaterhouseCoopers
FCC Logística, S.A., Sole-Shareholder Company	Buenos Aires, 10 P.I. Camporroso - Alcalá de Henares (Madrid)	100.00	PriceWaterhouseCoopers
FCC Versia, S.A.	Federico Salmón, 13 - Madrid	100.00	PriceWaterhouseCoopers
Flightcare Belgium, Naamloze Vennootschap	Belgium	100.00	PriceWaterhouseCoopers
Flightcare Cyprus Limited	Cyprus	75.00	
Flightcare Italia, S.p.A.	Italy	100.00	PriceWaterhouseCoopers
Flightcare, S.L.	Federico Salmón, 13 - Madrid	100.00	PriceWaterhouseCoopers
Geral I.S.V. Brasil Ltda.	Brazil	100.00	
Navegación y Servicios Aeroportuarios, S.A., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	
Sistemas y Vehículos de Alta Tecnología, S.A.	Conde de Peñalver, 45 - Madrid	100.00	PriceWaterhouseCoopers
Zona Verde-Promoçao e Marketing Limitada	Portugal	100.00	PriceWaterhouseCoopers

Company	Registered office	Effective percentage of ownership	Auditor
CONSTRUCTION			
Alpetrol, S.A.	Avda. General Perón, 36 - Madrid	100.00	
Alpine Consulting d.o.o.	Slovenia	100.00	
Áridos de Melo, S.L.	Finca la Barca y el Ballestar, s/n - Barajas de Melo (Cuenca)	100.00	Centium
Autovía Conquense, S.A.	Pedro Texeira, 8 - Madrid	100.00	Deloitte
BBR Pretensados y Técnicas Especiales, S.L.	Retama, 5 - Madrid	100.00	Centium
Binatec Al Maghreb, S.A.	Morocco	100.00	
Concesionaria Túnel de Coatzacoalcos, S.A. de C.V.	Mexico	85.59	Deloitte
Concesiones Viales de Costa Rica, S.A.	Costa Rica	100.00	
Concesiones Viales S. de R.L. de C.V.	Mexico	99.97	Deloitte
Conservial, S.L.	Manuel Lasala, 36 - Zaragoza	100.00	
Construcción y Filiales Mexicanas, S.A. de C.V.	Mexico	100.00	Deloitte
Constructora Túnel de Coatzacoalcos, S.A. de C.V.	Mexico	55.60	Deloitte
Contratas y Ventas, S.A.	Asturias, 41 - Oviedo (Asturias)	100.00	Deloitte
Desarrollo y Construcción DEYCO CRCA, S.A.	Costa Rica	100.00	
Dezvoltare Infraestructura, S.A.	Romania	51.03	
Dizara Inversión, S.L.	Avda. General Perón, 36 - Madrid	100.00	
EHST - European High-Speed Trains SGPS, S.A.	Portugal	85.71	Deloitte
FCC Actividades de Construcción Industrial (1)	Federico Salmón, 12 - Madrid	100.00	Deloitte
FCC Canadá Ltd.	Canada	100.00	
FCC Colombia, S.A.S.	Colombia	100.00	
FCC Construcción, S.A.	Balmes, 36 - Barcelona	100.00	Deloitte
FCC Construcción de Centroamérica, S.A.	Costa Rica	100.00	Deloitte
FCC Construcción Chile, SPA	Chile	100.00	
FCC Construcción Perú, S.A.C.	Peru	100.00	
FCC Construcción Polska SP Z.o.o.	Poland	100.00	
FCC Constructii Romania, S.A.	Romania	100.00	
FCC Construction Hungary Kft	Hungary	100.00	Deloitte
FCC Construction I-95 Llc.	USA	100.00	Deloitte

(1) Change of name. Formerly Ibérica de Servicios y Obras, S.A.

Company	Registered office	Effective percentage of ownership	Auditor
FCC Construction Inc.	USA	100.00	Deloitte
FCC Construction International B.V.	Netherlands	100.00	
FCC Construction Northern Ireland Limited	Ireland	100.00	Deloitte
FCC Construçoes do Brasil, Ltd.	Brazil	100.00	
FCC Elliot UK Limited	UK	50.10	
FCC Industriale SRL	Italy	100.00	
FCC Servicios Industriales y Energéticos, S.A.	Acanto, 22 - Madrid	100.00	Deloitte
FCC Servicios Industriales y Energéticos México, S.A.C.V.	Mexico	100.00	
Fomento de Construcciones y Contratas Construction Ireland Limited	Ireland	100.00	Deloitte
Gavisa Portugal Montagens Eléctricas Lda.	Portugal	97.00	
Alpine Group:			
Acoton Projektmanagement & Bauträger GmbH	Austria	79.10	
Ad Grundbesitzverwaltung GmbH	Germany	80.54	Deloitte
Ajs Acoton Projektmanagement & Bauträger GmbH Co KG	Austria	88.76	
Alpine Aleksandar d.o.o.	Macedonia	86.07	
Alpine Bau CZ s.r.o.	Czech Republic	89.65	Deloitte
Alpine Bau Deutschland AG	Germany	89.47	Deloitte
Alpine Bau GmbH	Austria	89.65	Deloitte
Alpine Bau GmbH A-1 sp.j	Poland	89.65	
Alpine Bau GmbH Schweiz	Switzerland	89.65	Deloitte
Alpine Bau India Private Limited	India	89.65	Thingna & Contractor, Chertered Accountants
Alpine BeMo Tunnelling GmbH	Austria	89.75	Deloitte
Alpine Building Services GmbH	Germany	89.46	
Alpine Bulgaria AD	Bulgaria	45.72	
Alpine Construction Polska sp z.o.o.	Poland	89.46	Deloitte
Alpine d.o.o. Banja Luka	Bosnia Herzegovina	89.65	
Alpine d.o.o. Beograd	Serbia	89.65	

Company	Registered office	Effective percentage of ownership	Auditor
Alpine Energie Cesko spol. s.r.o.	Czech Republic	89.65	Deloitte
Alpine Energie Deutschland GmbH	Germany	89.65	Deloitte
Alpine Energie Holding AG (Austria)	Austria	89.65	
Alpine Energie Holding AG (Germany)	Germany	89.65	
Alpine Energie Luxembourg SARL	Luxembourg	89.65	Deloitte
Alpine Energie Magyarország KFT	Hungary	89.65	Deloitte
Alpine Energie Osterreich GmbH	Austria	89.65	Deloitte
Alpine Energie Schweiz AG	Switzerland	89.65	Deloitte
Alpine Energie Solar Italia GmbH	Austria	89.65	
Alpine Green Energia sp. z.o.o.	Poland	67.12	
Alpine Green Energy Italy SRL	Italy	89.65	
Alpine Holding GmbH	Austria	86.50	Deloitte
Alpine Hungaria Bau GmbH	Hungary	89.65	
Alpine Investment d.o.o.	Bosnia Herzegovina	45.72	
Alpine Liegenschaftsverwertungs GmbH	Austria	89.65	
Alpine Mayreder Construction Co Ltd. AMCC	China	67.24	Beijing Tongdaoxing Certified Public Accountants
Alpine Podgorica d.o.o.	Montenegro	89.65	
Alpine Project Finance and Consulting GmbH	Germany	89.65	
Alpine Rudnik Krecnjaka Lapisnica d.o.o.	Bosnia Herzegovina	45.72	
Alpine Skopje DOOEL	Macedonia	89.65	
Alpine - Slask Budowa sp. z.o.o.	Poland	89.65	
Alpine Slovakia spol s.r.o.	Slovakia	89.65	Deloitte
Alpine Untertagebau GmbH	Germany	89.76	Deloitte
Alpine, S.A.	Romania	89.65	Deloitte
Andezit Stanceni SRL	Romania	89.65	
Arb Holding GmbH (2)	Austria	89.65	
Bautechnische Prüf und Versuchsanstalt GmbH	Austria	89.65	
Bewehrungszentrum Linz GmbH	Austria	89.65	Grant Thornton
Bürozentrum U3 Projekt GmbH	Austria	89.65	
CSS - City Service Solution GmbH	Germany	89.65	

(2) Change of name. Formerly Gregorich GmbH

Company	Registered office	Effective percentage of ownership	Auditor
E Gottschall & Co GmbH	Germany	86.50	
Ecoenergetika d.o.o.	Slovenia	89.65	
Fröhlich Bau und Zimmereiunternehmen GmbH	Austria	89.65	
Geotechnik Systems GmbH	Austria	89.65	Grant Thornton
GmbH Alpine (3)	Russia	89.65	
Grados d.o.o. Novi Sad	Serbia	62.46	Deloitte
Grund Pfahl und Sonderbau GmbH	Austria	89.65	
Grund und Sonderbau GmbH	Austria	89.65	Deloitte
Grund und Sonderbau GmbH ZNL Berlín	Austria	89.65	
Hazet Bauunternehmung GmbH	Austria	89.65	Deloitte
Hoch & Tief Bau Beteiligungs GmbH	Austria	87.31	
Ing Arnulf Haderer GmbH	Austria	89.65	
Ingenieurbüro Für Energie - Und Haustechnik Andreas Duba GmbH	Germany	80.52	Deloitte
Kai Center Errichtungs und Vermietungs GmbH	Austria	88.76	
KAPPA d.o.o.	Croatia	62.46	Deloitte
Klöcher Bau GmbH	Austria	89.65	Deloitte
Konrad Beyer & Co Spezialbau GmbH	Austria	89.65	Deloitte
MLA Beteiligungen GmbH	Austria	89.65	
Oekotechna Entsorgungs und Umwelttechnik GmbH	Austria	89.65	Unitreu/Agitas
OKTAL Plus d.o.o.	Croatia	62.46	
Osijek - Koteks d.d.	Croatia	62.46	Deloitte
PRO - PART AG	Switzerland	89.65	
PRO-PART Energie GmbH	Switzerland	89.65	
PRO - PART in Austria Handels GmbH	Austria	89.65	
Project Development GmbH	Austria	89.65	
RMG d.o.o.	Bosnia Herzegovina	45.72	

(3) Change of name. Formerly GmbH Alpine Mayreder.

Company	Registered office	Effective percentage of ownership	Auditor
Salzburger Lieferasphalt GmbH & Co OG	Austria	35.86	
Schauer Eisenbahnbau GmbH	Austria	89.65	
Solar Park Serena SRL	Italy	62.76	
Strazevica Kamenolom d.o.o.	Serbia	89.65	
Stump - Geospol s.r.o. Prag	Czech Republic	89.65	Novak & Martin
Stump Hydrobudowa sp. z.o.o. Warschau	Poland	89.65	
Stump Spezial Tiefbau GmbH	Czech Republic	89.65	Deloitte
Thalia Errichtungs und Vermietungs GmbH	Austria	79.10	
Universale Bau GmbH	Austria	89.65	Deloitte
Velicki Kamen d.o.o.	Croatia	62.46	Deloitte
Walter Hamann Hoch Tief und Stahlbetonbau GmbH	Germany	89.46	
Weinfried Bauträger GmbH	Austria	89.65	
Wellnesshotel Épito Kft	Hungary	89.65	
Hermeriel, S.A.	Ferrocarril, 10 - Palencia	100.00	Deloitte
Ibervia Construcciones y Contratas, S.L.	Avda. General Perón, 36 - Madrid	100.00	
Impulsa Infraestructura, S.A. de C.V.	Mexico	52.00	Deloitte
Impulsora de Proyectos PROSERME, S.A. de C.V.	Mexico	100.00	
M&S Concesiones, S.A.	Costa Rica	100.00	
Mantenimiento de Infraestructuras, S.A.	Avda. General Perón, 36 - Madrid	100.00	Deloitte
Megaplás Italia, S.p.A.	Italy	100.00	
Megaplás, S.A.	Hilanderas, 4-14 - La Poveda - Arganda del Rey (Madrid)	100.00	Deloitte
Motre, S.L.	Bonastruc de Porta, 20 - Girona	100.00	
Moviterra, S.A.	Bonastruc de Porta, 20 - Girona	100.00	Deloitte
MWG Wohnbau GmbH	Austria	94.83	
Naturaleza, Urbanismo y Medio Ambiente, S.A.	Galena, 11 - Entreplanta - Valladolid	100.00	
Nevasa Inversión, S.L.	Avda. General Perón, 36 - Madrid	100.00	
Norseñal, S.L.	Juan Flórez, 64 - La Coruña	100.00	
Participaciones Teide, S.A.	Avda. General Perón, 36 - Madrid	100.00	
Pedrera Les Gavarres, S.L.	Bonastruc de Porta, 20 - Girona	100.00	
Pinturas Jaque, S.L.	Avda. General Perón, 36 - Madrid	100.00	

Company	Registered office	Effective percentage of ownership	Auditor
Prefabricados Delta, S.A.	Retama, 7 - Madrid	100.00	Deloitte
Proyectos y Servicios, S.A.	Torregalindo, 1 - Madrid	100.00	Centium
Ramalho Rosa Cobetar Sociedade de Construçoes, S.A.	Portugal	100.00	Deloitte
Señalizaciones de Vías Públicas, S.L.	Avda. de Barber, 2 - Toledo	100.00	
Servià Cantó, S.A.	Bonastruc de Porta, 20 - Girona	100.00	Deloitte
Sincler, S.A., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	
Tema Concesionaria, S.A.	Porto Pi, 8 - Palma de Mallorca (Balearic Islands)	100.00	
Tulsa Inversión, S.L.	Avda. General Perón, 36 – Madrid	100.00	
Vela Borovica Koncem d.o.o.	Croatia	99.48	
Vialia Sociedad Gestora de Concesiones de Infraestructuras, S.L.	Avda. General Perón, 36 - Madrid	100.00	Deloitte

CEMENT

Company	Registered office	Effective percentage of ownership	Auditor
Áridos de Navarra, S.A.	Estella, 6 - Pamplona (Navarra)	47.21	
Áridos Uniland, S.A., Sole-Shareholder Company	Torrenteres, 20 P.I. Sur - El Papiol (Barcelona)	52.58	Deloitte
Áridos y Canteras del Norte, S.A.U.	Alameda de Urquijo, 10 - Bilbao (Vizcaya)	70.83	Deloitte
Áridos y Premezclados, S.A., Sole-Shareholder Company	José Abascal, 59 - Madrid	71.53	Deloitte
Arriberri, S.L., Sole-Shareholder Company	Alameda de Urquijo, 10 - Bilbao (Vizcaya)	70.83	Deloitte
Atracem, S.A., Sole-Shareholder Company	José Abascal, 59 - Madrid	71.53	Deloitte
Cántabra Industrial y Minera, S.A., Sole-Shareholder Company	Josefina de la Maza, 4 P.E. Piasca - Santander (Cantabria)	62.87	
Cantera Zeanuri, S.L.	Uribitarte, 10 - Bilbao (Vizcaya)	70.68	
Canteras de Aláiz, S.A.	Estella, 6 - Pamplona (Navarra)	50.08	Deloitte
Canteras Villallano, S.L.	Poblado de Villallano - Villallano (Palencia)	62.87	
Cemensilos, S.A.	Josefina de la Maza, 4 P.E. Piasca - Santander (Cantabria)	62.87	Deloitte
Cementos Alfa, S.A.	Josefina de la Maza, 4 P.E. Piasca - Santander (Cantabria)	62.87	Deloitte
Cementos Lemona, S.A.	Alameda de Urquijo, 10 - Bilbao (Vizcaya)	70.83	Deloitte
Cementos Portland Valderrivas, S.A.	Estella, 6 - Pamplona (Navarra)	71.53	Deloitte
Cementos Villaverde, S.L., Sole-Shareholder Company	Almagro, 26 - Madrid	71.53	Deloitte
Coastal Cement Corporation	USA	71.41	
Compañía Auxiliar de Bombeo de Hormigón, S.A., Sole-Shareholder Company	José Abascal, 59 - Madrid	71.53	

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Company	Registered office	Effective percentage of ownership	Auditor
Corporación Uniland, S.A.	Córcega, 299 - Barcelona	52.69	Deloitte
Dragon Alfa Cement Limited	UK	62.87	Deloitte
Dragon Energy Llc.	USA	71.41	
Dragon Products Company Inc.	USA	71.41	
Egur Birziklatu Bi Mila, S.L.	Alameda de Urquijo, 10 - Bilbao (Vizcaya)	70.83	
Explotaciones San Antonio, S.L., Sole-Shareholder Company	Josefina de la Maza, 4 P.E. Piasca - Santander (Cantabria)	62.87	
Giant Cement Company	USA	71.41	
Giant Cement Holding, Inc.	USA	71.41	Deloitte
Giant Cement NC Inc.	USA	71.41	
Giant Cement Virgina Inc.	USA	71.41	
Giant Resource Recovery Inc.	USA	71.41	
Giant Resource Recovery - Arvonia Inc.	USA	71.41	
Giant Resource Recovery - Attalla Inc.	USA	71.41	
Giant Resource Recovery - Harleyville Inc.	USA	71.41	
Giant Resource Recovery - Sumter Inc.	USA	71.41	
Hormigones de la Jacetania, S.A.	Llano de la Victoria - Jaca (Huesca)	44.71	KPMG
Hormigones Premezclados del Norte, S.A.	Alameda de Urquijo, 10 - Bilbao (Vizcaya)	70.83	Deloitte
Hormigones Reinosa, S.A., Sole-Shareholder Company	Josefina de la Maza, 4 P.E. Piasca - Santander (Cantabria)	62.87	
Hormigones Uniland, S.L., Sole-Shareholder Company	Ctra. Vilafranca del P. a Moja Km. 1 - Olérdola (Barcelona)	52.58	Deloitte
Hormigones y Morteros Preparados, S.A., Sole-Shareholder Company	José Abascal, 59 - Madrid	71.53	Deloitte
Horminal, S.L., Sole-Shareholder Company	José Abascal, 59 - Madrid	71.53	
Keystone Cement Company	USA	71.41	
Morteros Bizkor, S.L.	Alameda de Urquijo, 10 - Bilbao (Vizcaya)	37.98	Deloitte
Morteros Valderrivas, S.L., Sole-Shareholder Company	José Abascal, 59 - Madrid	71.53	Deloitte
Participaciones Estella 6, S.L., Sole-Shareholder Company	Estella, 6 - Pamplona (Navarra)	71.53	
Portland, S.L. Sole-Shareholder Company	José Abascal, 59 - Madrid	71.53	Deloitte
Prebesec Mallorca, S.A.	Conradors, 48 - Marratxi - Palma de Mallorca (Balearic Islands)	35.99	

Company	Registered office	Effective percentage of ownership	Auditor
Prebesec, S.A., Sole-Shareholder Company	Torrenteres, 20 P.I. Sur - El Papiol (Barcelona)	52.58	Deloitte
Prefabricados Uniland, S.A., Sole-Shareholder Company	Córcega, 299 - Barcelona	52.58	
Santursaba, S.L., Sole-Shareholder Company	Alameda de Urquijo, 10 - Bilbao (Vizcaya)	70.83	
Sechem Inc.	USA	71.41	
Select Béton, S.A.	Tunisia	46.29	Consulting Management & Governance
Société des Ciments d'Enfida	Tunisia	46.29	Consulting Management & Governance - Ahmed Mansour & Associes, RSM
Southern Cement Limited	UK	52.69	Deloitte
Telsa, S.A.	Alameda de Urquijo, 10 - Bilbao (Vizcaya)	70.83	Deloitte
Telsa, S.A. y Compañía Sociedad Regular Colectiva	Alameda de Urquijo, 10 - Bilbao (Vizcaya)	70.83	Deloitte
Transportes Gorozteta, S.L., Sole-Shareholder Company	Alameda de Urquijo, 10 - Bilbao (Vizcaya)	52.93	
Transportes Lemona, S.A.	Alameda de Urquijo, 10 - Bilbao (Vizcaya)	70.83	
Tratamiento Escombros Almoguera, S.L.	José Abascal, 59 - Madrid	36.51	
Uniland Acquisition Corporation	USA	70.67	
Uniland Cementera, S.A.	Córcega, 299 - Barcelona	52.58	Deloitte
Uniland International B.V.	Netherlands	52.69	
Uniland Trading B.V.	Netherlands	52.69	
Utonka, S.A., Sole-Shareholder Company	Torrenteres, 20 P.I. Sur - El Papiol (Barcelona)	52.58	

ENERGY

Enerstar Villena, S.A.	San Vicente Ferrer, 16 - Gandía (Valencia)	100.00	Deloitte
FCC Energía, S.A.	Federico Salmón, 13 - Madrid	100.00	Deloitte
FCC Energia Catalunya, S.L.	Balmes, 36 - Barcelona	80.04	
Fomento Internacional Focsa, S.A. Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	

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Company	Registered office	Effective percentage of ownership	Auditor
Olivento Group:			
Olivento, S.L., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	Deloitte
Sistemas Energéticos Abadía, S.A.	Albareda, 1 - Zaragoza	96.57	Deloitte
Guzmán Energía, S.L., Sole-Shareholder Company	Portada, 11 - Palma del Río (Cordoba)	70.00	Deloitte
Guzmán Energy O&M, S.L.	Federico Salmón, 13 - Madrid	70.00	
Helios Patrimonial 1, S.L. ,Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	Deloitte
Helios Patrimonial 2, S.L., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	Deloitte
Saisei Renovable, S.L. Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	Deloitte
OTHER ACTIVITIES			
Asesoría Financiera y de Gestión, S.A.	Federico Salmón, 13 - Madrid	100.00	Deloitte
Compañía Auxiliar de Agencia y Mediación, S.A., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	
Compañía General de Servicios Empresariales, S.A., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	
Corporación Española de Servicios, S.A.	Federico Salmón, 13 - Madrid	100.00	
Corporación Financiera Hispánica, S.A.	Federico Salmón, 13 - Madrid	100.00	
Europea de Gestión, S.A., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	
Eusko Lanak, S.A.	Federico Salmón, 13 - Madrid	100.00	
F-C y C, S.L., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	
FCC 1, S.L., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	
FCC Construcciones y Contratas Internacional, S.L., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	
FCC Finance, B.V.	Netherlands	100.00	
FCC Fomento de Obras y Construcciones, S.L., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	
FCC Inmobiliaria Conycon, S.L., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	
FCC International, B.V.	Netherlands	100.00	
Fedemes, S.L.	Federico Salmón, 13 - Madrid	100.00	
Per Gestora Inmobiliaria, S.L.	Plaza Pablo Ruiz Picasso - Madrid	100.00	Centium
Puerto Cala Merced, S.A.	Arquitecto Gaudí, 4 - Madrid	100.00	

APPENDIX II

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

Company	Registered office	Carrying amount of the investment 2011	Carrying amount of the investment 2010	Effective percentage of ownership	Auditor
ENVIRONMENTAL SERVICES					
Aguas de Langreo, S.L.	Alonso del Riesgo, 3 - Sama de Langreo (Asturias)	646	861	49.00	Audinfor
Aguas de Ubrique, S.A.	Málaga, 11 - Oviedo (MAlaga)	71	298	50.00	Audinfor
Aguas y Servicios de la Costa Tropical de Granada, A.I.E.	Plaza de la Aurora - Motril (Granada)	805	805	51.00	Attest Servicios Empresariales
Aigües de Girona, Salt i Sarrià de Ter, S.A.	Ciutadans, 11 - Girona	183	201	26.89	Cataudit Auditors Associats
Aquagest Medioambiente Aqualia, A.I.E.	Condado de Jaruco, s/n - Lloret de Mar (Barcelona)	50	59	37.50	
Atlas Gestión Medioambiental, S.A.	Roma, 25 - Barcelona	13,765	14,482	50.00	Deloitte
Beacon Waste Limited	UK	1,564	1,559	50.00	Deloitte
Compañía de Servicios Medioambientales Do Atlántico, S.A.	Ctra. de Cedeira Km. 1 - Narón (La Coruña)	298	292	49.00	Audinfor
Costa Brava Abastament Aqualia-Sorea, A.I.E.	Sector Carlit, s/n - Empuriabrava (Girona)	—	—	50.00	
Ecoparc del Besòs, S.A.	Rambla Cataluña, 91-93 - Barcelona	5,335	4,040	49.00	Castellà Auditors Consultors
Ecoserveis Urbans de Figueres, S.L.	Av. de les Alegries, s/n - Lloret de Mar (Girona)	292	260	50.00	
Electrorecycling, S.A.	Ctra. BV - 1224 Km. 6,750 - El Pont de Vilomara i Rocafort (Barcelona)	1,647	1,735	33.33	KPMG
Empresa Mixta d'Aigües de la Costa Brava, S.A.	Plaza Josep Pla, 4 - Girona	194	327	25.00	Ernst & Young
Empresa Mixta de Aguas y Servicios, S.A.	Elisa Cendreros, 14 - Ciudad Real	68	75	41.25	Centium
Empresa Mixta de Limpieza de la Villa de Torrox, S.A.	Plaza de la Constitución, 1 - Torrox (Málaga)	440	414	50.00	Audinfor
Empresa Mixta de Medio Ambiente de Rincón de la Victoria, S.A.	Avda. Zorreras, 8 - Rincón de la Victoria (Málaga)	344	388	50.00	Audinfor
Empresa Municipal de Aguas de Benalmádena, EMABESA, S.A.	Av. Juan Luis Peralta, s/n - Benalmádena (Málaga)	2,047	1,907	50.00	Audinfor
Fisersa Ecoserveis, S.A.	Alemania, 5 - Figueres (Girona)	256	266	36.36	Cataudit Auditors Associats
FTS 2010 Societa Consortile a Resp. Lim	Italy	6	—	60.00	
Gestión de Servicios Hidráulicos de Ciudad Real, A.I.E.	Ramírez de Arellano - Madrid	(56)	(61)	75.00	
Girona, S.A.	Travessera del Carril, 2 - Girona	1,448	1,382	33.61	Cataudit
Proactiva Group	Cardenal Marcelo Spínola, 8 - Madrid	47,776	44,058	50.00	Deloitte
Hades Soluciones Medioambientales, S.L.	Mayor, 3 - Cartagena (Murcia)	60	60	50.00	
Inalia Water Solutions, S.L.	Ulises, 18 - Madrid	—	5	50.00	
Ingeniería Urbana, S.A.	Calle 1 esquina calle 3, P.I. Pla de la Vallonga - Alicante	4,901	5,105	35.00	Deloitte

APPENDIX II/2

Company	Registered office	Carrying amount of the investment 2011	Carrying amount of the investment 2010	Effective percentage of ownership	Auditor
ITAM Delta de la Tordera, A.I.E.	Berlín, 38-48 - Barcelona	—	—	50.00	
Mediaciones Comerciales Ambientales, S.L.	Roma, 25 - Barcelona	197	248	50.00	
Mercia Waste Management, Ltd.	UK	5,761	11,777	50.00	Deloitte
Palacio de exposiciones y congresos de Granada	Ps del Violón, s/n - Granada	255	—	50.00	
PB El Caracol S de RL de CV	Mexico	134	—	50.00	Grant Thornton
Pilagest, S.L.	Ctra. BV - 1224 Km. 6,750 - El Pont de Vilomara i Rocafort (Barcelona)	718	824	50.00	
Reciclado de Componentes Electrónicos, S.A.	E - Pol. Actividades Medioambientales - Aznalcóllar (Seville)	2,988	2,256	37.50	KPMG
Senblen, S.A.	Alameda de Urquijo, 10 - Bilbao (Vizcaya)	(149)	(149)	85.23	
Servicios de Limpieza Integral de Málaga III, S.A.	Camino de la Térmica, 83 - Málaga	1,878	1,856	26.01	PriceWaterhouseCoopers
Servicios Urbanos de Málaga, S.A.	Ulises, 18 - Madrid	572	525	51.00	
Severn Waste Services Limited	UK	197	184	50.00	Deloitte
Tratamiento Industrial de Residuos Sólidos, S.A.	Rambla Cataluña, 91 - Barcelona	43	694	33.33	Castellà Auditors Consultors
Zabalgarbi, S.A.	Camino de Artigas, 10 - Bilbao (Vizcaya)	15,583	13,999	30.00	KPMG
VERSIA					
Converty Service, S.A.	Camino de los Afligidos P.I. La Esgaravita, 1 -Alcalá de Henares (Madrid)	5,420	5,657	50.00	Pérez y Asociados Auditores
Corporación Jerezana de Transportes Urbanos, S.A., Sole-Shareholder Company	P.I. P.I. El Portal - Jerez de la Frontera (Cádiz)	3,111	2,757	50.00	
Detren Compañía General de Servicios Ferroviarios, S.L.	Serrano, 93 - Madrid	1,924	1,517	50.00	KPMG
FCC-CONNEX Corporación, S.L.	Serrano, 93 - Madrid	12,983	12,319	50.00	
Infoser Estacionamientos, A.I.E.	Manuel Silvela, 8 - Madrid	—	120	33.33	
Tranvía de Parla, S.A.	Camino de la Cantuela, 2 - Parla (Madrid)	109	211	5.00	Deloitte
Versia Holding GmbH	Austria	7	7	100.00	
CONSTRUCTION					
ACE Acestrada Construçao de Estradas	Portugal	—	1	13.33	
ACE CAET XXI Construçoes	Portugal	4,539	164	50.00	Horwath & Associados
ACE Edifer Construçoes Ramalho R.C. E.C.	Portugal	1	93	33.33	
ACE Infraestructuras das Antas - Construçao e Obras Publicas	Portugal	—	77	33.33	
ACE Metrexpo	Portugal	17	156	44.90	

Company	Registered office	Carrying amount of the investment 2011	2010	Effective percentage of ownership	Auditor
ACE Ribeiradio-Ermida	Portugal	(350)	(119)	55.00	
ACE SPIE, Ramalho Rosa Cobetar, Eterman	Portugal	—	(1)	35.00	
ACE Túnel Rua de Ceuta, Construçao e Obras Publicas	Portugal	13	90	49.50	
Construcciones Olabarri, S.L.	Ripa, 1 - Bilbao (Vizcaya)	4,943	4,916	49.00	Charman
Constructora de Infraestructura de Agua de Queretaro, S.A. de C.V.	Mexico	(290)	2,500	49.00	Deloitte
Constructora Durango-Mazatlan, S.A. de C.V.	Mexico	(2,971)	(2,741)	51.00	Deloitte
Constructora Nuevo Necaxa Tihuatlan, S.A.C.V.	Mexico	1,825	2,703	40.00	Deloitte
Dragados FCC, Canada Inc.	Canada	(1,151)	(1,624)	50.00	
EFI Túneles Necaxa S.A. de C.V.	Mexico	(1)	—	45.00	
Peri 3 Gestión, S.L.	General Álava, 26 - Vitoria Gasteiz (Álava)	2	2	50.00	
Servicios Empresariales Durango-Mazatlan, S.A. de C.V.	Mexico	39	11	51.00	
Sociedad Concesionaria Tranvía de Murcia, S.A.	Olof Palmer, s/n - Murcia	19,542	15,948	50.00	Deloitte
CEMENT					
Atlántica de Graneles y Moliendas, S.A.	Muelle de Punta Sollana, s/n - Zierbena (Vizcaya)	2,042	1,772	35.26	KPMG
Carbocem, S.A.	Paseo de la Castellana, 45 - Madrid	73	73	57.24	Deloitte
Corporación Uniland, S.A.	Córcega, 299 - Barcelona	(7)	(7)	52.69	Deloitte
Pedrera de l'Ordal, S.L.	Ctra. N 340 km. 1229,5 La Creu del L'Ordal - Subirats (Barcelona)	3,885	4,250	26.29	Busquet Economistes Auditors Estudi Jurídic
ENERGY					
Olivento Group:					
Integral Management Future Renewables, S.L.	A Condomiña, s/n - Ortoño (La Coruña)	—	974	50.00	Deloitte
Sigenera, S.L.	Orzán, 124 - La Coruña	—	(6)	50.00	Deloitte
OTHER ACTIVITIES					
Globalvía Group	Paseo de la Castellana, 141 Edificio Cuzco IV - Madrid	424,616	481,572	50.00	Deloitte
Realia Business Group	Paseo de la Castellana, 216 - Madrid	139,353	145,304	30.14	Deloitte
TOTAL VALUE OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD (JOINT VENTURES)		**729,991**	**789,428**		

ASSOCIATES (ACCOUNTED FOR USING THE EQUITY METHOD)

Company	Registered office	Carrying amount of the investment 2011	Carrying amount of the investment 2010	Effective percentage of ownership	Auditor
ENVIRONMENTAL SERVICES					
Abastament en Alta Costa Brava Empresa Mixta, S.A.	Plaza Josep Pla Casadevall, 4 3º 1ª - Girona	108	115	26.00	
Aguas de Archidona, S.L.	Plaza Ochavada, 1 - Archidona (Málaga)	58	—	48.00	Centium
Aguas de Denia, S.A.	Pare Pere, 17 - Denia (Alicante)	404	423	33.00	
Aguas de Priego, S.L.	Plaza de la Constitución, 3 - Priego de Córdoba (Córdoba)	152	246	49.00	Audinfor
Aguas de Ubrique, S.A.	Avda. España, 9 - Ubrique (Cádiz)	(13)	(88)	49.00	
Aigües de Blanes, S.A.	Canigó, 5 - Blanes (Girona)	43	47	16.47	
Aigües del Tomoví, S.A.	Plaza Vella, 1 - El Vendrell (Tarragona)	426	466	49.00	GM Auditors
Aprochim Getesarp Rymoil, S.A.	P.I. Logrenzana La Granda - Carreño (Asturias)	1,410	1,554	23.49	Menéndez Auditores
Aquos El Realito, S.A. de CV	Mexico	272	17	49.00	Deloitte
Aragonesa de Gestión de Residuos, S.A.	Paseo María Agustín, 36 - Zaragoza	10	10	18.60	Laes Nexia & Castillero
Aragonesa de Tratamientos Medioambientales XXI, S.A.	Ctra. Castellón Km. 58 - Zaragoza	681	693	33.00	
Betearte, S.A.U.	Colón de Larreátegui, 26 - Bilbao (Vizcaya)	993	583	33.33	Attest Servicios Empresariales
Clavegueram de Barcelona, S.A.	Acer, 16 - Barcelona	814	841	20.33	Bove Montero y Asociados
Concesionaria de Desalación de Ibiza, S.A.	Rotonda de Santa Eulalia, s/n - Ibiza	619	281	32.00	
Conducció del Ter, S.L.	Bourg de Peage, 89 - Sant Feliu de Guíxols (Girona)	5	13	48.00	
Constructora de Infraestructuras de Aguas de Potosí, S.A. de C.V.	Mexico	39	2	49.00	
Ecogestión Ambiental, S.L.	Juan Ramón Jiménez, 12 - Madrid	—	104	50.00	
EMANAGUA Empresa Mixta Municipal de Aguas de Níjar, S.A.	Plaza de la Goleta, 1 - Níjar (Almería)	223	223	49.00	Audinfor
Empresa Municipal de Aguas de Algeciras, S.A.	Avda. Virgen del Carmen - Algeciras (Cádiz)	61	(197)	49.00	
Empresa Municipal de Aguas de Jodar, S.A.	Plaza España, 1 - Jodar (Jaén)	1	79	49.00	Centium
Empresa Municipal de Aguas de Linares, S.A.	Cid Campeador, 7 - Linares (Jaén)	31	111	49.00	Centium
Empresa Municipal de Aguas de Toxiria, S.A.	Cristóbal Colón, 104 - Torredonjimeno (Jaén)	5	15	49.00	Centium
Generavila, S.A.	Plaza de la Catedral, 11 - Ávila	155	292	36.00	Audinfor
Gestión Integral de Residuos Sólidos, S.A.	Profesor Beltrán Baquena, 4 - Valencia	1,124	1,171	49.00	BDO
Gestión y Valoración integral del Centro, S.L.	Tecnología, 2. P.I. Los Olivos - Getafe (Madrid)	2	—	50.00	

APPENDIX III/2

Company	Registered office	Carrying amount of the investment		Effective percentage of ownership	Auditor
		2011	2010		
.A.S.A. Group:	Austria	5,274	5469		
A S A + AVE Környezetvédelmi H Kft	Hungary	—	—	50.00	PriceWaterhouseCoopers
.A.S.A. Hlohovec s.r.o.	Slovakia	—	—	50.00	
A.K.S.D. Városgazdálkodási Korlátolt FT	Hungary	—	—	25.50	PriceWaterhouseCoopers
ASTV s.r.o.	Czech Republic	—	—	49.00	
Huber Abfallservice Verwaltungs GmbH	Austria	—	—	49.00	
Huber Entsorgungs GmbH Nfg KG	Austria	—	—	49.00	
Killer GmbH	Austria	—	—	50.00	
Killer GmbH & Co KG	Austria	—	—	50.00	
Recopap s.r.o.	Slovakia	—	—	50.00	PriceWaterhouseCoopers
Repap Czech spol. s.r.o.	Czech Republic	—	—	50.00	
Technické a Stavební Sluzby AS	Czech Republic	—	—	50.00	
Tirme Group	Ctra. Sóller Km. 8,2 Camino de Son Reus - Palma de Mallorca (Balearic Islands)	10,254	9,587	20.00	KPMG
Waste Recycling Group	UK	—	—		
Energylinc Limited	UK	—	—	50.00	
Shelford Composting Limited	UK	—	—	50.00	KPMG
La Unión Servicios Municipales, S.A.	Salvador Pascual, 7 - La Unión (Murcia)	127	113	49.00	Audinfor
Nueva Sociedad de Aguas de Ibiza, S.A.	Avda. Bartolomé de Rosselló, 18 - Ibiza (Balearic Islands)	76	102	40.00	
Orasqualia Construction, S.A.E.	Egypt	1,959	2,522	50.00	KPMG
Orasqualia for the Development of the Waste Water Treatment Plant S.A.E.	Egypt	14,049	379	50.00	KPMG
Orasqualia Operation and Maintenance SAE	Egypt	1,541	—	50.00	KPMG
Pallars Jussà Neteja i Serveis, S.A.	Pau Casals, 14 - Tremp (Lleida)	43	33	40.80	
Proveïments d'Aigua, S.A.	Asturies, 13 - Girona	288	269	15.12	Antoni Riera Economistes Auditors
Sera Q A Duitama E.S.P., S.A.	Colombia	31	31	30.60	
Shariket Miyeh Ras Djinet, S.p.A.	Algeria	7,576	5,247	25.50	Cooperative Mohamed Boudiaf
Shariket Tahlya Miyah Mostaganem, S.p.A.	Algeria	16,018	11,520	25.50	Cooperative Mohamed Boudiaf
Sogecar, S.A.	Polígono Torrelarragoiti - Zamudio (Vizcaya)	499	468	30.00	
Suministro de Agua de Queretaro, S.A. de C.V.	Mexico	9,237	9,982	28.81	Deloitte
CONSTRUCTION					
Ablocade, S.L.	Rafael López, 1 - Huelva	—	741	20.00	
Administración y Servicios Grupo Zapotillo, S.A. de C.V.	Mexico	19	3	50.00	

Company	Registered office	Carrying amount of the investment 2011	2010	Effective percentage of ownership	Auditor
Aigües del Segarra Garrigues, S.A.	Avenida de Tarragona, 6 - Tárrega (Lleida)	4,819	4,445	25.00	Deloitte
Altos del Javier, S.A.	Panama	—	—	50.00	
Auto-Estradas XXI - Subconcessionaria Transmontana, S.A.	Portugal	1,639	—	26.52	
Autopistas del Valle, S.A.	Costa Rica	6,427	5,900	48.00	Deloitte
Baross Ter Ingatlanprojekt-Fejlszto Kft	Hungary	405	456	20.00	Sölch Ágostonné
BBR VT International Ltd.	Switzerland	1,597	1,467	22.50	Trewitax Zürich AG
Cleon, S.A.	Avda. General Perón, 36 - Madrid	24,889	24,874	25.00	KPMG
Concesionaria Atención Primaria, S.A.	Plaza Es Fortí, 4 - Palma de Mallorca	1,434	1,003	33.00	Deloitte
Concessió Estacions Aeroport L9, S.A.	Córcega, 270 - Barcelona	(6,380)	19,954	49.00	
Constructora de Infraestructuras de Aguas de Potosí, S.A. de C.V.	Mexico	39	2	24.50	
Constructora San José - Caldera CSJC, S.A.	Costa Rica	3,446	4,168	50.00	Deloitte
Constructora San José-San Ramón SJSR, S.A.	Costa Rica	78	77	50.00	
Constructores del Zapotillo, S.A. de C.V.	Mexico	566	726	50.00	
Desarrollo Cuajimalpa, S.A. de C.V.	Mexico	1,840	2,023	25.00	
Desarrollos y Promociones Costa Cálida, S.A.	Saturno, 1 - Pozuelo de Alarcón (Madrid)	261	263	35.75	
Elaboración de Cajones Pretensados, S.L.	Avda. General Perón, 36 - Madrid	2	2	50.00	
FCC Construction Kipszer Ktf	Hungary	1	(3)	50.00	PriceWaterhouseCoopers
FCC Elliot Construction Limited	Ireland	6,928	2,381	50.00	Deloitte
Gesi -9, S.A.	Sorolla, 27 - Alcalá de Guadaira (Sevilla)	12,997	13,008	74.90	Antonio Moreno Campillo
Alpine Group:	Austria	11,905	15,251		
ABO Asphalt-Bau Oeynhausen GmbH	Austria	—	—	26.89	KPMG
AMW Asphaltwerk GmbH	Austria	—	—	19.72	
Asphaltmischwerk Betriebs GmbH & Co KG	Austria	—	—	17.93	
Asphaltmischwerk Greinsfurth GmbH & Co OHG	Austria	—	—	22.41	
Asphaltmischwerk Leopoldau-Teerag-Asdag Mayreder Bau GmbH	Austria	—	—	44.83	
Asphaltmischwerk Leopoldau-Teerag-Asdag Mayreder Bau GmbH & Co KG	Austria	—	—	17.93	
Asphaltmischwerk Steyregg GmbH & Co KG	Austria	—	—	17.93	
Asphaltwerk Sierning GmbH	Austria	—	—	35.86	
AWT Asphaltwerk GmbH	Austria	—	—	29.58	
AWW Asphaltmischwerk Wölbiling GmbH	Austria	—	—	44.83	
Bonaventura Strassenerhaltungs GmbH	Austria	—	—	22.41	Agitas/Unitreu
Bonaventura Strassenerrichtungs GmbH	Austria	—	—	39.72	Agitas/Unitreu
Dolomit-Beton Lieferbetonwerk GmbH	Austria	—	—	43.03	
Draubeton GmbH	Austria	—	—	31.38	
FMA Asphaltwerk GmbH & Co KG	Austria	—	—	8.96	

Company	Registered office	Carrying amount of the investment 2011	Carrying amount of the investment 2010	Effective percentage of ownership	Auditor
Hemmelmair Frästechnik GmbH	Austria	—	—	22.41	
Kieswerk-Betriebs GmbH & Co KG	Austria	—	—	20.17	
Intergeo Umweltmanagement CmbH	Austria	—	—	44.83	
Lieferasphaltgesellschaft JAUNTAL GmbH	Austria	—	—	21.52	
MSO Mischanlagen Süd-Ost Betriebs GmbH und Co KG	Austria	—	—	9.86	
Paltentaler Beton Erzeugungs GmbH	Austria	—	—	21.52	
Porr Alpine Austriarail GmbH	Austria	—	—	44.83	
PPE Malzenice s.r.o.	Slovakia	—	—	44.83	Ing.Miriam Lehocká
Rastätten Betriebs GmbH	Austria	—	—	44.83	Unitreu/Agitas
RBA Recycling und Betonanlagen GmbH & Co Nfg KG	Austria	—	—	22.86	
RFM Asphaltmischwerk GmbH & Co KG	Austria	—	—	29.88	
Schaberreiter GmbH	Austria	—	—	9.86	
Silasfalt s.r.o.	Czech Republic	—	—	44.83	Deloitte
Straka Bau GmbH	Austria	—	—	45.72	
Transportbeton und Asphalt GmbH	Austria	—	—	44.83	
Transportbeton und Asphalt GmbH & Co KG	Austria	—	—	44.82	
Waldviertler Lieferasphalt GmbH & Co KG	Austria	—	—	44.83	
Cedinsa Concesionaria Group	Tarragona, 141 - Barcelona	46,939	27,124	34.00	Deloitte
Foment de Construccions i Consulting Group	Andorra	12	12	33.30	
Ibisan Sociedad Concesionaria, S.A.	Porto Pi, 8 - Palma de Mallorca (Balearic Islands)	6,758	7,315	50.00	Deloitte
Integral Management Future Renewables, S.L.	A Condomiña, S7N - Ortoño (La Coruña)	1,102	—	50.00	Deloitte
Las Palmeras de Garrucha, S.L. - en liquidación -	Mayor, 19 - Garrucha (Almería)	1,079	1,081	20.00	
M50 (D&C) Limited	Ireland	(3,717)	(4,586)	42.50	Deloitte
Marina de Laredo, S.A.	Pasaje de Puntida, 1 - Santander (Cantabria)	1,444	1,192	50.00	PriceWaterhouseCoopers
MDM-Teide, S.A.	Panama	1,166	1,129	50.00	P&A Palacios y Asociados Contadores Públicos Autorizados
Metro de Málaga, S.A.	Martínez, 11 - Málaga	12,534	10,258	17.67	Ernst & Young
N6 (Construction) Limited	Ireland	(28,998)	(21,235)	42.50	Deloitte
Nihg Limited	Ireland	—	—	39.00	Deloitte
Nihg South West Health Partnership Limited	Ireland	(26,031)	(16,653)	39.00	Deloitte
Nova Bocana Barcelona, S.A.	Avda. Josep Tarradellas, 123 - Barcelona	8,882	9,121	25.00	Deloitte
Nova Bocana Business, S.A.	Avda. Josep Tarradellas, 123 - Barcelona	3,433	992	25.00	

APPENDIX III/5

Company	Registered office	Carrying amount of the investment		Effective percentage of ownership	Auditor
		2011	2010		
OHL-FCC-Dibco North Tunnels Canada Inc	Canada	74	—	37.50	
OHL-FCC GP Canadá Inc	Canada	—	—	50.00	
Omszki-Tó Part Ingatlanfejlesztö És Befektetö Kft	Hungary	(35)	(39)	20.00	Sölch Ágostonné
Operaciones y Servicios para la Industria de la Construcción, S.A. de C.V.	Mexico	(36)	(22)	50.00	Deloitte
Port Premià, S.A. -in liquidation-	Balmes, 36 - Barcelona	(555)	(555)	39.72	
Promvias XXI, S.A.	Vía Augusta, 255 Local 4 - Barcelona	(404)	(293)	25.00	
Proyecto Front Marítim, S.L.	Paseo de Gracia , 120 - Barcelona	(6,119)	(5,556)	50.00	
Teide Gestión del Sur, S.L.	José Luis Casso, 68 - Seville	3,732	4,474	49.94	
Teide-MDM Quadrat, S.A.	Panama	203	197	50.00	P&A Palacios Asociados Contadores Públicos Autorizados
Terminal Polivalente de Huelva, S.A.	La Marina, 29 - Huelva	(263)	(263)	31.50	
Torres Porta Fira, S.A.	Mestre Nicolau, 19 - Barcelona	5	8,529	40.00	BDO
Tramvia Metropolità, S.A.	Córcega, 270 - Barcelona	6,024	4,528	18.07	KPMG
Tramvia Metropolità del Besòs, S.A.	Córcega, 270 - Barcelona	6,207	3,786	19.29	KPMG
Urbs Iudex et Causidicus, S.A.	Tarragona, 161 - Barcelona	(9,400)	(2,247)	29.00	Deloitte
Urbs Iustitia Commodo Opera, S.A.	Avda. Carrilet, 3, planta 11ª, Ciutat de la Justícia de Barcelona i l'Hospitalet de Llobregat - l'Hospitalet de Llobregat (Barcelona)	2,417	2,417	35.00	
Vivero del Río Razón, S.L.	Camino del Guardatillo - Valdeavellano de Tera (Soria)	—	1	48.00	
Western Carpathians Motorway Investors Company GmbH	Austria	13	13	48.97	
Zílinská Dialnica s.r.o.	Slovakia	(211)	(299)	48.97	
CEMENT					
Aplicaciones Minerales, S.A.	Camino Fuente Herrero - Cueva Cardiel (Burgos)	480	563	33.19	
Áridos Unidos, S.A.	Alameda de Urquijo, 10 - Bilbao (Vizcaya)	19	13	26.78	
Canteras y Hormigones Quintana, S.A.	Ctra. Santander-Bilbao, Km. 184 - Barcena de Cicero (Cantabria)	4,177	4,416	18.86	Enrique Campos & Auditores
Canteras y Hormigones VRE, S.A.	Arieta, 13 - Estella (Navarre)	692	1,223	35.76	KPMG
Comercial de Prefabricados Lemona, S.A.	Barrio Inzunza, 1 - Lemona (Vizcaya)	19	19	67.11	
Hormigones Calahorra, S.A.	Brebicio, 25 - Calahorra (La Rioja)	(181)	111	35.77	
Hormigones Castro, S.A.	Ctra. Irún-La Coruña, Km. 153 - Islares (Cantabria)	367	374	25.14	
Hormigones del Baztán, S.L.	Suspeltxiki, 25 - Vera de Bidasoa (Navarra)	931	1,016	35.76	

APPENDIX III/6

Company	Registered office	Carrying amount of the investment 2011	Carrying amount of the investment 2010	Effective percentage of ownership	Auditor
Hormigones Delfín, S.A.	Venta Blanca - Peralta (Navarra)	696	856	35.76	
Hormigones en Masa de Valtierra, S.A.	Ctra. Cadreita Km. 0 - Valtierra (Navarre)	1,603	1,602	35.76	
Hormigones Galizano, S.A.	Ctra. Irún-La Coruña, Km. 184 - Gama (Cantabria)	208	242	31.44	
Hormigones Reinares, S.A.	Praje Murillo de Calahorra, s/n - Calahorra (La Rioja)	712	854	35.76	
Hormigones y Áridos del Pirineo Aragonés, S.A.	Ctra. Biescas - Sabiñanigo (Huesca)	6,876	6,719	35.76	KPMG
Lázaro Echevarría, S.A.	Isidoro Melero - Alsasua (Navarra)	10,372	9,924	20.03	KPMG
Navarra de Transportes, S.A.	Ctra. Pamplona-Vitoria, km. 52 - Olazagutia (Navarra)	1,167	1,130	23.84	KPMG
Neuciclaje, S.A.	Alameda de Urquijo, 10 - Bilbao	540	499	21.16	
Novhorvi, S.A.	Portal de Gamarra, 25 - Vitoria Gasteiz (Álava)	219	212	17.76	KPMG
Portcemen, S.A.	Muelle Contradique Sur-Puerto Barcelona - Barcelona	902	925	13.15	
Quinsa Prefabricados de Hormigón, S.L., Sole-Shareholder Company	Ctra. S. Sebastián-Coruña Km. 184 - Barcena de Cicero (Cantabria)	(34)	(15)	18.87	
Silos y Morteros, S.L.	Ctra. de Pamplona Km. 1 - Logroño (La Rioja)	161	210	23.84	Expertos Auditores
Terminal Cimentier de Gabes-Gie	Tunisia	103	104	15.43	Ernst & Young
Terrenos Molins	Llobregat - Molins de Rei (Barcelona)	4	4	13.14	
Transportes Cántabros de Cemento Portland, S.L.	Ctra. S. Sebastián-Coruña Km. 184 - Barcena de Cicero (Cantabria)	37	42	18.87	
Vescem-LID, S.L.	Valencia, 245 - Barcelona	72	64	13.14	
TOTAL VALUE OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD (ASSOCIATES)		**203,904**	**210,992**		

APPENDIX IV

CHANGES IN THE SCOPE OF CONSOLIDATION

ADDITIONS	Registered office
Fully consolidated companies	
ALPINE ENERGIE MAGYARORSZÁG KFT.	Hungary
AQUAFUNDALIA - AGUA DO FUNDAO, S.A.	Portugal
CANTERA ZEANURI, S.L.	Uribitarte, 10 - Bilbao (Vizcaya)
FCC CANADA LTD	Canada
FCC COLOMBIA, S.A.S.	Colombia
FCC CONSTRUCCION CHILE SPA	Chile
FCC CONSTRUCCION POLSKA SP Z.O.O.	Poland
FCC CONSTRUCCION PERÚ S.A.C.	Peru
FCC CONSTRUÇOES DO BRASIL LTDA.	Brazil
FCC ELLIOTT UK LIMITED	UK
FCC LUBRICANTS LLC	USA
FCC SERV. INDUS. ENERG- MÉXICO, S.A.C.V.	Mexico
GANDIA SERVEIS URBANS, S.A.	Lanterners, 6 - Gandia (Valencia)
GUZMAN ENERGY O&M, S.L.	Federico Salmón, 13 - Madrid
HERMERIEL, S.A.	Ferrocarril, 10 - Palencia
SAISEI RENOVABLE, S.L.	Federico Salmón, 13 - Madrid
SERVEIS MUNICIPALS DE NETEJA DE GIRONA, S.A.	Pl. del Vi, 1 - Girona
SOCIETAT MUNICIPAL MEDIOAMBIENTAL D'IGUALADA	Pl. del Ajuntament, 1 - Igualada (Barcelona)
UNILAND ADQUISITION CORPORATION	USA
Companies accounted for using the equity method	
JOINT VENTURES	
EFI TUNELES NECAXA, S.A. DE C.V.	Mexico
FTS 2010 SOCIETA CONSORTILE A RESPONSABILITA LIMITATA	Italy
PALACIO DE EXPOSICIONES Y CONGRESOS DE GRANADA	Ps delViolón, s/n - Granada
PB EL CARACOL S DE RL DE CV	Mexico
ASSOCIATES	
ALTOS DEL JAVIER, S.A.	Panama
GESTION Y VALORIZACION INTEGRAL DEL CENTRO	Tecnología, 2 P.I. Los Olivos - Getafe (Madrid)
INTERGEO UMWELTMANAGEMENT GMBH	Austria
INTEGRAL MANAGEMENT FUTURE RENEWABLES, S.L.	Federico Salmón, 13 - Madrid
OHL-FCC-DIBCO NORTH TUNNELS CANADA INC	Canada
OHL-FCC GP CANADA INC	Canada
ORASQUALIA OPERATION AND MAINTENANCE SAE.	Egypt

APPENDIX IV/2

REMOVALS	Registered office
Fully consolidated companies	
AFIGESA INVERSIÓN, S.L., SOLE-SHAREHOLDER COMPANY (14)	Federico Salmón, 13 - Madrid
ALPINE DOLOMIT D.O.O. (10)	Serbia
ALPINE GRANIT D.O.O. (10)	Serbia
ALPINE PZPB D.O.O.(15)	Serbia
ALTEC UMWELTTECHNIK GMBH (4)	Austria
AREMI TECAIR (8)	Valle de Laguar, 7 - Valencia
ASFALTNA CESTA D.O.O. (5)	Croatia
AVERMANN-HUNGÁRIA KFT (6)	Hungary
CLWR MANAGEMENT 2001 LIMITED (1)	UK
ELECTRIC GENERATION INVESTMENTS LIMITED (1)	UK
ENEFI ENERGIA, S.A., SOLE-SHAREHOLDER COMPANY (1)	Federico Salmón, 13 - Madrid
EMBERGER & ESSL GMBH (7)	Austria
EMBERGER & HEUBERGER BAU GMBH (7)	Austria
EMPRESA MIXTA DE TRAFICO DE GIJON (2)	W-6, 23 P.I. Pramosa - El Plano - Tremañes (Gijón)
ESTACIONAMIENTOS Y SERVICIOS, S.A. (2)	Federico Salmón, 13 - Madrid
GENERACION ELÉCTRICA EUROPEA, S.A.R.L. (3)	Federico Salmón, 13 - Madrid
GENERACION ELÉCTRICA HISPANA, S.A.R.L. (3)	Federico Salmón, 13 - Madrid
GESTION DE AGUAS DEL NORTE (16)	Cuarta del Agua, 9 - Galdar (Las Palmas)
GREEN WASTE SERVICES LIMITED (1)	UK
GWS (HOLDINGS) LIMITED (1)	UK
INTERNACIONAL TECAIR, S.A. (8)	Valentin Beato, 24-26 - Madrid
LEMONA INDUSTRIA, S.A., SOLE-SHAREHOLDER COMPANY (9)	Alameda de Urquijo, 10 - Bilbao (Vizcaya)
MAQUINARIA PARA HORMIGONES, A.I.E. (1)	Maestro García Rivero, 7 - Bilbao (Vizcaya)
MEADSHORES LIMITED (1)	UK
MÖRTINGER-GROHMANN TIEF HOCH UND STRASSENBAU GMBH (7)	Austria
OSIJEK - KOTEKS D.O.O. (5)	Croatia
PAPER PRODUCT DEVELOPMENTS LIMITED (1)	UK
REMAT JIHLAVA S.R.O. (12)	Czech Republic
SANTOS RENTING, S.L., SOLE-SHAREHOLDER COMPANY (1)	Francisco Medina y Mendoza - Guadalajara
SARRETTI KÖZTERÜLET-FENNTATÓ KFT (1)	Hungary
TEROBET AS (13)	Czech Republic
TIEFBAU DEUTSCHLANDSBERG GMBH & CO KG (11)	Germany
TORES - TECHNICKÉ, OBCHODNÍ A REKREACNÍ SLUZBY AS (1)	Czech Republic
UNILAND MARÍTIMA, S.L. SOLE-SHAREHOLDER COMPANY (1)	Córcega, 299 - Barcelona
UNILAND USA LLC. (1)	USA
WASTEWISE LIMITED (1)	UK
WASTEWISE POWER LIMITED (1)	UK
WASTEWISE TRUSTEES LIMITED (1)	UK
Companies accounted for using the equity method	
JOINT VENTURES	
ACE ACESTRADA CONSTRUÇAO DE ESTRADAS (1)	Portugal
ACE SPIE, RAMALHO ROSA COBETAR, ETERMAN (1)	Portugal
ACE RAMALHO ROSA COBETAR A EDIFER (1)	Portugal
ACE RAMALHO ROSA COBETAR GRAVINER E NOVOCPA (1)	Portugal
ACE TUNEL RAMELA (1)	Portugal
INALIA MOSTAGANEM, S.L. (1)	Gobelas, 47-49 - Madrid
INALIA WATER SOLUTIONS, S.L. (1)	Ulises, 18 - Madrid

ASSOCIATES

ABLOCADE, S.L. (1)	Rafael López, 1 - Huelva
AE STADTLAND GMBH (2)	Germany
ECOGESTION AMBIENTAL, S.L. (1)	Juan Ramón Jimenez, 12 - Madrid
EXPONOR, S.A. (1)	Alameda de Urquijo, 10 - Bilbao (Vizcaya)
VIVEROS DEL RIO RAZON (1)	Camino del Guardatillo - Valdeavellano de Tera (Soria)
ZIEGELWERK FRENTAL EDER GMBH (2)	Germany

(1) Exclusion due to liquidation.
(2) Exclusion due to sale
(3) Exclusion due to merger
(4) Exclusion due to merger by absorption of Oekotechna Entsorgungs and Umwelttechnik GmbH
(5) Exclusion due to merger by absorption of Osijek Koteks, d.d.
(6) Exclusion due to merger by absorption of A.S.A. Magyarország Környezetvédelem És H Kft
(7) Exclusion due to merger by absorption of Alpine Bau GmbH
(8) Exclusion due to absorption of FCC Servicios Industriales y Energéticos, S.A.
(9) Exclusion due to merger by absorption of Cementos Lemona, S.A.U.
(10) Exclusion due to absorption of Strazevica Kamenolom d.o.o.
(11) Exclusion due to absorption of Tiefbau Deutschlandsberg GmbH
(12) Exclusion due to absorption of Envicon-Gas
(13) Exclusion due to absorption of Skladka Uhy spol. S.r.o.
(14) Exclusion due to merger by absorption of Asesoría Financiera y de Gestión, S.A.
(15) Exclusion due to merger by absorption of Alpine d.o.o. Beograd
(16) Exclusion due to merger by absorption of Aqualia Gestión Integral del Agua, S.A.

APPENDIX V

UNINCORPORATED TEMPORARY JOINT VENTURES (UTEs), ECONOMIC INTEREST GROUPINGS (AIEs) AND OTHER BUSINESSES MANAGED JOINTLY WITH NON-GROUP THIRD PARTIES

	Percentage of ownership at 31 December 2011
ENVIRONMENTAL SERVICES	
PASAIA UTE	70.00
PUERTO UTE	50.00
UTE A GUARDA	50.00
UTE A GUARDA SANEAMIENTO	50.00
UTE ABASTECIMIENTO EXTREMADURA	20.00
UTE ABASTECIMIENTO ZARAGOZA	70.00
UTE ABSA - PERICA	60.00
UTE ABSA - PERICA I	60.00
UTE ACTUACIÓN 11 TERUEL	50.00
UTE AEROPUERTO II	50.00
UTE AEROPUERTO V	50.00
UTE AEROPUERTO VI	50.00
UTE AEROPUERTO GALERIAS	50.00
UTE AEROPUERTO GALERIAS II	50.00
UTE AGNITA-EPTISA-AISA	50.00
UTE AGUAS ALCALÁ	37.50
UTE AGUAS DEL DORAMÁS	50.00
UTE AIGÜES ELS POBLETS	95.00
UTE ALMEDA	51.00
UTE AMPLIACIÓ LIXIVITATS	40.00
UTE AMPLIACIÓN IDAM SANT ANTONI	50.00
UTE AMPLIACIÓN ITAM DELTA DE LA TORDERA	66.67
UTE AQUALIA - FCC - MYASA	94.00
UTE ARGI GUEÑES	70.00
UTE ARUCAS II	70.00
UTE BILBOKO LORATEGIAK	60.00
UTE BILBOKO SANEAMENDU	50.00
UTE BILBOKO SANEAMENDU BI	50.00
UTE BIOCOMPOST DE ÁLAVA	50.00
UTE BOADILLA	50.00
UTE CÁDIZ	50.00
UTE CANA PUTXA	20.00
UTE CAP DJINET	50.00
UTE CARMA	50.00
UTE CARPA - FCC PAMPLONA	50.00
UTE CASTELLANA - PO	50.00
UTE CASTELLAR DEL VALLÈS	50.00
UTE CASTELLAR POLÍGONOS	50.00
UTE CEMENTERIOS PERIFÉRICOS II	50.00
UTE CENTRO DEPORTIVO VILLENA	80.00
UTE CHIPIONA	50.00
UTE CIUTAT VELLA	50.00
UTE CGR GUIPUZCOA	35.14
UTE COLECTOR MAGRANERS	50.00
UTE COLECTORES A GUARDA	50.00
UTE COLEGIOS SANT QUIRZE	50.00
UTE CONDUCCIÓN A EL VISO Y DEPÓSITOS	70.00
UTE CTR. DE L'ALT EMPORDÀ	45.00
UTE CTR - VALLÈS	20.00
UTE DEPURACIÓN PONIENTE ALMERIENSE	75.00
UTE DEPURADORA A GUARDA	50.00
UTE DOS AGUAS	35.00
UTE ECOPARQUE CACERES	50.00
UTE ECOURENSE	50.00
UTE DEPURADORA A GUARDA	50.00
UTE EDAR ÁVILA	55.00
UTE EDAR BAEZA	50.00
UTE EDAR CULEBRO EQUIPOS	50.00
UTE EDAR DE KRISPIJANA	70.00
UTE EKOFERRO	85.00

	Percentage of ownership at 31 December 2011
UTE EDAR GIJON	60.00
UTE ENERGÍA SOLAR ONDA	25.00
UTE EPTISA - AISA (ZIMNICEA)	50.00
UTE EPTISA - ENTEMANSER	48.50
UTE ETAP LAS ERAS	50.00
UTE EXPLOTACIÓN ITAM TORDERA	50.00
UTE EXPLOTACIÓN PISCINAS VIGO	50.00
UTE EXPLOTACIÓN PRESAS DEL SEGURA	60.00
UTE F.L.F. LA PLANA	47.00
UTE FCC - ANPE	80.00
UTE FCC - ERS LOS PALACIOS	50.00
UTE FCC - HIJOS DE MORENO, S.A.	50.00
UTE FCC - PAS SALAMANCA	70.00
UTE FCC - PERICA	60.00
UTE FCC - RAGA MAJADAHONDA	75.00
UTE FCC - SUFI MAJADAHONDA	50.00
UTE FCC - SUFI PESA	50.00
UTE FCC - SYF PLAYAS	40.00
UTE FCC - TEGNER	50.00
UTE FCCMA - RUBATEC STO. MOLLET	50.00
UTE FCCSA - GIRSA	89.80
UTE FCCSA - VIVERS CENTRE VERD, S.A.	50.00
UTE FS BADAJOZ	79.00
UTE FS MUNGEST	33.15
UTE FS MUNGEST II	33.15
UTE FS PARLA	72.00
UTE FS PARLA II	72.00
UTE GALERÍAS III	50.00
UTE GESTIÓ INTEGRAL DE RUNES DEL PAPIOL	40.00
UTE GESTIÓN FANGOS MENORCA	55.00
UTE GESTIÓN INSTALACIÓN III	34.99
UTE GESTIÓN LODOS CYII	20.00
UTE GESTIÓN SERVICIOS DEPORTES CATARROJA	99.50
UTE GIREF	20.00
UTE GIRSA - FCC	59.20
UTE HIDC-HIR-IND. DO CENTR. ACE	50.00
UTE HIDRANTES	50.00
UTE IBIZA - PORTMANY EPC	32.00
UTE IDAM IBIZA	50.00
UTE IDAM IBIZA II	50.00
UTE IDAM IBIZA III	50.00
UTE IDAM SANT ANTONI	50.00
UTE IDAM SANT ANTONI II	50.00
UTE INFILCO	50.00
UTE INTAGUA	50.00
UTE INTERIORES BILBAO	80.00
UTE JARDINES CÁDIZ	51.00
UTE JUNDIZ	51.00
UTE KABIEZESKO KIROLDEGIA	60.00
UTE KAIAGARBI	51.00
UTE LA LLOMA DEL BIRLET	80.00
UTE LEA - ARTIBAI	60.00
UTE LEGIO VII	50.00
UTE LEKEITIOKO MANTENIMENDUA	60.00
UTE LIMPIEZA COLEGIOS PÚBLICOS DE ALCORA	50.00
UTE LIMPIEZA COLEGIOS PÚBLICOS DE BURRIANA	50.00
UTE LIMPIEZA COLEGIOS PÚBLICOS DE CASTELL��N	50.00
UTE LIMPIEZA BENICASSIM	35.00
UTE LIMPIEZA SANTA COLOMA	50.00
UTE LIMPIEZA Y RSU LEZO	55.00
UTE LOCALES JUSTICIA LOTE II	50.00
UTE LOCALES JUSTICIA LOTE V	50.00
UTE LOGROÑO LIMPIO	50.00
UTE LOURO	65.00
UTE LV Y RSU ARUCAS	70.00
UTE MANTENIMIENTO REG CORNELLÁ	60.00
UTE MANTENIMIENTO COLEGIOS BILBAO	60.00
UTE MANTENIMIENTO COLEGIOS II	60.00

	Percentage of ownership at 31 December 2011
UTE MANTENIMIENTO DE EDIFICIOS	60.00
UTE MANTENIMIENTO PRESAS DEL SEGURA	80.00
UTE MEJORA ABASTECIMIENTO SESEÑA	50.00
UTE MOLLERUSSA	60.00
UTE MONTCADA	50.00
UTE MOSTAGANEM	50.00
UTE MUSKIZ III	70.00
UTE NAVE JUNDIZ	51.00
UTE OBRA AMPLIACIÓN IDAM SAN ANTONIO	50.00
UTE OBRA EDAR IBIZA	50.00
UTE OBRAS AGUAS ALCALÁ	55.00
UTE ONDA EXPLOTACIÓN	33.33
UTE OYM CAP DJINET	50.00
UTE OYM MOSTAGANEM	50.00
UTE PAMPLONA	80.00
UTE PARQUES SINGULARES MÓSTOLES	50.00
UTE PISCINA CUBIERTA BENICARLÓ	65.00
UTE PISCINA CUBIERTA MUNICIPAL ALBATERA	93.00
UTE PISCINA CUBIERTA MUNICIPAL L'ELIANA	99.50
UTE PISCINA CUBIERTA CLUB DEPORTIVO ALBORAYA	99.00
UTE PISCINA CUBIERTA MANISES	99.50
UTE PISCINA CUBIERTA PAIPORTA	90.00
UTE PLAN RESIDUOS	47.50
UTE PLANTA RSI TUDELA	60.00
UTE PLANTA TRATAMIENTO VALLADOLID	60.00
UTE PLAYAS	50.00
UTE PLAYAS GUIPUZKOA	55.00
UTE PONIENTE ALMERIENSE	50.00
UTE PORTUGARBI	51.00
UTE PORTUGARBI - BI	51.00
UTE POSU - FCC VILLALBA	50.00
UTE POTABILIZADORA ELS POBLETS	70.00
UTE PUERTO II	70.00
UTE QUINTO CONTENEDOR	50.00
UTE R.S. UTE PONIENTE ALMERIENSE	50.00
UTE RBU VILLA-REAL	47.00
UTE RESIDENCIA	50.00
UTE RSU TOLOSALDEA	60.00
UTE S.U. BENICASSIM	35.00
UTE S.U. BILBAO	70.00
UTE SALTO DEL NEGRO	50.00
UTE SAN MATEO	70.00
UTE SANEAMIENTO URBANO CASTELLÓN	65.00
UTE SANT QUIRZE	50.00
UTE SANT QUIRZE DEL VALLÉS	50.00
UTE SANTA COLOMA DE GRAMANET	61.00
UTE SANTURTZIKO GARBIKETA	60.00
UTE SANTURTZIKO GARBIKETA II	60.00
UTE SASIETA	75.00
UTE SAV - FCC TRATAMIENTOS	35.00
UTE SEAFSA LANZAROTE	60.00
UTE SELECTIVA LAS PALMAS	55.00
UTE SELECTIVA SAN MARCOS	65.00
UTE SELECTIVA UROLA KOSTA	60.00
UTE SELLADO VERTEDERO LOGROÑO	50.00
UTE SON ESPASES	50.00
UTE SENTINAS	50.00
UTE TANATORIO DE PATERNA	50.00
UTE TIRVA FCC - FCCMA RUBÍ	51.00
UTE TORRIBERA IV	50.00
UTE TOSSA DE MAR	13.00
UTE TRANSPORTE SAN MARCOS	80.00
UTE TRANSPORTE DEBABARRENA TXINGUDI	60.00
UTE TREMP	51.00
UTE TXINGUDI	75.00
UTE TXINGUDIKO GARBIKETA	73.00
UTE UROLA ERDIA	60.00
UTE URRETXU Y ZUMARRAGA	65.00
UTE VERTEDERO ARTIGAS	50.00

	Percentage of ownership at 31 December 2011
UTE VERTEDERO GARDALEGUI II	70.00
UTE VERTRESA	10.00
UTE VIGO RECICLA	70.00
UTE VILOMARA	33.33
UTE VINAROZ	50.00
UTE VIVIENDAS MARGEN DERECHA	60.00
UTE WTC - ZARAGOZA	51.00
UTE ZARAGOZA DELICIAS	51.00
UTE ZARAUZKO GARBIKETA	60.00
UTE ZONZAMAS FASE II	30.00
UTE ZURITA	50.00
VERSIA	
CLEAR CHANNEL - CEMUSA UTE	50.00
CYCSA - ISOLUX INGENIERÍA UTE	50.00
CYS - IKUSI - GMV UTE	43.50
EYSSA-AUPLASA ALICANTE UTE	65.00
SISTEMAS TRANVÍA DE MURCIA UTE	32.00
TRAMBESÓS UTE	33.00
TÚNELES DE BARAJAS UTE	50.00
UTE APARCAMIENTO HOSPITAL SON ESPASES	36.00
UTE BYPASS SUR	50.00
UTE C-17 SERVEI	50.00
UTE CC CLOT ARAGÓ	60.00
UTE CN III	45.00
UTE EIX LLOBREGAT	50.00
UTE EUROHANDLING	50.00
UTE EUROHANDLING BARCELONA	50.00
UTE EUROHANDLING MÁLAGA	50.00
UTE FCC ACISA AUDING	45.00
UTE MENDIZULOA	30.00
UTE SCC SICE	50.00
UTE S.G.V.V.	50.00
UTE TRAMBAIX	33.00
CONSTRUCTION	
ACP DU PORT DE LA CONDAMINE	45.00
ARGE A4	50.00
ARGE ACHRAIN	50.00
ARGE ALPTRANSIT BRENNER	50.00
ARGE ARLBERG	45.00
ARGE ATAC	50.00
ARGE BEG H4 STANS	50.00
ARGE BEG LOS O1	50.00
ARGE BETON BHF. ST. PÖLTEN	45.00
ARGE BETON DOPPL 2	50.00
ARGE BETON NEUBAU	40.00
ARGE BETONBAU ÖBB YBBS AMSTETTEN	50.00
ARGE BETR. GEB. HEIDKOF	50.00
ARGE CONTIWEG	60.00
ARGE EGGETUNNEL	50.00
ARGE ERDB. A8 PICHL - MEGG	50.00
ARGE ERDB. MATZLEINSDORF	50.00
ARGE ERDBAU AMSTETTEN BL3	60.00
ARGE ERDBAU BHF ST. PÖLTEN	33.33
ARGE ERDBAU DOPPL II	50.00
ARGE ERDBAU NEUBAU	50.00
ARGE EURO 2008 AUSB. STAD. INNSBRUCK	33.33
ARGE EURO 2008 AUSB. STAD. KLAGENFURT	55.00
ARGE EURO 2008 AUSB. STAD. SALZBURG	51.00
ARGE GALERIEN KÜHTAI	25.00
ARGE GEBÖS NORDBAHNHOF	33.34
ARGE GK RECHTE ALTSTADT 2	50.00
ARGE GOTTHARD TUNNEL	66.66
ARGE HABERKORN ULMER	50.00
ARGE HEIDKOPFTUNNEL	33.34

	Percentage of ownership at 31 December 2011
ARGE HOCHBAU HBF ST. PÖLTEN	25.35
ARGE HWS MACHLAND	50.00
ARGE INGENIEURBAU PPP OSTREGION	50.00
ARGE JURIDICUM	50.00
ARGE KATSCHBERG	30.96
ARGE KDD	33.34
ARGE KH RIED BR 2 + 3	23.78
ARGE KH RIED BR 4/4A	33.33
ARGE KINGSCROSS	50.00
ARGE KLOSTERNEUBURG	28.10
ARGE KOPS	80.00
ARGE KRANKENHAUS BR A + F	50.00
ARGE LAINZERTUNNEL 31	50.00
ARGE LICHTENFELS	33.34
ARGE MISCHGUT PPP OSTREGION	50.00
ARGE MVA ZISTERSDORF	50.00
ARGE NBS LOS B	33.34
ARGE NUSSDORF - ZAGLING	50.00
ARGE PARKDECK STOCKERAU	33.00
ARGE PRO MENTE WELS	50.00
ARGE RASTSTÄTTE PPP OSTREGION	50.00
ARGE SCHMIEDETECHNIK - ERW	33.33
ARGE SCHWEDEN	50.00
ARGE SENIORENWOHNHEIM KREMS	66.66
ARGE SINGAPURE 855	50.00
ARGE SPERRE BAECHENTAL	15.00
ARGE STRENGEN	70.00
ARGE TERMINAL TOWER LINZ	50.00
ARGE THERAPIEZENTRUM BAD HALL	82.70
ARGE TSCHAMBREU	66.66
ARGE TULLNERFELD 4.1	66.66
ARGE TUNNEL - U. ING. BAU. LEIPZIG LOS B	5.70
ARGE TURBOLADERWERK	50.00
ARGE TWL LEHEN - LIEFERING	40.00
ARGE UMFAHRUNG BRIXEN B13	48.80
ARGE UW YBBSFELD	50.00
ARGE VEZ	50.00
ARGE VKA TERNITZ	1.00
ARGE WIESING H4 - 3	75.00
ERD - UN STRASSENB. PPP	19.00
ASTALDI - FCC J.V.	50.00
CONCORCIO ICA - FCC - MECO PAC-4	43.00
CONSORCIO LÍNEA UNO	45.00
FCC ELLIOT CONSTRUCTION PARTNERSHIP	50.00
J.V. ARAD-TIMISOARA FCC-ASTALDI	50.00
J.V. ASOCIEREA ARAD-TIMISOARA	50.00
J.V. BBR PTE SL - TENSACCAI SPA	51.00
J.V. BYPASS CONSTATA	50.00
J.V. CENTURE OTOPENI OVERPASS	91.90
J.V ESTENSION OF LINE 2 TO ANTOHOUPOLI	50.01
J.V. FCC-ASTALDI	50.00
J.V. FCC CO-MCM	95.00
J.V. METRO DEHLI C1	51.00
OHL CO. CANADA & FCC CANADA LTD.	50.00
UTE 2ª FASE EIQUE DE LA ESFINGE	35.00
UTE 57 VIVIENDAS PC-6 CERRO DE REYES	90.00
UTE 77 VIVIENDAS EN ELCHE	55.00
UTE ACCESO NORTE A VIGO NUEVA ESTACIÓN	50.00
UTE ACCESO ZAMORA	65.00
UTE ACCESOS A LA ESTACIÓN DE LA SAGRERA	37.50
UTE ACON. Y PEATON. SAN BARTOLOMÉ TIRAJANA	70.00
UTE ACONDICIONAMIENTO BASE ALMUSSAFES	50.00
UTE ACTUACIONES AEROPUERTO DE LOGROÑO	80.00
UTE ADAMUZ	33.33
UTE AEROPUERTO DE CASTELLÓN	50.00
UTE AL - DEL OURENSE	50.00
UTE AL - DEL PALENCIA	50.00
UTE AL - DEL POLIVALENTES	50.00
UTE AL - DEL SANTIAGO	50.00
UTE AL - DEL XÁTIVA	50.00
UTE ALARCÓN	55.00
UTE ALBACETE - ALMANSA	50.00

APPENDIX V/6

	Percentage of ownership at 31 December 2011
UTE ALBUERA	50.00
UTE ALCAR	45.00
UTE ALMENDRALEJO II	50.00
UTE ALQUERÍA	50.00
UTE AMOREBIETA	66.66
UTE AMPLIACIÓN EDAR GIRONA	67.00
UTE AMP. PLAT COSTERA REC. GUINIGUADA	50.00
UTE AMPLIACIÓN SAIH	50.00
UTE AMPLIACIÓN SUPERFICIE DIQUE	50.00
UTE ANAGA	33.33
UTE APARCAMIENTO TERM. ACT. AEROPUERTO G.C.	70.00
UTE ARENAL	16.17
UTE ARINAGA III	50.00
UTE ARMILLA INSTALACIONES	50.00
UTE ARRIXACA GASES	26.00
UTE ARROYO DE LA ENCOMIENDA	50.00
UTE ARROYO DEL FRESNO	50.00
UTE AUCOSTA CONSERVACIÓN	50.00
UTE AUDITORIO DE BURGOS	65.00
UTE AUDITORIO DE LUGO	50.00
UTE AUTOPISTA CARTAGENA - VERA	50.00
UTE AUTOVÍA COSTA BRAVA	65.00
UTE AUTOVÍA DE LA SAGRA	50.00
UTE AUTOVÍA EL BATAN - CORIA	50.00
UTE AVE ALCÁNTARA-GARROVILLAS	85.00
UTE AVE GIRONA	40.00
UTE AVE MASIDE	67.00
UTE AVE MONTBLANC	75.00
UTE AVE TÚNEL DE SERRANO	42.00
UTE ÁVILA 6	35.00
UTE BALLONTI ARDANZA	9.80
UTE BARBADOS	50.00
UTE BENTA AUNDI	50.00
UTE BERGARA ANTZUOLA	50.00
UTE BIBLIOTECA DE NAVARRA	65.00
UTE BILBAO MANTENDU	24.50
UTE BIMENES	70.00
UTE BIMENES III	70.00
UTE BOETTICHER	50.00
UTE BOETTICHER ELECTRICIDAD	50.00
UTE BOQUILLA SUR TÚNEL VIGO - DAS MACEIRAS	50.00
UTE BULEVAR PINTO RESINA	50.00
UTE BUÑEL - CORTES	80.00
UTE BUSINESS	25.00
UTE BUSINESS ELECTRICIDAD	57.00
UTE BUSINESS MECÁNICAS	40.00
UTE C31-ACCESOS MATARÓ	50.00
UTE C&F JAMAICA	50.00
UTE C.A.R.E. CÓRDOBA	75.00
UTE CÁCERES II	50.00
UTE CAMPO GIBRALTAR	80.00
UTE CAMPO DE GIBRALTAR	50.00
UTE CAMPUS CLIMA	50.00
UTE CAN TUNIS	70.00
UTE CANAL PRINCIPAL DE ORBIGO	50.00
UTE CANALES DEL JÚCAR	60.00
UTE CANONADA SANT JUST	60.00
UTE CÁRCEL MARCOS PAZ	35.00
UTE CARCHUNA - CASTELL	75.00
UTE CARIÑENA	50.00
UTE CARRETERA HORNACHOS - LLERA	65.00
UTE CARRETERA IBIZA - SAN ANTONIO	50.00
UTE CASON II	50.00
UTE CASTELLÓ D'AMPÚRIES	50.00

	Percentage of ownership at 31 December 2011
UTE CASTIÑEIRIÑO	65.00
UTE CATENARIA - CERRO NEGRO	50.00
UTE CATLANTICO	25.00
UTE CECOEX	20.00
UTE CENTRO COMERCIAL ARANJUEZ	50.00
UTE CENTRO COMERCIAL ARANJUEZ PLAZA F. II	50.00
UTE CENTRO COMERCIAL LA GRELA	50.00
UTE CENTRO COMERCIAL MESOIRO	50.00
UTE CENTRO CONTINGENCIAS GAVÀ	70.00
UTE CERRO GORDO	75.00
UTE CHUAC	50.00
UTE CIBELES	50.00
UTE CIBELES ELECTRICIDAD	50.00
UTE CINE AVENIDA	50.00
UTE CIRCUITO	70.00
UTE CIRCUITO F-1 VALENCIA	38.00
UTE CIUDAD DE LAS COMUNICACIONES	50.00
UTE CIUDAD DEPORTIVA VALDEBEBAS II	50.00
UTE CIUTAT DE LA JUSTÍCIA	30.00
UTE CLIMA “LA FE”	38.00
UTE CLIMATIZACIÓN ALCÁZAR DE SAN JUAN	60.00
UTE CLIMATIZACIÓN BARAJAS	42.50
UTE CLIMATIZACIÓN CIBELES	50.00
UTE CLIMATIZACIÓN SON DURETA	42.00
UTE CLIMATIZACIÓN W.T.C.	50.00
UTE CLUB NÁUTICO CASTELLÓN	50.00
UTE COALVI - CONVENSA	25.00
UTE COIMA, S.A. - T.P. D ARMENGOLS C.P.	15.28
UTE COLADA	63.00
UTE COLECTOR ABOÑO II	80.00
UTE COLECTOR NAVIA	80.00
UTE CONEXIÓN CORREDOR MEDITERRÁNEO	40.00
UTE CONSEJERÍA AGRICULTURA	85.00
UTE CONSERVACION ANTEQUERA	50.00
UTE CONSERVACION MALPARTIDA	50.00
UTE CONSERVACION BADAJOZ	50.00
UTE CONSTRUCCIÓN HOSPITAL SURESTE	50.00
UTE CONSTRUCCIÓN HOSPITAL TORREJÓN	66.70
UTE CONSTRUCCIÓN TRANVÍA ZARAGOZA	50.00
UTE CONSTRUCTORA ATENCIÓN PRIMARIA	33.00
UTE COORDINACIÓN	34.00
UTE COPERO	70.00
UTE CORNELLÀ WTC	36.00
UTE CORREDOR	55.00
UTE COSTA DEL SOL	50.00
UTE COSTERA NORTE 1ª	70.00
UTE CP NORTE I	50.00
UTE CREAA	50.00
UTE CARRETERAS ACCESO PUERTO CASTELLÓN	50.00
UTE CYM - ESPELSA INSTALACIONES	50.00
UTE DE SUMINISTROS PUENTE RÍO OZAMA	50.00
UTE DESALADORA BAJO ALMANZORA	60.00
UTE DESDOBLAMIENTO CV - 309 EN SAGUNTO	50.00
UTE DESARROLLO PUERTO DE AVILES FASE I	80.00
UTE DESDOBLAMIENTO DE LA AS-17 I	70.00
UTE DESDOBLAMIENTO EX-100 BADAJOZ	50.00
UTE DESVÍOS II	60.00

	Percentage of ownership at 31 December 2011
UTE DESVÍOS LÉRIDA-BARCELONA	50.00
UTE DIQUE DE LA ESFINGE 2ª FASE	70.00
UTE DIQUE ESTE	35.00
UTE DIQUE ESTE FASE II	50.00
UTE DIQUE ESTE DÁRSENA SUR PUERTO DE CASTELLÓN	50.00
UTE DIQUE TORRES	27.00
UTE DIQUE TORRES II	27.00
UTE DISTRIBUCIÓN L-2 Y VARIAS	50.00
UTE DOCENCIA HOSPITAL SON DURETA	33.00
UTE DOZÓN	29.60
UTE DRAGADO CANAL ENTRADA Y DÁRSENA SUR	50.00
UTE DRAGADO MUELLE COMERCIAL VILAGARCÍA	50.00
UTE DRENAJES ADAMUZ	33.33
UTE EBRACONS	68.00
UTE EDAM OESTE	70.00
UTE EDAR LOIOLA	89.80
UTE EDAR NAVIA	80.00
UTE EDIFICIO 4 WTC	56.25
UTE EDIFICIO 6-7-8 WTC	36.00
UTE EDIFICIO C. CULT. POLIV., F. II-V. D'UIXO	60.00
UTE EDIFICIO DE LAS CORTES	65.00
UTE EDIFICIO IDI 5 TERCERA FASE CPI	75.00
UTE EDIFICIO IMETISA	70.00
UTE EDIFICIO TERMINAL	40.00
UTE EDIFICIOS TÉCNICOS CIUDEN	80.00
UTE EIX BERGUEDÀ	34.00
UTE EL CONDADO	40.00
UTE ELECTRICIDAD BY PASS SUR CALLE 30	33.33
UTE ELECTRICIDAD CIBEK	50.00
UTE ELECTRICIDAD CIUDAD COMUNICACIONES	50.00
UTE ELECTRICIDAD SON DURETA	50.00
UTE ELECTRIFICACION ARRIONDAS	60.00
UTE ELECTRIFICACIÓN BURGOS	33.33
UTE ELECTRIFICACIÓN GRANOLLERS	20.00
UTE ELECTRIFICACIÓN TRANVÍA DE MURCIA	55.00
UTE EMISARIO MOMPAS	89.80
UTE ENCAUZAMIENTO BARRANCO DE FRAGA	60.00
UTE ENLACE CURRO	60.00
UTE EQUIPAMIENTO AUDITORIO BURGOS	65.00
UTE ERRENTERIA	24.50
UTE ESCLUSA SEVILLA	70.00
UTE ESCUELA DE ARTES Y DISEÑOS	70.00
UTE ESPELSA - CYMI INSTALACIONES NORTE	50.00
UTE ESPELSA - OCESA	50.00
UTE ESTACIÓN AVE ZARAGOZA	50.00
UTE ESTACIÓN FGV MERCADO - ALICANTE	60.00
UTE ESTACIÓN LUCERO ALICANTE	33.33
UTE ESTACIÓN METRO SERRERÍA	50.00
UTE ESTACIONS AEROPORT L9	49.00
UTE ESTACIONS LÍNEA 9	33.00
UTE ESTACIONS TERRASSA	36.00
UTE ESTEPONA	25.00
UTE EZKIO ITSASO	40.00
UTE F.I.F. GNL FB 301/2	35.96
UTE F.I.F. GNL TK-3.002/3	39.06
UTE FASE II C.I.C.C.M.	60.00
UTE FASE II HOSPITAL DE MÉRIDA	50.00
UTE FASE II PABELLÓN REYNO DE NAVARRA	50.00
UTE FCC - SCENIC LIGHT	80.00
UTE FCC - TECYSU	80.00
UTE FGV ALICANTE TRAMO 2	60.00

	Percentage of ownership at 31 December 2011
UTE FGV VARIANTE TRAMO FINCA ADOC	55.00
UTE FUENTE LUCHA	77.00
UTE GANGUREN	11.03
UTE GASODUCTO MAGREB - EUROPA	50.00
UTE GASODUCTOS ENAGAS GD	50.00
UTE GC - 1 PUERTO DE RICO - MOGÁN	40.00
UTE GEDERIAGA	24.50
UTE GIRONA NORTE	70.00
UTE GIRONA NORTE II	70.00
UTE GOIAN	70.00
UTE GOIERRIALDEA	55.00
UTE GOIERRIALDEA 2010	55.00
UTE GRAN VÍA HOSPITALET	50.00
UTE GRAU DE LA SABATA	90.00
UTE GUADARRAMA 3	33.33
UTE GUADARRAMA 4	33.33
UTE GUICYCSA TORDESILLAS	60.00
UTE HABILITACIÓN ED. C. COMUNICACIONES	50.00
UTE HORCHE	65.00
UTE HORKASITAS	24.50
UTE HOSPITAL ALCÁZAR	60.00
UTE HOSPITAL CAMPUS DE LA SALUD	80.00
UTE HOSPITAL DE CARTAGENA	70.00
UTE HOSPITAL DE MIRANDA	65.00
UTE HOSPITAL DE SALAMANCA	40.00
UTE HOSPITAL DEL SUR	80.00
UTE HOSPITAL DEL SUR, SEGUNDA FASE	40.00
UTE HOSPITAL FCC - VVO	80.00
UTE HOSPITAL MARQUÉS VALDECILLA FASE III	33.33
UTE HOSPITAL NORTE TENERIFE	80.00
UTE HOSPITAL SON DURETA	33.00
UTE HOSPITAL UNIVERSITARIO DE MURCIA	50.00
UTE HUELVA NORTE II	55.00
UTE HUELVA SUDESTE	40.00
UTE HUESNA CONSTRUCCIÓN	33.33
UTE IBAI EDER	24.50
UTE IBARRETA	24.50
UTE IFEVI	50.00
UTE IMPERMEABILIZACION TUNEL PAJARES	50.00
UTE INSTALACIONES	50.00
UTE INSTALACIONES C - 17 VIC - RIPOLL	33.30
UTE INSTALACIONES METRO MÁLAGA	54.00
UTE INSTALACIONES PLATAFORMA SUR	50.00
UTE INSTALACIONES TÚNELES MUROS-DUEÑAS	50.00
UTE INSTITUTO DE SUANCES	70.00
UTE IRO	80.00
UTE JAÉN - MANCHA REAL	80.00
UTE JEREZ - LA BARCA	80.00
JUTE JONCADELLA	34.00
UTE JUAN DE LA COSA	80.00
UTE JUAN GRANDE	50.00
UTE L9 HOSPITALET	50.00
UTE LA ALDEA	35.00
UTE LA LOTETA	80.00
UTE LADERA ENCISO	50.00
UTE LAKUA 796	24.50
UTE LAS ROSAS I - 7	33.33
UTE LASGARRE	50.00
UTE LAUDIO	24.50
UTE LINEA 1 TRANVÍA DE MURCIA	60.00
UTE LÍNEA 2	50.00
UTE LÍNEA 5	40.00
UTE LÍNEA 9	33.00
UTE LLAGOSTERA	50.00
UTE LUKO	45.00
UTE M-407	50.00
UTE M-30 TÚNEL SUR	50.00

	Percentage of ownership at 31 December 2011
UTE MÁLAGA COCHERAS	50.00
UTE MALLABIA	14.70
UTE MANTENIMENT RONDES II	70.00
UTE MANTENIMENT RONDES 2012	70.00
UTE MANTENIMIENTO ARANJUEZ II	76.00
UTE MANTENIMIENTO CÓRDOBA	49.00
UTE MANTENIMIENTO TDM	50.00
UTE MANTENIMIENTO TRANVÍA ZARAGOZA	50.00
UTE MANTENIMIENTO VÍA ARANJUEZ	50.00
UTE MANTENIMIENTO VÍA SEVILLA	50.00
UTE MANZANAL	50.00
UTE MAQUINARIA PESADA INFOMA	50.00
UTE MATADERO	57.50
UTE MEDINACELI	22.40
UTE MEJORA VIADUCTOS LORCA	50.00
UTE MEL9	49.00
UTE MONTAJE VIA MOLLET - GIRONA	50.00
UTE MONTAJE VIA O IRIXO - SANTIAGO	50.00
UTE MONTAJE VIA SIETE AGUAS - VALENCIA	50.00
UTE MONT-RAS	50.00
UTE MONTSERRAT	35.00
UTE MORA	30.00
UTE MORALEDA	66.00
UTE MUELLE BOUZAS	70.00
UTE MUELLE COMERCIAL VILAGARCÍA	70.00
UTE MUELLES COMERCIALES	60.00
UTE MUELE DE LA QUÍMICA	70.00
UTE MUNGUIA	13.72
UTE MURCIA	40.00
UTE MUSEO NACIONAL DE LA ENERGÍA	45.00
UTE N.O.M.	63.00
UTE NACIMIENTO	54.00
UTE NANCLARES	95.00
UTE NOU PONT DE FUSTA	50.00
UTE NTC CÁDIZ	50.00
UTE NUDO DE MOLLET	50.00
UTE NUEVA SEDE JUDICIAL LAS PALMAS G.C.	70.00
UTE NUEVO ESTADIO VCF	49.00
UTE NUEVO HOSPITAL DE CÁCERES	33.33
UTE NUEVO PUERTO DE IGOUMENITZA	50.00
UTE OFICINAS HOSPITALET	50.00
UTE OLAVETRAN	14.70
UTE OLOT MONTAGUT	45.00
UTE OPERACIÓN TRANVÍA DE MURCIA	50.00
UTE OPERADORA TERMOSOLAR	67.50
UTE ORDIZIA	90.00
UTE ORENSE - MELÓN	50.00
UTE PABELLÓN REYNO DE NAVARRA	50.00
UTE PAGO DE EN MEDIO	80.00
UTE PALACIO DE CONGRESOS DE LEÓN	50.00
UTE PALACIO DE LOS DEPORTES	50.00
UTE PANADELLA	50.00
UTE PARADOR DE EL SALER	75.00
UTE PARANINFO ZARAGOZA	60.00
UTE PARQUE MÁLAGA	60.00
UTE PARQUE MAYORDOMÍA	50.00
UTE PARQUE TECNOLÓGICO	60.00
UTE PASAIA BERRI	50.00
UTE PASEO PARQUE RIBALTA CASTELLÓN	65.00
UTE PAU MONTE CARMELO	50.00
UTE PAVONES VIVIENDAS	50.00
UTE PCI METRO DE MALAGA	40.00
UTE PERI AR.8 LA MADRAZA	99.00
UTE PIEDRAFITA	66.67
UTE PINO MONTANO P 5	50.00

	Percentage of ownership at 31 December 2011
UTE PLANTA BARAJAS MELO	50.00
UTE PLANTA DE RESIDUOS	50.00
UTE PLASENCIA	50.00
UTE PLATAFORMA TPTE PBCO CASTELLÓN	55.00
UTE PLATAFORMA TRANSPORTE UJI DE CASTELL	65.00
UTE PLATAFORMA TTE.PUB. TRAMO I COLUMBRETES	55.00
UTE POBLA TORNESA	50.00
UTE POLÍGONO BOBES	50.00
UTE POLÍGONO DE TANOS	50.00
UTE POLÍGONO LLOREDA	70.00
UTE POLÍGONO VICÁLVARO	80.00
UTE PONT DEL CANDI	75.00
UTE PORT DE LLANÇÀ	60.00
UTE PREFABRICADOS POLA	50.00
UTE PRESA ENCISO	50.00
UTE PRESAS ITOIZ	33.00
UTE PRESAS EBRO	50.00
UTE PRESAS JÚCAR	53.00
UTE PREVENCIÓN DE INCENDIOS NORESTE	50.00
UTE PROLONGACIÓN DIQUE REINA SOFÍA	40.00
UTE PROSER - GEOCONTROL	60.00
UTE PROSER - GEOCONTROL II	62.00
UTE PROSER - NORCONTROL	50.00
UTE PROSER - NORCONTROL II	50.00
UTE PROSER - PAYMACOTAS IV	50.00
UTE PROSER - UG 21	70.00
UTE PROSER - LA ROCHE TF5 III	50.00
UTE PROSER - BATLLE I ROIG	50.00
UTE PSIR CASTRO URDIALES	50.00
UTE PT ADRIÁTICO	30.00
UTE PUENTE RIO OZAMA (DFC-COCIMAR)	35.00
UTE PUENTE DE PONFERRADA	55.00
UTE PUENTE DEL REY	33.33
UTE PUENTE Ma - 1110	33.00
UTE PUENTE PISUERGA	50.00
UTE PUENTE SERRERÍA	60.00
UTE PUERTO DE GRANADILLA	40.00
UTE PUERTO DE LAREDO	50.00
UTE PUERTO DEL ROSARIO	90.00
UTE PUIG-REIG	50.00
UTE RADIALES	35.00
UTE RANILLA CONSTRUCCIÓN	85.00
UTE RECINTOS FERIALES	50.00
UTE RED ARTERIAL PALENCIA FASE I	80.00
UTE REFORÇ C-25	40.00
UTE REFORMA HOSPITAL V SALUD (TOLEDO)	60.00
UTE RELLENO UBE CHEMICAL PTO.	50.00
UTE REVLON	60.00
UTE RÍO LLOBREGAT	55.00
UTE ROCKÓDROMO	50.00
UTE ROCKÓDROMO 2	40.00
UTE ROCKÓDROMO FASE 3	40.00
UTE RONDA HISPANIDAD	45.00
UTE RUTA NACIONAL HAITÍ	55.00
UTE S.A.I.H. CHJ	50.00
UTE S.A.I.H. SUR	40.00
UTE S.A.I.H. VALENCIA	50.00
UTE SAGUNTO	60.00
UTE SAGUNTO PARCELA M17-3	50.00

	Percentage of ownership at 31 December 2011
UTE SAJA	50.00
UTE SAN PEDRO	24.50
UTE SAN VICENTE	43.00
UTE SANEAMIENTO ARCO SUR	56.50
UTE SANEAMIENTO PAS-PISUEÑA	60.00
UTE SANEAMIENTO DE VILLAVICIOSA	80.00
UTE SANTA BRÍGIDA	50.00
UTE SANTA COLOMA DE FARNERS	50.00
UTE SANTA MARÍA D'OLO-GURB	60.00
UTE SANTO DOMINGO	70.00
UTE SEGUNDA FASE DELICIAS ZARAGOZA	50.00
UTE SEMINARIO P3-2	99.00
UTE SERVEIS AFECTATS CASTELLÓ D'AMPÚRIES	50.00
UTE SEVILLA SUR	65.00
UTE SIETE AGUAS - BUÑOL	66.66
UTE SISTEMA INTEGRAL ALICANTI SUR	66.67
UTE SISTEMAS METRO MALAGA	25.00
UTE SOMOSAGUAS	50.00
UTE SOTIELLO	50.00
UTE SOTO DE HENARES	70.00
UTE SSAA AP - 7	50.00
UTE STA Mª DEL CAMÍ	45.00
UTE STADIUM	70.00
UTE SUBESTACIÓN SERANTES	50.00
UTE TALLERES METRO	80.00
UTE TARRAGONA LITORAL	70.00
UTE TARRAGONA SUR	70.00
UTE TECSACON	20.00
UTE TELENEO	50.00
UTE TEMPLO Y C. ECUM. EL SALVADOR F1	65.00
UTE TERMINAL SUR MUELLE LEÓN Y CASTILLO	35.00
UTE TERMOSOLAR GUZMÁN	67.50
UTE TF-5 2ª FASE	70.00
UTE TINDAYA	50.00
UTE TORQUEMADA	50.00
UTE TORRE DON JIMENO	50.00
UTE TORREBLANCA	50.00
UTE TORRE ISLA CARTUJA	80.00
UTE TRAGSA - FCC A.P.	50.00
UTE TRAMBESÒS	50.00
UTE TRAMMET	50.00
UTE TRAMO DE NUEVA CONSTRUCCIÓN JÚCAR-VINALOPO	70.00
UTE TRANVÍA DE PARLA	50.00
UTE TRANVÍA L-2 PARQUE ALICANTE	55.00
UTE TRANVÍA LUCEROS-MERCADO ALICANTE	60.00
UTE TRASVASE JÚCAR VINALOPÓ	50.00
UTE TREN TRAM I	50.00
UTE TRES CANTOS GESTIÓN	50.00
UTE TRIANGLE LÍNEA 9	33.00
UTE TS VILLENA	88.00
UTE TÚNEL AEROPORT	33.00
UTE TÚNEL AEROPORT II	33.00
UTE TÚNEL C.E.L.A.	50.00
UTE TÚNEL AVE CHAMARTÍN - ATOCHA	42.00
UTE TÚNEL DE BRACONS	75.00
UTE TÚNEL DE PAJARES 1	50.00
UTE TÚNEL FIRA	33.00
UTE TÚNEL PROVISIONAL ESTACIÓN ATOCHA	42.00
UTE TÚNEL PASANTE ESTACION DE ATOCHA	42.00
UTE TÚNEL SANT JUST	60.00
UTE TÚNEL TERRASSA	36.00
UTE TUNELADORA METRO	36.00

	Percentage of ownership at 31 December 2011
UTE TÚNELES DE GUADARRAMA	33.33
UTE TÚNELES DE SORBES	67.00
UTE TÚNELES DELICIAS	65.00
UTE UE 1 ARROYO DEL FRESNO	50.00
UTE UE 2 ARROYO DEL FRESNO	50.00
UTE UE 2 VALLECAS	25.00
UTE UE 5 VALLECAS	33.33
UTE UE 6 VALLECAS	33.33
UTE UNIVERSIDAD DE MÁLAGA	65.00
UTE UNQUERA - PENDUELES	80.00
UTE URBANIZACIÓN PARC SAGUNT	50.00
UTE URBANIZACIÓN SOMOSAGUAS	50.00
UTE URBANIZACIÓN VIA PARQUE TRAMO A.V.L. CARB.-P	60.00
UTE VALDEVIVIENDAS II	33.33
UTE VALLE INFERIOR	80.00
UTE VARIANTE DE MONZÓN	70.00
UTE VARIANTE MACHA REAL	67.00
UTE VELA BCN	33.33
UTE VELÓDROMO	60.00
UTE VERTEDERO CASTAÑEDA	62.50
UTE VÍA ACCESOS SANTIAGO	50.00
UTE VÍAS COLECTORAS LA CARPETANIA	50.00
UTE VIC - RIPOLL	34.00
UTE VIDRERES	34.00
UTE VIGO-DAS MACEIRAS	50.00
UTE VILLAR - PLASENCIA	70.00
UTE VULLPALLERES	65.00
UTE WTC ELECTRICIDAD	50.00
UTE YELTES	75.00
UTE YESA	33.33
UTE ZONAS VERDES ENSANCHE DE VALLECAS	33.33
UTE ZUBALBURU XXI	16.66
CEMENT	
UTE A-27 VALLS-MONTBLANC	26.29
UTE AVE GIRONA	26.29
UTE BCN SUD	7.89
UTE GROUPEMENT EUROBETON	23.15
UTE LAV SAGRERA	17.52
UTE NUEVA ÁREA TERMINAL	26.29
UTE OLÉRDOLA	31.55
UTE ULLÁ	26.29

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

Director´s Report

CONTENTS	PAGE

1. HIGHLIGHTS

FCC strengthens its presence in municipal and industrial waste treatment

The company obtained major contracts in Spain in 2011, including the construction of a municipal waste treatment complex in Guipúzcoa and its management for 5 years with the possibility of 5-year extensions, for 322 million euro. The contract includes mechanical-biologic treatment and energy-from-waste plants together with ancillary facilities.

In the UK, the company commenced construction of an end-to-end municipal waste treatment and incineration plant in Lincolnshire. The facilities, which are financed by the local government and will have the capacity to treat up to 150,000 tonnes/year and generate 12 MW of electric power, will be managed by WRG for 25 years, representing a backlog of 329 million pounds.

In 2011, FCC Ambito started up one of the first refuse-derived fuel (RDF) plants in Spain (Castellbisbal), which will produce up to 30,000 tonnes of alternative fuel per year. The company has also commenced construction of the first plant on the east coast of the US (Baltimore) for the recovery and reuse of base lube; the estimated cost is 35 million euro. The raw materials for both projects will come from Group-managed plants and waste collection networks.

FCC's backlog of international infrastructure projects increased by 9.7% (accounting for more than 50% of the total infrastructure backlog), and amounts to 9.5 billion euro

FCC expanded its international backlog by 436 million euro in 2011; those projects account for 52% of the total. The company's strong share in several local markets together with the adjudication of important contracts in certain activities where the Group has extensive experience increased the total backlog to 9.5 billion euro.

Major contracts include a railway line in northern Algeria (407 million euro), and metros in Panama (483 million euro), Toronto (134 million euro) and Bucharest (close to 100 million euro).

FCC advanced its policy to strengthen its financial position by divesting non-core assets worth 575 million euro

In December, FCC sold Torre Picasso for 400 million euro and completed the reorganisation of its real estate assets with the sale of two buildings, in Madrid and Barcelona, for 60 million euro. Also in December, it completed the sale of Eyssa (Estacionamientos y Servicios, S.A.), which was part of Versia, for 115 million euro. Eyssa manages a total of 160,000 on-street parking spaces in 60 Spanish cities.

These operations pursue FCC's goal of strengthening its financial position and focusing on the development of core activities.

Globalvia commences a new phase with the support of large international funds

Globalvia, owned 50% by FCC, successfully included new financial partners for its future projects by issuing a 5-year 400 million euro convertible bond, with the possibility of a 350 million euro tap. This operation commences a new phase of growth for the company, which will focus on managing road and railway concessions and expanding its portfolio in OECD countries.

FCC signs several agreements to develop electric mobility infrastructure

FCC has signed a strategic agreement with Siemens to develop electric mobility technologies. FCC will participate in research projects and will implement the necessary infrastructure in the future. FCC also signed an agreement with Citroën España and BlueMobility to build the electrical installations for the charging points at Citroën vehicle dealerships and provide battery charging equipment for Citroën's own fleet of electric and hybrid vehicles.

Bond placement by Alpine, which heads the Group's international infrastructure business

In June, FCC's Austrian subsidiary, Alpine, completed a 90 million euro 5.25% bond issue. Strong demand led the company to increase the issue from the initial 75 million euro. This is FCC Group's third bond issue in the last two years, and Alpine's second, after having successfully raised 100 million euro in June 2010.

2. EXECUTIVE SUMMARY

- ◊ **Revenues** from **outside Spain** expanded by **13.6%** and accounted for 52.4% of the total.
- ◊ The **international backlog** expanded by **8.5%,** providing a total backlog of 35,238 million euro.
- ◊ Ebitda from **Services increased 5.3%** in like-for-like terms, representing 64.9% of the total.
- ◊ **Net attributable profit** amounted to **108.2 million euro**.
- ◊ **Net interest-bearing debt declined 19.0%** to 6,277.2 million euro.

Earnings in 2011 reflect progress with internationalisation, as revenues from outside Spain expanded by 13.6% and the international backlog by 8.5%, broadly offsetting the decline in infrastructure-related demand in Spain. Services reported solid recurring performance, with EBITDA up 5.3% like-for-like (adjusted for Versia divestments), accounting for 64.9% of the Group total.

Strong capital gains on the sale of several real estate assets and Eyssa offset goodwill and certain fixed assets write down in the Cement area by a total of 300.8 million euro, in line with projected demand in Spain. Following that adjustment, which did not impact cash flow, net attributable profit was 108.2 million euro.

The free cash flow from operations, together with the divestment of non-core assets, reduced net interest-bearing debt by 1,471.5 million euro (19%) year-on-year.

ACTIVITIES DESIGNATED AS DISCONTINUED OPERATIONS:

The assets and liabilities corresponding to certain business lines and geographic areas (FCC Energía, and Cement in the US) have been designated as "discontinued operations" in the 2011 consolidated financial statements and are classified under assets and liabilities available for sale (see note 5.2). For this reason, to enable comparison, the income statement and cash flow statement for 2010 have been restated.

KEY FIGURES

(million euro)	**Dec. 11**	**Dec. 10**	**Chg. (%)**
Net sales	11.754,8	11.908,1	-1,3%
Ebitda*	1.252,3	1.366,1	-8,3%
Ebitda margin	*10,7%*	*11,5%*	*-0,8 p.p*
Ebit	400,8	777,9	-48,5%
Ebit margin	*3,4%*	*6,5%*	*-3,1 p.p*
Income attributable to equity holders of the parent company	108,2	301,3	-64,1%
Operating cash flow	999,4	967,8	3,3%
Investment cash flow	5,2	(507,4)	-101,0%

** In like-for-like terms, the change is -6.6%*

(million euro)	**Dec. 11**	**Dec. 10**	**Chg. (%)**
Equity (excl. non-controlling interests)	2.378,9	2.562,9	-7,2%
Net interest-bearing debt	(6.277,2)	(7.748,7)	-19,0%
Backlog	35.237,6	35.309,0	-0,2%

3. SUMMARY BY BUSINESS AREA

Area	Dec. 11	Dec. 10	Chg. (%)	% of 2011 total	% of 2010 total
(million euro)					
REVENUES BY BUSINESS AREA					
Environmental services	3.735,4	3.672,2	1,7%	31,8%	30,8%
Construction	6.686,2	6.693,6	-0,1%	56,9%	56,2%
Cement	609,1	753,3	-19,1%	5,2%	6,3%
Versia	767,3	846,3	-9,3%	6,5%	7,1%
Parent company and other*	(43,2)	(57,3)	-24,6%	-0,4%	-0,5%
Total	**11.754,8**	**11.908,1**	**-1,3%**	**100,0%**	**100,0%**
REVENUES BY GEOGRAPHIC AREA					
Spain	5.591,5	6.483,1	-13,8%	47,6%	54,4%
Austria and Germany	2.446,9	2.327,2	5,1%	20,8%	19,5%
Eastern Europe	1.299,3	1.115,9	16,4%	11,1%	9,4%
United Kingdom	770,4	705,8	9,2%	6,6%	5,9%
Rest of Europe	657,1	607,8	8,1%	5,6%	5,1%
America and others	989,7	668,3	48,1%	8,4%	5,6%
Total	**11.754,8**	**11.908,1**	**-1,3%**	**100,0%**	**100,0%**
EBITDA					
Environmental services	697,9	657,7	6,1%	55,7%	48,1%
Construction	303,9	355,5	-14,5%	24,3%	26,0%
Cement	150,1	216,7	-30,7%	12,0%	15,9%
Versia	114,9	139,0	-17,3%	9,2%	10,2%
Parent company and other*	(14,5)	(2,8)	N.A.	-1,2%	-0,2%
Total	**1.252,3**	**1.366,1**	**-8,3%**	**100,0%**	**100,0%**
EBIT					
Environmental services	366,2	323,5	13,2%	91,4%	41,6%
Construction	212,3	241,6	-12,1%	53,0%	31,1%
Cement	-293,1	91,0	N.A.	-73,1%	11,7%
Versia	36,2	192,9	-81,2%	9,0%	24,8%
Parent company and other*	79,2	(71,1)	N.A.	19,8%	-9,1%
Total	**400,8**	**777,9**	**-48,5%**	**100,0%**	**100,0%**

* Other includes Torre Picasso, restructuring costs and consolidation adjustments

Area	Dec. 11	Dec. 10	Chg. (%)	% of 2011 total	% of 2010 total
(million euro)					
			NET DEBT		
Environmental services	4.303,9	4.352,6	-1,1%	68,6%	56,2%
Construction	656,0	519,6	26,3%	10,4%	6,7%
Cement	942,5	1.287,5	-26,8%	15,0%	16,6%
Versia	189,6	290,8	-34,8%	3,0%	3,8%
Parent company**	185,2	1.298,2	-85,7%	3,0%	16,8%
Total	**6.277,2**	**7.748,7**	**-19,0%**	**100,0%**	**100,0%**
			BACKLOG		
Environmental services	25.719,4	25.325,0	1,6%	73,0%	71,7%
Construction	9.518,2	9.984,0	-4,7%	27,0%	28,3%
Total	**35.237,6**	**35.309,0**	**-0,2%**	**100,0%**	**100,0%**

*** In 2011, "Parent company" includes funding of equity-accounted affiliates (with a book value of 1,115.7 million euro at 31 December). In 2010, it also includes debt linked to Torre Picasso.*

4. INCOME STATEMENT

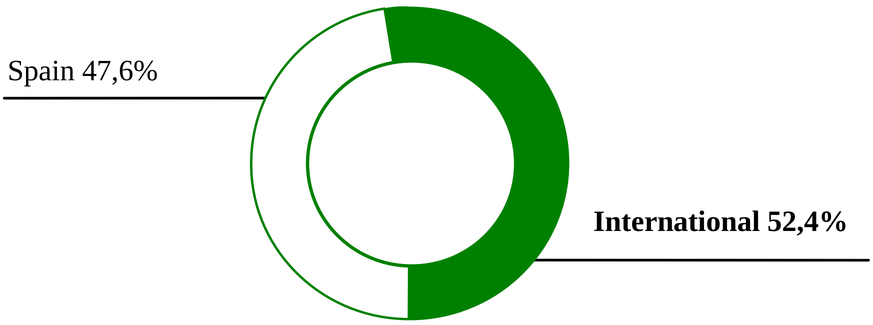
(million euro)	Dec. 11	Dec. 10	Chg. (%)
Net sales	**11.754,8**	**11.908,1**	**-1,3%**
Ebitda	**1.252,3**	**1.366,1**	**-8,3%**
Ebitda margin	*10,7%*	*11,5%*	*-0,8 p.p*
Depreciation and amortisation	(643,5)	(659,2)	-2,4%
Other operating income	(208,0)	71,0	N.A.
Ebit	**400,8**	**777,9**	**-48,5%**
Ebit margin	*3,4%*	*6,5%*	*-3,1 p.p*
Financial income	(411,5)	(332,0)	23,9%
Other financial results	32,4	(14,6)	N.A.
Equity-accounted companies	33,3	12,9	158,1%
Earnings before taxes (EBT) from continuing activities	**55,0**	**444,3**	**-87,6%**
Corporate income tax expense	(27,2)	(97,8)	-72,2%
Income from continuing operations	**27,8**	**346,5**	**-92,0%**
Income from discontinued operations	(24,9)	(32,9)	-24,3%
Net profit	**2,9**	**313,6**	**-99,1%**
Non-controlling interests	105,3	(12,3)	N.A.
Income attributable to equity holders of the parent company	**108,2**	**301,3**	**-64,1%**

4.1 Revenues

Revenues amounted to 11,754.8 million euro in 2011, a decline of 1.3% year-on-year. That decline (-0.8% in like-for-like terms) is very small considering the effect of the sale of Versia assets in 2010.

The company registered solid growth in international markets in 2011, with revenues expanding by 13.6%, driven by Construction and Environmental Services, which almost entirely offset the 13.8% decline in revenues in Spain due to the poor performance by Construction and Cement.

% Revenues by Geographic Area

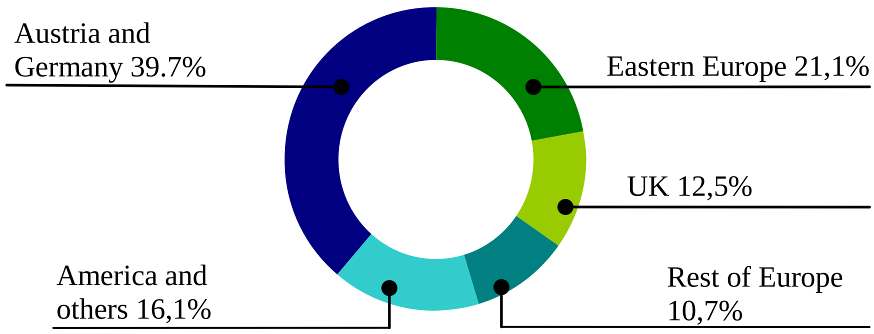


Notably, for the first time in the history of FCC Group, international revenues exceeded revenues from Spain and accounted for 52.4% of the total in 2011.

International revenue breakdown

(million euro)	**Dec. 11**	**Dec. 10**	**Chg. (%)**
Austria and Germany	2.446,9	2.327,2	5,1%
Eastern Europe	1.299,3	1.115,9	16,4%
United Kingdom	770,4	705,8	9,2%
Rest of Europe	657,1	607,8	8,1%
America and others	989,6	668,3	48,1%
Total	**6.163,2**	**5.425,0**	**13,6%**

% International Revenues by Geographic Area

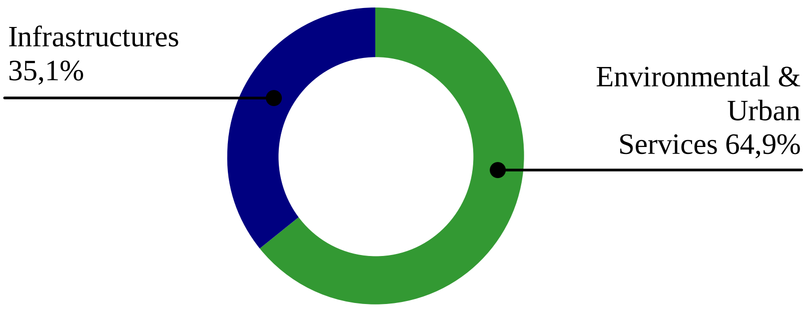


4.2 EBITDA

Ebitda amounted to 1,252.3 million euro in the year, i.e. an 8.3% decline compared with 2010 (6.6% in like-for-like terms), due primarily to reduced activity in the infrastructure divisions in Spain (Construction and Cement).

Ebitda expanded notably in Services (+5.3% in like-for-like terms), and accounts for 64.9% of the Group total, offsetting the deterioration in infrastructure activity.

EBITDA by Business Area



EBITDA also includes smaller components, such as restructuring costs (18.5 million euro) and the contribution from Torre Picasso (22.2 million euro).

4.3 EBIT

The depreciation and amortisation charge in 2011 decreased by 2.4% with respect to 2010, to 643.5 million euro. That figure includes 77.9 million euro for the depreciation of assets that were stepped up on consolidation in the FCC Group.

Other operating income reflects two items:

First, the capital gains booked on the sale of Eyssa (on-street parking management, under Versia), Torre Picasso, and other real estate assets in the fourth quarter of 2011, providing a total of 195.2 million euro. In 2010, that item reflected the capital gains booked on the sale of the vehicle testing businesses and 19 underground car parks.

And second, the adjustment in goodwill at some companies in the Cement area (mainly Grupo Unliand) and other productive fixed assets, for a total of 300.8 million euro. This adjustment is attributable to demand performance in the Spanish market in 2011 and that projected in the future.

As a result, EBIT amounted to 400.8 million euro in 2011, i.e. a decline of 48.5% with respect to 2010.

4.4 Earnings before taxes (EBT) from continuing activities

EBT from continuing activities amounted to 55 million euro after including the following items in EBIT:

4.4.1 Financial income

A net financial expense and other financial results amounting to 379.1 million euro, up 9.4% with respect to 2010.

The Other financial income item primarily reflects the effect of fair value changes in financial instruments and of exchange rate fluctuations.

4.4.2 Equity-accounted affiliates

The contribution from equity-accounted affiliates increased notably, to 33.3 million euro; of special note is the contribution from companies in the Environmental Services area.

4.5 Profit attributable to equity holders of the parent company

Net attributable profit in 2011 amounted to 108.2 million euro, i.e. 64.1% less than in 2010. This variation is completely due to the mentioned value adjustment in certain assets from the cement area, and:

4.5.1. Income tax expense

The income tax expense amounted to 27.2 million euro, which accrued tax rate, adjusted for the contribution of the results by the equity method, is lower than in the previous year due to the contribution of credit tax from the Cement area.

4.5.2. Minority interests

A loss of 105.3 million euro corresponds to the minority shareholders, almost entirely due to the significant reduction in the contribution of the cement area, which concentrates the loss.

5. BALANCE SHEET

(million euro)	Dec. 11	Dec. 10	Chg. (M€)
Intangible assets	4.317,0	5.063,7	(746,7)
Property, plant and equipment	4.636,4	6.092,8	(1.456,4)
Equity-accounted affiliates	1.115,7	1.222,9	(107,2)
Non-current financial assets	462,0	415,8	46,2
Deferred tax assets and other non-current assets	542,9	598,6	(55,7)
Non-current assets	**11.074,1**	**13.393,7**	**(2.319,6)**
Non-current assets available for sale	1.847,0	0,0	1.847,0
Inventories	1.271,4	1.138,4	133,0
Trade and other accounts receivable	5.556,7	5.542,6	14,1
Other current financial assets	395,7	225,8	169,9
Cash and cash equivalents	2.302,6	1.678,7	623,9
Current assets	**11.373,4**	**8.585,4**	**2.788,0**
TOTAL ASSETS	**22.447,5**	**21.979,1**	**468,4**
Equity attributable to equity holders of parent company	2.378,9	2.562,9	(184,0)
Non-controlling interests	536,1	643,4	(107,3)
Equity	**2.914,9**	**3.206,3**	**(291,4)**
Grants	159,7	104,7	55,0
Long-term provisions	1.083,1	1.047,8	35,3
Long-term interest-bearing debt	4.365,4	7.140,4	(2.775,0)
Other non-current financial liabilities	794,9	1.488,6	(693,7)
Deferred tax liabilities and other non-current liabilities	1.132,2	1.181,0	(48,8)
Non-current liabilities	**7.535,3**	**10.962,5**	**(3.427,2)**
Liabilities linked to non-current assets available for sale	1.396,7	0,0	1.396,7
Current provisions	178,9	143,2	35,7
Short-term interest-bearing debt	4.607,2	1.588,9	3.018,3
Other current financial liabilities	223,4	399,3	(175,9)
Trade and other accounts payable	5.591,0	5.678,8	(87,8)
Current liabilities	**11.997,2**	**7.810,3**	**4.186,9**
TOTAL LIABILITIES	**22.447,5**	**21.979,1**	**468,4**

5.1 Equity-accounted affiliates

The investment in equity-accounted companies (1,115.7 million euro) comprised mainly the following at the end of the year:

a. 424.6 million euro corresponding to the 50% stake in Globalvia Infraestructuras (GVI).
b. 139.4 million euro corresponding to the 30% stake in Realia.
c. 78.7 million euro corresponding to concession companies not contributed to GVI.
d. 47.8 million euro corresponding to the 50% stake in the Proactiva group (Environmental Services).
e. 425.2 million euro corresponding to all other equity-accounted companies.

The carrying value of FCC's holdings in infrastructure concessions amounted to 543.1 million euro at the end of 2011. That figure includes the value attributable to FCC for its 50% stake in GVI (424.6 million euro) and the value of its holdings in other concession companies, both equity-accounted (78.7 million euro) and fully consolidated (39.8 million euro).

5.2 Non-current assets and liabilities held for sale

Of the 1,847 million euro in non-current assets available for sale at 31 December 2011, 1,162.4 million euro correspond to FCC Energía and 684.5 million euro to Giant Cement (the cement business activity in the US).

Those assets had liabilities amounting to 1,396.7 million euro; of which 931.9 million euro correspond to FCC Energía and 464.8 million euro to Giant Cement.

5.3 Equity

Equity attributable to the parent company amounted to 2,378.9 million euro, down 184 million euro with respect to 2010. This is due primarily to the allocation of consolidated income for the period (108.2 million euro), dividend distribution to shareholders of FCC, S.A. and minority interests in the FCC Group (173.2 million euro), and other items, including changes in the fair value of hedging instruments.

5.4 Net interest-bearing debt

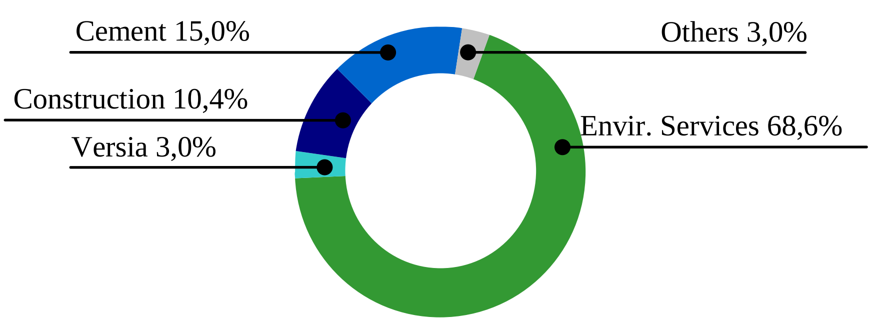
At the end of December 2011, net interest-bearing debt amounted to 6,277.2 million euro, down 1,471.5 million euro (-19%) year-on-year.

(million euro)	**Dec. 11**	**Dec. 10**	**Chg. (M€)**
Bank debt	8.072,1	8.524,8	(452,7)
Debt instruments and other loans	705,2	680,6	24,6
Accounts payable due to financial leases	96,0	154,1	(58,1)
Other financial liabilities	99,3	293,6	(194,3)
Gross interest-bearing debt	**8.972,6**	**9.653,1**	**(680,5)**
Cash and other financial assets	(2.695,4)	(1.904,4)	(791,0)
Net interest-bearing debt	**6.277,2**	**7.748,7**	**(1.471,5)**
With recourse	*4.224,9*	*4.988,2*	*(763,3)*
Non-recourse	*2.052,3*	*2.760,5*	*(708,2)*

Interest-bearing debt was reduced through a combination of factors—free cash flow from operations during the year, together with divestments of non-core assets—which together amounted to 623.8 million euro. Moreover, exchange rate fluctuations and the change in value of derivatives reduced the debt by 157.3 million euro. Net interest-bearing debt at FCC Energía and Giant Cement, classified as non-current assets available for sale, amounted to 572.5 million euro and 311.9 million euro, respectively, at 31 December 2010.

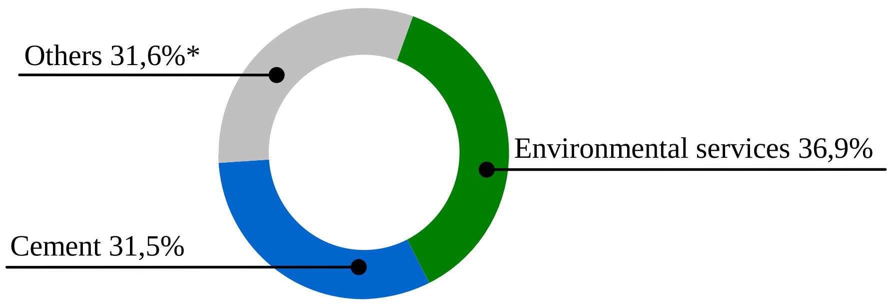
The breakdown of debt by business area is in line with their nature, cash flow, and asset volume. Environmental Services accounted for 68.6% of net debt, connected to stable, regulated long-term public utility contracts. Cement, a business which accounts for a large proportion of fixed assets on the balance sheet, accounts for 15.0% of total net debt. Construction accounts for 10.4%, Versia for 3.0% and the Corporate area for just 3.0%.

Net debt by Area



Moreover, 2,052.3 million euro of net debt, i.e. 32.7% of the total, is non-recourse. The reduction with respect to December 2010 corresponds in large part to the debt of the Energy area, which is classified as an asset available for sale. The breakdown of non-recourse debt by activity is as follows:

Non-recourse Net Debt



* other includes convertibles bonds of FCC S.A

5.5 Other current and non-current financial liabilities

The balance of other current and non-current financial liabilities amounted to 1,018.3 million euro and includes other financial liabilities not classified as interest-bearing debt, such as those linked to suppliers of property, plant and equipment (operation permits for urban furniture at Versia), deposits and guarantees received, and stock options.

6. CASH FLOW

From continuing activities

(million euro)	Dec. 11	Dec. 10	Chg. (M€)
Funds from operations	1.286,4	1.437,7	-10,5%
(Increase)/decrease in working capital	(230,6)	(424,5)	-45,7%
Other items (taxes, dividends, etc.)	(56,4)	(45,4)	24,2%
Operating cash flow	**999,4**	**967,8**	**3,3%**
Investing cash flow	5,2	(507,4)	-101,0%
Cash flow from business operations	**1.004,6**	**460,4**	**118,2%**
Financing cash flow	(574,8)	(586,7)	-2,0%
Other cash flow (exchange differences, change in consolidation scope, etc.)	157,3	98,2	60,2%
(Increase) / decrease in net interest-bearing debt	**587,1**	**(28,1)**	**N.A.**

Decline in net interest-bearing debt due to discontinued activities	**884,4**	**(65,4)**	**N.S.**
(Increase) / decrease in net interest-bearing debt	**1.471,5**	**(93,6)**	**N.A.**

6.1 Operating cash flow

Operating cash flow amounted to 999.4 million euro in 2011, i.e. 3.3% more than in 2010. The decline in funds from operations, in line with the reduction in EBITDA, was amply offset by the reduction in working capital (-193.9 million euro year-on-year).

6.2 Investing cash flow

	Dec. 11	Dec. 10	Chg. (M€)
Environmental services	(317,0)	(356,2)	-11,0%
Construction	(73,5)	(288,5)	-74,5%
Cement	(35,4)	(7,1)	N.A.
Versia	(7,0)	31,9	N.A.
Parent company and other	438,1	112,5	N.A.
Total	**5,2**	**(507,4)**	**-101,0%**

The divestment of Eyssa, Torre Picasso and other real estate assets for a total of 575 million euro, results in a positive 5.2 million euro Investing cash flow in 2011. Torre Picasso and other real estate are included under Parent company and other consolidation adjustments. In 2010, investing cash flow reflected the sale of the vehicle inspection business and 19 underground car parks, for a total of 252 million euro.

This item also includes 64.3 million euro of capital expenditure at several companies and business units in the environmental services and construction divisions.

6.3 Financing cash flow

Financing cash flow decreased by 2% with respect to 2010. In addition to debt servicing, this item includes 173.2 million euro in dividend payments by the Group's consolidated companies, and 20.7 million euro for the net variation of equity instruments, compared with 76.0 million euro in 2010.

6.4 Other

This item primarily reflects the currency effect on foreign currency debt and changes in the value of financial instruments.

7. BUSINESS PERFORMANCE

7.1 Environmental services

7.1.1 Results

(million euro)	**Dec. 11**	**Dec. 10**	**Chg. (M€)**
Revenues	3.735,4	3.672,2	1,7%
Spain	*2.321,1*	*2.361,0*	*-1,7%*
International	*1.414,3*	*1.311,2*	*7,9%*
Ebitda	697,9	657,7	6,1%
Ebitda margin	*18,7%*	*17,9%*	*0,8 p.p*
Ebit	366,2	323,5	13,2%
Ebit margin	*9,8%*	*8,8%*	*1,0 p.p*

Environmental Services performed well in 2011, with revenues increasing 1.7%, to 3,735.4 million euro. Revenues expanded in international markets, by 7.9%, but fell slightly in Spain, by 1.7%.

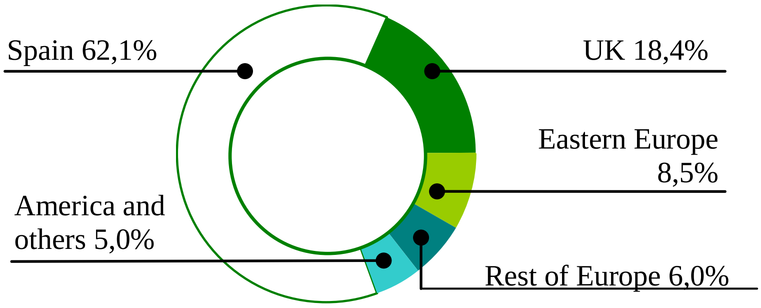
(million euro)	**Dec. 11**	**Dec. 10**	**Chg. (M€)**
Revenues – Spain	2.321,2	2.361,0	-1,7%
Environment	*1.493,4*	*1.501,1*	*-0,5%*
Water	*668,4*	*694,8*	*-3,8%*
Industrial Waste	*159,4*	*165,1*	*-3,5%*
Revenues – International	1.414,3	1.311,2	7,9%
Environment	*1.078,4*	*1.022,2*	*5,5%*
Water	*176,6*	*173,2*	*2,0%*
Industrial Waste	*159,3*	*115,9*	*37,4%*

Revenues in the International Environment area rose by a notable 5.5%, driven by the start of construction of a new waste treatment plant in Lincolnshire (UK) and by increased activity at ASA, where a soil decontamination project in the Czech Republic made a significant contribution. Industrial Waste revenues maintained a notable pace of growth, rising 13.4% due to the larger volume of waste treated in the US and Portugal and to appreciation by petroleum-based products. The 2.7% decline in revenues in the Water division is due primarily to a decline in the execution of water infrastructure in Spain and to the baseline effect of the construction of two desalination plants in Algeria in 2010.

International revenues breakdown			
(million euro)	**Dec. 11**	**Dec. 10**	**Chg. (M€)**
United Kingdom	688,3	648,6	6,1%
Eastern Europe	317,5	297,8	6,6%
Rest of Europe	222,4	201,5	10,4%
America and others	186,1	163,4	13,9%
Total	**1.414,3**	**1.311,2**	**7,9%**

The most important international markets are the UK (accounting for 18.4% of revenues), for municipal solid waste treatment and elimination; Central and Eastern Europe (14.5%), primarily the Czech Republic and Austria, for municipal solid waste and end-to-end water management; and the US (3.7%), for industrial waste management.

Revenue breakdown by geographic area



Ebitda increased by 6.1% in 2011, to 697.9 million euro, and the Ebitda margin was 18.7%, compared with 17.9% in 2010. This significant improvement in the Ebitda margin is essentially due to the commitment by all areas to improving efficiency and cutting costs, to operational improvements in the international waste treatment businesses, and to the impact of several non-recurring items amounting to 12 million euro.

The division's backlog performed well, expanding 1.6% with respect to 31 December 2010. In Spain, the MSW management contract in Tarragona was renewed until 2023 and FCC obtained contracts to build and manage an end-to-end treatment plant in Guipúzcoa province and a wastewater treatment plant in Cádiz. Outside Spain, FCC obtained a 30-year contract for water treatment and supply in Fundao (Portugal) and a 25-year contract for the operation and maintenance of the desalination plant it built in Algeria.

Backlog breakdown by geographic area

(million euro)	**Dec. 11**	**Dec. 10**	**Chg. (M€)**
Spain	17.092,6	17.324,7	-1,3%
International	8.626,8	8.000,3	7,8%
Total	**25.719,4**	**25.325,0**	**1,6%**

7.1.2 Proactiva

Proactiva, the leading municipal waste and end-to-end water management company in Latin America, operates in the main countries in that region (Brazil, Argentina, Chile, Mexico, Colombia, etc.). The group is owned 50% by FCC and is equity-accounted, in line with FCC accounting policy.

Proactiva's revenues totalled 470.1 million euro in 2011, i.e. growth of 12.0% year-on-year. Ebitda amounted to 98.9 million euro (+25.8% year-on-year), and the Ebitda margin was 21%. Net interest-bearing debt amounted to 97.9 million euro at 31 December.

7.1.3 Cash flow

(million euro)	**Dec. 11**	**Dec. 10**	**Chg. (M€)**
Funds from operations	**714,4**	**695,6**	**2,7%**
(Increase) / decrease in working capital	(130,9)	(155,2)	-15,7%
Other items (taxes, dividends, etc.)	(43,4)	(50,8)	-14,6%
Operating cash flow	**540,1**	**489,6**	**10,3%**
Investing cash flow	(317,0)	(356,2)	-11,0%
Cash flow from business operations	**223,1**	**133,4**	**67,2%**
Financing cash flow	(318,5)	(232,4)	37,0%
Other cash flow (exchange differences, change in consolidation scope, etc.)	144,1	(61,4)	-334,7%
(Increase) / decrease in net interest-bearing debt	**48,7**	**(160,4)**	**-130,4%**

(million euro)	**Dec. 11**	**Dec. 10**	**Chg. (M€)**
Net interest-bearing debt	**4.303,9**	**4.352,6**	**(48,7)**
With recourse	*3.545,8*	*3.464,9*	*80,9*
Non-recourse	*758,1*	*887,7*	*(129,6)*

Operating cash flow in the year totalled 540.1 million euro, up 10.3% with respect to 2010. In addition to the increase in funds from operations, working capital declined by 24.3 million euro.

Net investments declined by 11.0%, to 317 million euro, primarily for maintenance capex and fulfilment of operating contracts. Of that amount, 15.3 million euro corresponds to new projects, most of which were water concessions outside Spain.

After financing cash flow and other changes (primarily fair value changes in hedging instruments), net debt fell by 1.1% in 2011, to 4,303.9 million euro.

7.2 Construction

7.2.1 Results

(million euro)	**Dec. 11**	**Dec. 10**	**Chg. (M€)**
Revenues	6.686,2	6.693,6	-0,1%
Spain	*2.320,4*	*3.022,3*	*-23,2%*
International	*4.365,8*	*3.671,3*	*18,9%*
Ebitda	303,9	355,5	-14,5%
Ebitda margin	*4,5%*	*5,3%*	*-0,8 p.p*
Ebit	212,3	241,6	-12,1%
Ebit margin	*3,2%*	*3,6%*	*-0,4 p.p*

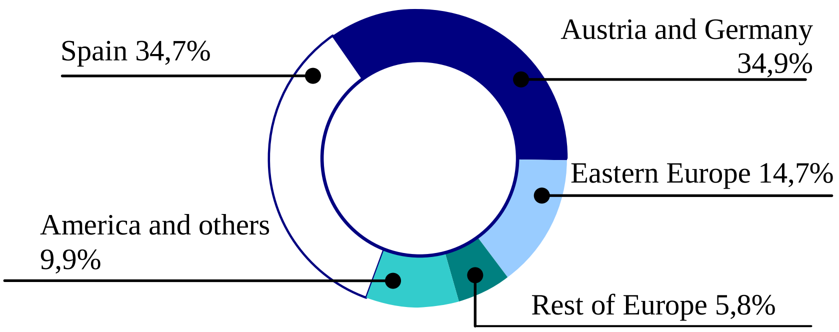
Revenues in the Construction area amounted to 6,686.2 million euro, in line with 2010, due to notable 18.9% growth in international revenues, which offset the decline in activity in Spain.

International Revenue Breakdown

(million euro)	**Dec. 11**	**Dec. 10**	**Chg. (M€)**
Austria and Germany	2.335,4	2.216,9	5,3%
Eastern Europe	981,7	818,1	20,0%
Rest of Europe	386,5	308,1	25,4%
America and others	662,2	328,2	101,8%
Total	**4.365,8**	**3.671,3**	**18,9%**

By geographic area, revenues in Austria and Germany expanded by 5.3%, driven by the execution of major contracts, such as the Karlsruhe tunnel in Germany. Revenues increased in Eastern Europe by 20% due to the development of projects such as the A-1 and S-5 toll roads in Poland, and revenues expanded in the rest of Europe by 25.4%, notably including construction of the Enniskillen Hospital in Northern Ireland. Activity in America and other countries doubled compared with 2010, due primarily to the progress of major contracts in Panama (the metro and other infrastructure).

Revenue breakdown by geographic area



Civil engineering projects account for 57.4% of revenues, non-residential building for 20.7%, industrial services for 13.2% and residential building for 8.7%.

Revenue breakdown by segment

(million euro)	Dec. 11	Dec. 10	Chg. (M€)
Civil engineering	3.840,2	4.080,6	-5,9%
Non-residential building	1.386,5	1.153,3	20,2%
Industrial services	880,0	693,0	27,0%
Residential building	579,5	766,7	24,4%
Total	**6.686,2**	**6.693,6**	**-0,1%**

This year FCC has included a new business area, industrial services and facilities, which includes the activities performed by Alpine Energy (100% subsidiary of Alpine) in various countries of the EU, and other subsidiaries in Spain in the area of network construction and maintenance (energy, electricity, telecommunications and railways), as well as construction and maintenance of electromechanical facilities.

EBITDA totalled 303.9 million euro in 2011, and the EBITDA margin was 4.5% (5.3% in 2010). This decline is attributable to lower exposure to civil engineering and the fact that several large international projects are still in the initial phases.

The international backlog expanded by 9.7%, due to large contracts such as the railway line in northern Algeria (407 million euro), and the metros in Panama (483 million euro), Toronto (134 million euro) and Bucharest (close to 100 million euro).

The backlog does not reflect recent contracts, such as a second railway line in Algeria (66 kilometres; 628 million euro), a hospital complex in Panama (445 million euro), and road network reorganisation in Panama City (284 million euro).

Backlog breakdown by geographic area			
(million euro)	**Dec. 11**	**Dec. 10**	**Chg. (M€)**
Spain	4.610,2	5.512,0	-16,4%
International	4.908,0	4.472,0	9,7%
Total	**9.518,2**	**9.984,0**	**-4,7%**

At the end of 2011, civil engineering and industrial services continued to account for the bulk of the backlog, i.e. 76.2% of the total, while non-residential building accounted for 20.1% and residential building for 3.7%.

Backlog breakdown by segment			
(million euro)	**Dec. 11**	**Dec. 10**	**Chg. (M€)**
Civil engineering	6.601,2	6.920,0	-4,6%
Non-residential building	1.913,0	2.143,0	-10,7%
Industrial services	653,0	604,0	8,1%
Residential building	351,0	317,0	10,7%
Total	**9.518,2**	**9.984,0**	**-4,7%**

7.2.2 Cash flow

(million euro)	**Dec. 11**	**Dec. 10**	**Chg. (M€)**
Funds from operations	**361,5**	**380,2**	**-4,9%**
(Increase) / decrease in working capital	(243,9)	(362,3)	-32,7%
Other items (taxes, dividends, etc.)	(58,2)	19,4	-400,0%
Operating cash flow	**59,4**	**37,3**	**59,2%**
Investing cash flow	(73,5)	(288,5)	-74,5%
Cash flow from business operations	**(14,1)**	**(251,2)**	**-94,4%**
Financing cash flow	(175,2)	62,1	-382,1%
Other cash flow (exchange differences, change in consolidation scope, etc.)	52,8	83,2	-36,5%
(Increase) / decrease in net interest-bearing debt	**(136,5)**	**(105,9)**	**28,9%**

(million euro)	**Dec. 11**	**Dec. 10**	**Chg. (M€)**
Net interest-bearing debt	**656,0**	**519,6**	**136,4**
With recourse	*670,0*	*513,1*	*156,9*
Non-recourse	*(14,0)*	*6,5*	*(20,5)*

Operating cash flow amounted to 59.4 million euro, with an increase of 22.1 million euro respect of the previous year, due primarily to the decrease in working capital, which offset lower funds from operations.

Investing cash flow fell by 74.5%, to 73.5 million euro (in contrast with 288.5 million euro in 2010, which included capex of 175 million euro in several infrastructure concessions).

After applying financing cash flow and other changes (mainly in the value of hedging instruments), the area's net debt amounted to 656 million euro.

7.3 Cement

7.3.1 Resultados

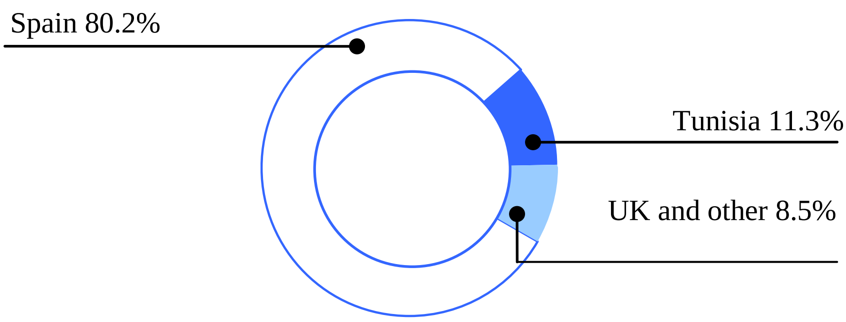
(million euro)	**Dec. 11**	**Dec. 10**	**Chg. (M€)**
Revenues	609,1	753,3	-19,1%
Spain	*488,2*	*592,6*	*-17,6%*
International	*120,9*	*160,7*	*-24,8%*
Ebitda	150,1	216,7	-30,7%
Ebitda margin	*24,6%*	*28,8%*	*-4,1 p.p*
Ebit	(293,1)	91,0	N.A.
Ebit margin	*-48,1%*	*12,1%*	*-60,2 p.p*

Revenues in the Cement area totalled 609.1 million euro in 2011, a decline of 19.1% year-on-year. The decline in revenues in Spain is attributable to the 17.2% reduction in cement consumption in Spain, to 20.2 million tonnes, while international revenues were affected by the socio-political tensions in Tunisia from the first quarter until November of 2011.

International Revenue Breakdown

(million euro)	**Dec. 11**	**Dec. 10**	**Chg. (M€)**
Tunisia	68,8	92,4	-25,5%
UK and others	52,0	68,3	-23,8%
Total	**120,9**	**160,7**	**-24,8%**

Revenue by Geographical Area



Ebitda declined by 30.7% to 150.1 million euro and the EBITDA margin fell by 4.1 percentage points, to 24.6%. This is due primarily to the situation in Tunisia (where Ebitda declined by 16.5 million euro in 2011) and to the lower utilisation rate of Spanish cement plants, due to the decline in demand.

Of special note is the increase in alternative fuel use; the company replaced 13.4% of its fossil fuel usage (compared with 7% in 2010), which cushioned the impact of lower revenues on Ebitda.

Ebit reflects the impact of value adjustments to the goodwill in the Uniland subgroup and other companies (259.3 million euro) and to certain property, plant & equipment (41.5 million euro), for a total of 300.8 million euro. The decline in their book value did not impact the area's debt or cash flow, and is attributable to the performance of revenues in Spain in 2011 together with lower demand projections this year.

This section also includes 23.8 million euro in the year for restructuring costs to align production capacity in Spain with current demand.

7.3.2 Flujo de caja

De actividades continuadas

(million euro)	**Dec. 11**	**Dec. 10**	**Chg. (M€)**
Funds from operations	**117,1**	**220,5**	**-46,9%**
(Increase) / decrease in working capital	0,0	68,9	N.A.
Other items (taxes, dividends, etc.)	(19,5)	(29,2)	-33,2%
Operating cash flow	**97,6**	**260,2**	**-62,5%**
Investing cash flow	(35,4)	(7,1)	N.A.
Cash flow from business operations	**62,2**	**253,1**	**-75,4%**
Financing cash flow	(59,8)	(104,2)	-42,6%
Other cash flow (exchange differences, change in consolidation scope, etc.)	30,8	26,3	17,1%
(Increase) / decrease in net interest-bearing debt	**33,1**	**175,1**	**-81,1%**

Decline in net interest-bearing debt due to discontinued activities	**311,9**	**(43,2)**	**N.S.**
(Increase) / decrease in net interest-bearing debt	**345,0**	**131,8**	**N.A.**

(million euro)	**Dec. 11**	**Dec. 10**	**Chg. (M€)**
Net interest-bearing debt	**942,5**	**1.287,5**	**(345,0)**
With recourse	*295,8*	*606,5*	*(310,7)*
Non-recourse	*646,7*	*681,0*	*(34,3)*

Operating cash flow in the area in 2011 totalled 97.6 million euro, down 62.5% year-on-year due primarily to lower funds from operations in the year and to lower recovery of working capital.

Investing cash flow amounted to 35.4 million euro. The 28.3 million euro change with respect to 2010 is attributable to greater capex for new projects with a view to progressively increasing the use of alternative fuels, and to the comparative effects of divesting 19.3 million euro of idle assets in 2010.

After applying financing cash flow (which reduced debt by 33.1 million euro) and reclassifying cement assets in the US as discontinued operations, net debt declined to 942.5 million euro.

7.4 Versia

7.4.1 Results

(million euro)	**Dec. 11**	**Dec. 10**	**Chg. (M€)**
Revenues	767,3	846,3	-9,3%
Spain	*504,1*	*564,7*	*-10,7%*
International	*263,3*	*281,6*	*-6,5%*
Ebitda	114,9	139,0	-17,3%
Ebitda margin	*15,0%*	*16,4%*	*-1,4 p.p*
Ebit	36,2	192,9	-81,2%
Ebit margin	*4,7%*	*22,8%*	*-18,1 p.p*

Revenues from urban services (Versia) declined by 9.3% to 767.3 million euro due to the divestment of the vehicle testing business and 19 underground car parks at the end of 2010. Excluding that effect, revenues would have declined by just 2.0% in like-for-like terms.

Breakdown of revenues by business			
(million euro)	**Dec. 11**	**Dec. 10**	**Chg. (M€)**
Logistics	270,8	284,9	-4,9%
Handling	239,1	244,4	-2,2%
Urban Furniture	135,9	129,4	5,0%
Car Parks*	65,0	76,8	-15,3%
Vehicle testing	0,0	55,8	N.A.
Other**	56,5	54,9	2,9%
Total	**767,3**	**846,3**	**-9,3%**

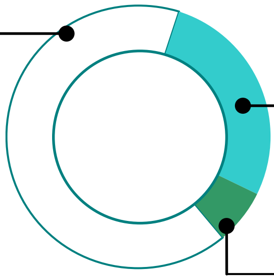
**Partially divested in 2010.*
***Other include SVAT and Maintenance-Systems*

The division reported sustained growth in the urban furniture business, and a recovery in Maintenance & Systems activities (under "Others"). Revenues were lower in car parks and zero in vehicle testing due to the above-mentioned divestments.

International Revenue Breakdown			
(million euro)	**Dec. 11**	**Dec. 10**	**Chg. (M€)**
Europe	205,3	217,0	-5,4%
US, Brazil and others	57,9	64,7	-10,5%
Total	**263,2**	**281,7**	**-6,6%**

Revenues in Spain accounted for 65.7% of the total. The international component is particularly important in Handling (66.1% of revenues; mainly in Belgium and Italy) and Urban Furniture (55.1%; mainly USA, Portugal and Brazil). The 10.5% decline in international revenues is due to the sale of the vehicle testing business in Argentina in 2010.

Revenue by Geographical Area



Ebitda totalled 114.9 million euro in 2011, a 17.3% decrease. Excluding the effect of the sale of the vehicle testing business and underground car parks in 2010, Ebitda would have increased by 0.7% in like-for-like terms. The Urban Furniture division performed especially well, which provided for an increase in operating profitability in like-for-like terms (from 14.6% in 2010 to 15% in 2011)

7.4.2 Cash flow

(million euro)	**Dec. 11**	**Dec. 10**	**Chg. (M€)**
Funds from operations	**115,9**	**146,4**	**-20,8%**
(Increase) / decrease in working capital	7,4	18,3	-59,6%
Other items (taxes, dividends, etc.)	(20,6)	(8,5)	142,4%
Operating cash flow	**102,7**	**156,2**	**-34,3%**
Investing cash flow	(115,4)	31,9	-461,8%
Cash flow from business operations	**(12,7)**	**188,1**	**-106,8%**
Financing cash flow	(27,6)	(110,8)	-75,1%
Other cash flow (exchange differences, change in consolidation scope, etc.)	141,5	91,3	55,0%
(Increase) / decrease in net interest-bearing debt	**101,2**	**168,6**	**-40,0%**

(million euro)	**Dec. 11**	**Dec. 10**	**Chg. (M€)**
Net interest-bearing debt	**189,6**	**290,8**	**(101,2)**
With recourse	*189,6*	*290,8*	*(101,2)*
Non-recourse	*0,0*	*0,0*	*0,0*

Operating cash flow amounted to 102.7 million euro in 2011, down 34.3% year-on-year, due primarily to the effects of divesting the vehicle testing business and car parks.

Investing cash flow increased by 147.3 million euro year-on-year, attributable mainly to the difference in divestments between years. In 2010, this item included the sale of the vehicle testing business and 19 underground car parks for a total of 252.7 million euro, while in 2011 it included the sale of Eyssa for 115 million euro. Moreover, the sale of the underground car parks agreed at the end of 2010 was completed in 2011, yielding 14.3 million euro.

After applying financing cash flow and other changes, net interest-bearing debt declined considerably, by 34.8%, to 189.6 million euro.

8. TREASURY SHARE TRANSACTIONS

At 2011 year-end Fomento de Construcciones y Contratas, S.A. held 3,278,047 treasury shares, representing 2.57% of share capital, valued at EUR 90,975 thousand.

Also, at year-end Asesoría Financiera y de Gestión, S.A. (Afigesa), a company wholly-owned by the Parent Fomento de Construcciones y Contratas, S.A. held 9,418,830 shares of Fomento de Construcciones y Contratas, S.A., representing 7.4% of its share capital, with a carrying amount of EUR 255,048 thousand.

In accordance with Article 148-d of the Consolidated Spanish Limited Liability Companies Law, the changes in the number of shares during the year are detailed in the table below:

	FCC, S.A.	Asesoria Financiera y de Gestión ,S.A.	FCC Group
At 31 December 2010	**3,182,582**	**9,432,369**	**12,614,951**
Intra-Group acquisitions and sales	95,465	(95,465)	-
Acquisitions or additions	2,373,358	181,926	2,555,284
Sales or disposals	(2,373,358)	(100,000)	(2,473,358)
At 31 December 2011	**3,278,047**	**9,418,830**	**12,696,877**

9. RESEARCH AND DEVELOPMENT ACTIVITIES

With the aim of promoting a Group R&D&I strategy, an Innovation Committee was formed, to coordinate innovation within the FCC Group. Its main mission is to make the innovation activities compatible with the Company's strategy and to establish the lines of research. It enables seamless, ongoing communication among all the business areas, establishes the Group's general guidelines and objectives and pushes for the conversion of innovative ideas into end projects and developments which can set the FCC Group apart from its competitors.

In 2011, the **Department of Innovation Management,** which was created in 2010, continued to promote and coordinate the R&D&I activity at Group level, with the aim of achieving results that would hone the Group's competitive edge, achieve more sustainable development and maintain its vanguard position in services to the community.

In 2011 an **Innovation Portal** was started up for the FCC Group's internal communication. This portal is fed with information of general interest and details of the R&D&I projects being developed in the Group's various areas. The Group also prepared the documentation required to organise the *Innvierte Economía Sostenible-2011* programme of the Spanish Centre for the Development of Industrial Technology (CDTI), which aims to encourage private industrial capital initiatives in the energy and environment industry, involving joint investment with public funds in SMEs engaged in technological and innovative businesses with a high potential for economic growth. With the approval of the CDTI, the necessary documentation was prepared to create a venture capital company to manage forthcoming investments in the framework of the project. An investment of EUR 21 million is expected within five years: FCC will contribute a maximum of EUR 12 million and CDTI will contribute EUR 9 million.

In order to implement an **R&D&I management system** at FCC S.A. in accordance with the UNE 166002:2006 standard, the Group prepared a management handbook and various procedures and forms to establish the basic guidelines and to systematize the R&D&I activity, and also began preparation of the FCC Group's **biennial R&D&I report**.

Among the **Corporate R&D&I** projects, the following must be highlighted:

- **IISIS Project – Integrated Research on Sustainable Islands**: The IISIS project, prepared to fit into the CDTI's *Innpronta 2011* programme, was one of seven selected from among over 40 proposals. It is led by FCC S.A. through the Environment and Energy areas, with the participation of other Group areas such as Aqualia, FCC Construcción and Cementos Portland Valderrivas, together with various outside companies (Acerinox, Prainsa, etc.). It has a total budget of EUR 15,007,823 and its objective is to conduct advanced and ambitious research into sustainable property developments for the future, including:

- Elements, materials, technologies and systems required to develop the building in a marine environment, without constituting a threat to the environment
- Self-sufficiency in every respect, achieved through all kinds of integrated facilities
- Advanced transport logistics and intelligent management and control systems.

- **Integrated HR Management Platform (INCORPORA)**: The project consists of embarking on an action plan to implement advanced personnel management processes which encourage and promote development, communication and a healthy work environment, through the efficient management of specialised HR services, in the context of diversity and internationalisation.

- **International Project Management Model**: The FCC Construcción IT department, assisted by the corporate IT department, led the design and development of a new international business management model which re-utilises the technological platform for the economic, financial and management processes. This platform, which was developed over the past few years at national level, integrates the management processes specific to the Company’s international subsidiary’s business.

- **Intelligent Multisourcing System (SIM)**: The working framework is defined for the design and development of an innovative IT service provision system based on the new capabilities and advantages offered by the concept of outsourcing and the corresponding transformation required.

- **New Integrated Corporate Management Capabilities (CAPACIDADES)**: This is an IT department project of a transversal nature in which the support tools required for new processes defined within the platform were developed to expedite the work flow, thus reducing costs and improving the Company’s overall performance.

In 2011 the business areas performed the following R&D&I activities:

ENVIRONMENTAL SERVICES

Work continued on the different research projects launched in prior years, mainly:

- **BIO+ Project**: With a view to making the urban waste treatment process more eco-efficient, a model is being developed to enable process monitoring on an industrial scale of the various biomethanation technologies. In conjunction with Aqualia, a pilot project was executed involving thermal hydrolysis prior to anaerobic digestion, to enhance biogas production, and to reduce and improve the quality of end waste.

The following projects were started up:

- **Plug-in electric hybrid flusher truck project** (in the machinery section): It consists of a 5 m^3 polyester flusher tank with a reduced width of 2.2 m mounted on an electric-hybrid chassis, rechargeable from the grid and capable of providing the service in solely electric mode. While in operation, the vehicle emits no polluting gases and a minimum level of noise.

- **Project involving the drying of treatment plant refuse** (in the waste treatment section)

- **Integrated service management software project**: Combination of the existing day-to-day service management programmes into a single integrated global tool.

- **System for inspecting and improving recyclable waste in household collections**: The company carries out periodic inspections of household waste collections on pre-established routes, using mobile devices to ascertain whether the municipal regulations are followed and waste is correctly separated. By analysing the results, the volume of recycled waste can be increased, privileged rates can be offered to citizens who recycle and plans can be mapped out to organise awareness campaigns and reduce the cost of waste treatment.

- **Tools for communication management between service agents**: To improve the channel of communication between the various service agents, a tool has been designed to manage service requests and the capture of incidents, which reduces response time, eliminates administrative formalities and simplifies follow-up of the jobs. This development enables information to be captured through smart phones, and provides access to web-based management from anywhere, georeferencing of all the information and a state-of-the-art analytical platform.

- **Machinery activity monitoring platform**: Based on the possibilities of obtaining data on vehicle activity through sensors, control centre readings, individual signals, etc., work is being done on capture, telemetry, geopositioning, transmission, storage and standardisation, so that a more detailed analysis can be made of the machinery to optimise its use.

- **Built-in global communications management device**: Development of a built-in device for vehicles which combines the functions of voice communication, geopositioning, telemetry, data capture from sensors, control centre readings and introduction of service data. Its standard use in the Environmental Services area enables all the service information to be managed uniformly, regardless of the type of vehicle in which it is installed.

- **Service activity monitoring and geopositioning system**: Processes aimed at characterising the geographical scope of the services (inventories of containers, black spots, special action areas, proposed routes of action, etc.) and analysing the activity performed (locating vehicles, collections made, localised incidents, etc.).

WATER

R&D&I activities in this business area included notably the following:

1. **UNE 166002:2006 certification.** The “R&D&I Project Management System” certification, approved in December 2010, was audited by AENOR in November 2011, leading to the annual renewal of the certificate.
2. **R&D&I Aqualia Forum.** The purpose of this event, organised by the Department of Marketing and Communication, is to bring together the Company’s various stakeholders and to incorporate their views into the corporate strategy. The next meeting, which will be held in 2012, will discuss the use of waste water as a source of bioenergy production. This forum will be attended by members of the industry’s employers’ organisation, government agency representatives and researchers in this area, in addition to Aqualia’s representatives.
3. In 2011, in accordance with the company’s strategic plan, the R&D activity for the obtainment of sustainable technologies was geared towards achieving the following **objectives**:
   a. **Quality** (supply of drinking water, re-utilisation of waste water, desalination and measurement)
   b. **Sustainability** (reduction of energy consumption, use of sludge as a resource and alternative treatments)
   c. **Integrated management** (management systems, capture of resources and communication)

Since the creation of the R&D&I department in 2008, 14 public-funded projects have been awarded, with an approved budget for Aqualia valued at EUR 14 million.

In 2011 the following projects were completed:

- **Rehabilitation technology for the elimination of nutrients (Ávila)**: In this joint project with Bluewater Bio, the objective of complying with European waste discharge standards was achieved with an improvement in the operating cost.

- **Advanced sludge digestion (Loyola-San Sebastián)**: In this joint project with local entities and Aguas del Añarbe, a new automatic digester control system was demonstrated.

In the meanwhile, work continued on the following projects:

- **Membrane bioreactor (MBR) technology (Vigo)**: Joint project with the Universidad de Santiago de Compostela, with the objective of developing an energy-efficient water re-utilisation system using self-cleaning membranes.

- **ELAN technology – autotrophic nitrogen removal (Vigo)**: Joint project being executed with the Universidades de Vigo and Santiago de Compostela, to install a return load treatment system in the purifiers, reducing energy costs.

- **Microalgae pilot plant (Arcos de la Frontera)**: Joint project being executed with the Universidad de Cádiz, Iberdrola and Bio-Oil, to evaluate innovative bioreactors for photopurification and the production of energy from biomass.

- **Sustainable recovery of sludge (Salamanca)**: Joint project with the Universidad de Salamanca, to develop a new digestion line to optimise the production of biogas and improve the end quality of the sludge, thus obtaining a very dry hygienic product. A part of the project is shared with FF MA (Bio+).

- **Customer management tools** to improve the capture and evaluation of the technical and economic processes of operation of the services, coordinated from Madrid with the participation of various areas of implementation:
    - Balanced Score Card
    - Customer Relationship Management

Also, in 2011 progress was made on the two large projects relating to bioenergy production through microalgae cultures used as waste water purification processes:

- **ALL-GAS Project**, included in the “Algae to Biofuel” initiative of the EU’s Seventh Framework Programme. It began in May and is being implemented in Chiclana, with a final objective of 10 ha of cultures.

- **CENIT VIDA Project** presented within the CDTI’s Strategic National Consortia for Technical Research programme, regarding the integrated recovery of algae. The first milestone was presented in September and the first pilot plants were built in Arcos.

In 2011 new funding was obtained for five projects:

- **“Sustainable biofuel production from the advanced co-digestion of industrial waste and urban sludge” project**, subsidised by the Basque Country’s GAITEK programme.

- **"Research into treatment, re-utilisation and control technologies for the future sustainability of water purification (ITACA)" project,** integrated into the CDTI's INNPRONTA programme, to develop more sustainable technologies for the re-utilisation of energy and resources in urban effluents.

- **"Optimisation of production and development of drying and storage of microalgae on a pre-industrial scale" project,** within the Spanish Ministry for Science and Innovation's INNPACTO programme for the recovery of purification by-products.

INDUSTRIAL WASTE

With regard to *activities at strategic points for the industry*, the following are noteworthy:

1. **Development of options for energy recovery from waste:** A **new project** was launched to develop processes to optimise particle size and reduce moisture in waste scraps from paper mill pulpers. The purpose of the tests conducted is to manufacture a solid alternative fuel for use in cement factories.

2. **Participation in the CDTI raw materials forum** prior to the Coordination and Support Action which is to take place in 2012 and will cover the substitution of critical raw materials (CRW).

3. **Participation in European consortia in 2011.** In 2011 the Group participated in two European consortia in response to calls for strategic development projects within the **EU's Seventh R&D Framework Programme**; however the projects were ultimately not selected.

    - **REACSOIL-**Reactive nanoparticles for soil and groundwater remediation.
    - **REBLADE-**Recycling of wind turbine generator blades.

The following project was completed in 2011:

- **MARINEFUEL Project**: Its objective was to develop a new high value-added alternative fuel manufactured by regenerating used engine oil waste, intended for use in fishing fleet marine diesel engines. The results of the project were favourable, and no major differences were detected between marine fuel and traditional fossil fuels.

CONSTRUCTION

Noteworthy R&D&I activities in this area were as follows:

1. FCC Construcción participates in the European Construction Technology Platform (ECTP), in the E2BA Association (Energy Efficient Buildings Association), in the **ENCORD Group** (European Network of Construction Companies for Research and Development), in **reFINE** (Research for Future Infrastructure Networks in Europe) and in the **Spanish Construction Technology Platform** (PTEC). The aim of these organisations is to combine the efforts of research centres, industries and universities in all areas relating to research, development and technological innovation:

Among the projects carried out in 2011, the following should be highlighted:

On the one hand, work continued on the projects launched in prior years, such as:

- **RS Project**: Sustainable refurbishing of buildings.

- **OLIN Project**: Study of improved embankment and subgrade qualities and treatments to enable the construction of sustainable linear structures.

- **DAÑOS EN PUENTES Project**: Low-cost dynamic tests for the maintenance of bridges subjected to uncontrolled environmental loads, using wireless sensors.

- **BALI Project**: Acoustically efficient and healthy systems and buildings.

- **DEPOSITOS Project**: Design of a bitumen storage system modified with powdered end-of-life tyres (ELT) for plants manufacturing hot mix asphalts.

- **ECORASA Project**: Integrated use of construction and demolition waste arising from property development works inside the urban area and at the construction site itself, as a fill material for drainage ditches.

- **VITRASO Project**: Diagnosis and prediction of building construction noise transmission routes.

- **CEMESFERAS Project**: Research into the manufacture of glass microspheres with cementing properties.

On the other hand, the following new projects were launched in 2011:

- **SPIA Project**: New high visibility signage systems including a personal stand-alone luminous system.

- **PRECOIL Project**: New intelligent collective prevention systems in dynamic linear infrastructure environments.

- **NANOMICRO Project**: Based on nanomicrocements and their application in concrete wind towers.

VERSIA

1. Urban Furniture

Work continued on projects launched in prior years:

- **TEC-MUSA (sustainable and accessible urban mobility technologies)**: Development, through a multidisciplinary consortium formed by companies, associations and research groups, of a range of technologies and their integration into vehicles for passenger and goods urban transport services, with zero or low emissions and advanced customer access and communication features.

- **EPISOL (electric vehicle powered by fuel cells and solar energy)**: Development of a light urban vehicle featuring hybrid electric propulsion with two motorisation versions: a heat engine in a first phase and a fuel cell in a more advanced phase, using solar panels in both cases. Each model of the vehicle has a system that enables the batteries to be charged from the electricity mains, so that they are fully charged at the start of each journey, greatly reducing the demands placed on the heat engine and/or fuel cell. In 2011 CEMUSA continued to work in conjunction with INSIA (the University Institute for Automotive Research of the Universidad Politécnica de Madrid) to develop this vehicle.

- **C-CYCLES**: Development of a complete unattended bicycle hire system which functions with smart cards, enables payment by credit card and incorporates an Internet point. The project responds to the need for sustainable urban mobility promoting multi-modal transport. There are plans to continue developing other features: electric bicycles, solar power.

- **LED Lighting Projects**: The company is working on a LED lighting project which aims to reduce energy consumption and, therefore, greenhouse gas emissions. Studies are being performed simultaneously in relation to the reduction of light pollution. Tests carried out in 2011 showed an average illumination of 700 lux and 85% savings in consumption versus fluorescent lighting. The company will continue to test the product to achieve surface illumination of 800 lux.

- **Solar PV Projects**: Development of a solar PV project which, together with LED lighting, will eliminate greenhouse gas emissions and in certain cases reduce network connection costs.

- **Digital Advertising Projects**: Implementation of digital advertising systems incorporating LCD screens and LED screens and, in both cases, the technology required for them to be viewed properly outdoors.

- **WiFi EN PARADAS Project**: Development of a bus stop WiFi system compatible with the system that could be built into the buses so that the user does not lose his connection and can continue his session when moving from bus stop to bus or vice versa.

The following project was started up in 2011:

- **PUNTO DE RECARGA Project**: Development of an electric vehicle recharge system.

2. Logistics

The projects in this area are as follows:

- **CSLOG (SGA)**: In 2011 various modules were developed based on the SGA (warehouse management) system owned by FCC Logística, implementing the customers' different logistics requirements.

- **C+D Project**: A functionality was implemented in CSLOG for cross-docking with customers' stores. In 2011 the basic line was fully developed, a billing interface was added, as were enhanced goods distribution processes and a web layer for inquiries from customer stores regarding logistics information.

- **"DIRECTOS" Project**: Software developed with a view to optimising goods loading and shipment to the delivery point using geopositioning.

- **CITA PREVIA**: This is customised software for the management of the new customs activity "Puesto Inspección Fronteriza" (border control kiosk). It consists of providing support to the customs authorities during the container inspection process. An improvement made in 2011 connects the system to the automated gate at the Port of Valencia, allowing the free flow of vehicles.

3. Maintenance and Systems

This project in this area is as follows:

- **PLATAFORMA TECNOLÓGICA AVANZA**: This project, which is based on smart traffic monitoring mechanisms which can manage road control devices, offering users all the information obtained for their specific study and analysis, was expanded with various services required for the tunnel and shadow toll freeway projects. The major milestones reached in 2011 consisted of certain enhancements implemented in the VR1 Vialitoral and Autoestrada Tramontana roads in Portugal and in the Monrepós tunnels in Huesca. New processes are continuously being incorporated, which will significantly enhance the platform's efficiency and operations.

4. Airport Handling

The project in this area is as follows:

- Development of the **Groundstar tool** to optimise the planning and control of aeronautical processes. During a first stage of implementation at the Flightcare bases in Spain in 2011, the tool replaced the "handelnet" system and entailed a change in the billing tool in use. This new system, which is much more versatile than its predecessor, enables communications with other systems and incorporates resource management tools.

CEMENTOS PORTLAND VALDERRIVAS

In 2011 the R&D&I department was consolidated. In the meanwhile, the company continued to work on the three links of the same chain: research, development, and applications and innovation.

The Cementos Portland Valderrivas Group has continued to promote research into new higher value-added products and/or new markets. Over the past two years these efforts have borne fruit, culminating in the development of 11 new special cements with very competitive advantages in terms of faster setting time, resistance to harsh outdoor conditions, the much lower environmental impact of their manufacturing process and their ability to inertise certain pollutants. These products, due to their very specific qualities, could occupy new market niches because of their competitive nature. Many of the original developments were carried out at the Group's R&D&I laboratory at the Olazagutía factory.

In 2011 the R&D&I Department obtained government grants for the development of various cutting edge research projects, mainly in the area of new materials, which involved about 140 of the organization's employees (80 of them belonging to Cementos Portland Valderrivas, S.A., which leads many of the projects approved).

The applications of the new products and technical assistance in various projects in which they have been trialled formed another focus for the Group's activities in 2011 – mainly in relation to the use of microcements in the Pajares tunnels and Ultraval in the Ordicia tunnels, tests performed jointly with AENA and various preliminary studies conducted on contaminated soil conglomerates in Flix (Tarragona).

The Group also began work on the technological assessment of its new products and its forthcoming positioning for marketing its current product portfolio. To this end, it joined forces with a company which provides management, strategic consultancy and interim management services, and specialises in incorporating disruptive innovation into business models. The first stage began with the preparation of the technological packages of these products, the corresponding market studies and action plans.

All the foregoing initiatives have had significant indirect benefits, such as contacts with numerous companies in different business areas, universities, research centres and public agencies, which have positioned the Group as an R&D&I benchmark for the development and application of cement-based materials, enabling it to enter into agreements with other entities.

Other noteworthy initiatives carried out in 2011 were the **publication of the first R&D&I monographic document**, the organisation of the "**International Conference on Cement Chemistry**" and the **protection of intellectual property**, in connection with which the Group actively engaged in applying for possible patents.

Ultimately, the Group is aware that a commitment to innovation and radical change is the path to be followed; accordingly, in 2011 it began to develop an ambitious project, the objective of which is to convert the company into a dynamo of innovation at all levels ("**Promoting Innovation**").

Within the framework of this project and with the participation of over 70 executives, an initial diagnosis was made of the company's vision for innovation, and the required **Action Plan** was subsequently prepared to transform the organisation. This Plan consists of 23 projects which cover all the spheres of innovation, starting from vision and governance and going on to customer management and required resources, and will involve over 80 employees from all the areas. All these projects should be finalised in February so that they can be trialled and validated during the first half of 2012.

Knowledge management is the management of the intangible assets which generate value for the organisation, and is most essential in these times of crisis. This initiative, closely linked to innovation, was launched in 2011 with the performance of an initial diagnosis of the Group's perception of this area.

For this purpose a 40-hour **workshop** was held, attended by 14 employees of various corporate divisions, mostly representing all the organisation's businesses and areas. The workshop provided training on all the facets of knowledge management and an analysis was made of the Group's situation with regard to all these reference points. A detailed list was prepared of all the Group's strengths and weaknesses, which were prioritized by all the participants and subsequently evaluated by the Steering Committee to establish measures for improvement.

New Products and Markets were selected as a **pilot area** to create the first **Community of Practice**, since they constitute one of the Group's strategic pillars which can most rapidly generate value. Once implemented, the experience will be replicated in other areas of the organisation, creating new Communities of Practice until all the components of the organisation are involved within the medium term.

The salient projects which were under development or launched in 2011 were as follows:

- **HORMIGÓN ULTRARRÁPIDO Project**: The aim of this project is to develop a concrete which, immediately after being spread, acquires certain mechanical service properties. It could then be offered to the international community for use in repairs and construction in civil emergency/protection services, for example prior to imminent catastrophes, for civil and industrial repairs which have high added value due to their urgency, and for military applications.

- **ESCOMBRERAS Project**: The aim of this project is to remove a historical waste disposal facility, restoring the environment to its initial state and re-utilising all the recovered materials.

- **HORMIGONES POROSOS Project**: The main objective is to develop a new range of multifunctional porous concretes which have high mechanical strength and greater resistance to surface wear and tear, are longer lasting and self-maintaining in terms of their porosity level and have better acoustic and heat insulation, with a view to obtaining new energy-efficient applications in the construction industry.

- **MICROCEMENTOS Project**: The objective is to develop a new range of microcements (TP-1) and biomicrocements with a maximum particle size of one micron. These microcements need to be developed for use in microinjections and as a microaddition in cements and concretes to improve their properties.

- **CEMESFERAS Project**: The objective is to develop and manufacture new products with cementing properties based on glass microspheres, so that they can be used as cement manufacturing components and significantly reduce greenhouse gas emissions. As and when the project is being executed the bases for standardisation of these products will have to be set.

- **NANOMICRO Project**: Led by Cementos Portland Valderrivas, with the participation of FCC Construcción. The main objective of this project is to develop a range of microcements which have a particle size of less than one micron and can withstand extreme weather conditions.

- **FLOTTEK Project**: It consists of studying the viability and development of a floating concrete structure to support a deep-water wind turbine, where seabed foundations are no longer viable. The platform must be sufficiently capable of floating and remaining stable to enable the wind turbine to function properly in the climate conditions of its location. This calls for concretes which are highly durable and physically very permeable and have a strong chemical resistance to chlorides and sulphates.

- **MUGIELEC Project**: The objective is to develop all the systems and equipment required to optimise power supply from various points of the grid for charging electric vehicles.

- **SIGERAPI Project**: The purpose of this project is to find a solution for noise management in the manufacturing industry, providing a tool which enables the production process to be integrated with prediction modules and which does not require the users to have an advanced knowledge of acoustics to use it or to interpret the results.

- **SAGER Project**: The project concerns bulk storage of electric power and its use. Its material objective is the design and manufacture of artificial concrete caverns with advanced mechanical characteristics obtained by developing new cements. The bulk storage energy system will be based on the development of two technologies designed to respond to the needs detected: Electrochemical storage system and CAES (compressed air energy storage in an artificial cavern).

In 2011 the technology departments of FCC Construcción and the Cementos Portland Valderrivas Group collaborated on projects aimed at modernising and updating concrete paving technologies. In this connection, in 2011 a Manual of Recommendations was jointly published with the assistance of the Catalonian Department of Public Works and the Spanish Institute for Cement and its Applications (IECA), for the design and construction of double-layered road surfaces. Research was also conducted on the laying of compacted concrete paving, using traditional machinery to place the aggregate.

10. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The concept of financial risk refers to the changes in the financial instruments arranged by the Group as a result of political, market and other factors and the repercussion thereof on the consolidated financial statements. The FCC Group's risk management philosophy is consistent with its business strategy and seeks to achieve maximum efficiency and solvency at all times. To this end, strict financial risk management and control criteria have been established, consisting of identifying, measuring, analysing and controlling the risks incurred in the Group's operations, and the risk policy has been integrated into the Group organisation in the appropriate manner. In line with this risk policy, the FCC Group arranges hedges initially to hedge the underlying transaction and not for speculative purposes.

In order to ensure a position that is in the FCC Group's best interest, an interest rate risk management policy is actively implemented based on the on-going monitoring of markets and assuming different positions based primarily on the asset financed. Given the nature of the Group's activities, closely linked to inflation, its financial policy consists of ensuring that both its current financial assets, which to a large extent provide natural hedging for its current financial liabilities, and the Group's debt are partially tied to floating interest rates. Even so, the FCC Group performed interest rate hedging transactions using various hedging instruments of varying maturities. Complying with the policy of classifying original instruments as hedges, the FCC Group has arranged interest rate hedges, mainly swaps (IRSs) in which the Group companies pay a fixed rate and receive a floating rate.

A noteworthy consequence of the FCC Group's positioning in international markets is the exposure resulting from net positions in foreign currencies against the euro or in one foreign currency against another when the investment and financing of an activity cannot be made in the same currency. The FCC Group's general policy is to mitigate, as far as possible, the adverse effect on its financial statements of exposure to foreign currencies, with regard to both transactional and purely equity-related changes. The FCC Group therefore manages the effect that foreign currency risk can have on the balance sheet and the income statement.

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

The FCC Group is present in various markets in order to facilitate the obtainment of financing and to mitigate liquidity risk. This risk results from the timing mismatches between the funds generated by the activities and the funds needed for the payment of debts, working capital etc. Despite the adverse situation that affected the financial markets throughout 2011, the FCC Group has remained adequately positioned and has anticipated any potential adversity by paying close attention to the evolution of the factors that may help to resolve liquidity difficulties in the future and to the various sources of financing and their characteristics.

The Group also strives to reduce credit risk as far as possible, is careful to ask for commercial reports and assesses the financial solvency of its customers before entering into agreements with them and also engages in on-going monitoring of customers, and has a procedure in place to be followed in the event of insolvency. In the case of public customers, the Group follows the policy of not accepting projects without an allocated budget and financial approval. The provision of services or the acceptance of orders from customers, whose financial solvency cannot be guaranteed at the time of acceptance, is not known or cannot be assessed by the Group, together with situations that may arise during the provision of a service or execution of an order that could affect the customer's financial position could result in the risk of non-payment of the amounts owed.

11. OUTLOOK FOR 2012

Set forth below are the prospects for 2012 for the various business areas composing the FCC Group. The construction and services backlog at 2011 year-end, which amounted to EUR 35,237.6 million, guarantees the continuation of a high level of activity over the coming years.

In the **Services** area, broadly speaking, business in Spain is likely to continue to suffer from the impact of the general economic crisis; however, current activities abroad are expected to be consolidated and to grow significantly.

The **Environmental Services** area reflects a general economic situation which has a direct effect on budgets and the financial situation of local municipal corporations, which has led city councils to request service reductions.

Also, the debt was arranged with maturity close to the year of provision of the services and the outlook for 2012 appears promising which, together with a foreseeable rise in interest rates, could affect finance costs.

However, the main contracts are expected to be maintained and other minor contracts to be renewed or extended.

Mention should be made of the positive effect expected for 2012 of the launch of the activity of certain waste treatment plants, such as those located in Valencia and Guipúzcoa.

In the **International** area, the slight upswing in 2011 in all the activities is expected to be consolidated. Among these is notably the improved functioning of the Allington incinerator in the UK, the soil decontamination project in the Czech Republic and new contracts in Bulgaria.

Also in the UK a significant investment plan was prepared, mainly in the area of new PFI projects, the recovery of materials and obtainment of energy from waste, which will contribute in the coming years to boosting revenue.

Business within the ASA Group is expected to expand, especially in Poland where the level of activity is expected to double in 2013, due to a legislative change which obliges all the municipalities to issue invitations to tender for refuse collection from 2012, and we therefore expect to provide this service to over 800,000 inhabitants.

In the **Industrial Waste** area in Spain, the last quarter of 2011 witnessed a slump in the prices of certain recovered materials (paper, cardboard, etc.), which sometimes dropped to 30% of their value in the preceding months. Also, due to the decline in Spanish manufacturing, the volume of waste being treated is falling steeply, a trend which is expected to continue in 2012 and which could affect the industry’s revenue. With regard to the Flix (Tarragona) reservoir decontamination project which was begun in 2010, the decontamination tasks as such are expected to begin around the third quarter, once the preparatory work is completed.

In the first quarter of 2012 the Group is expected to start up the plant for the recovery of foundry waste and its conversion into an iron and steel aggregate for Arcelor Mittal in Guipúzcoa. Also scheduled is the inauguration of the new controlled non-hazardous industrial waste depot in Castañeda (Cantabria) through the subsidiary IACAN, with an estimated annual intake of 170,000 tonnes of waste.

Additionally, the new end-of-life tyre recovery plants are fully operational in the Canary Islands, as is the plant that recovers waste for conversion into an alternative fuel for the cement industry in Castellbisbal (Catalonia).

With regard to foreign projects in the Industrial Waste area, in Italy a total of 150,000 tonnes of contaminated sludge is expected to be treated in Syracuse (Sicily). In Portugal, after a brilliant 2011, in which more than 160,000 tonnes of waste were treated at the Chamusca plant belonging to the subsidiary Ecodeal, new tenders are expected to be put out by the Portuguese Government, such as that for the remediation of various contaminated industrial sites in the Barreiros area.

In the US, the subsidiaries FCC Environmental and International Petroleum Corp. will foreseeably continue to expand their presence in the used oil collection and re-utilisation market. Also, in the third quarter an oil refinery plant construction project for Baltimore (Maryland) will be presented to the authorities concerned for approval. With regard to the subsidiary Apex/FCC, it should be mentioned that its presence in the gas- and oil-field waste business will increase. At 2011 year-end a mobile fracture water treatment plant was also incorporated and authorisation was requested for the construction of a new plant in South Texas.

In the **Water Management** area, the Group maintains its leadership position in the Spanish market as the first integrated cycle operator funded by Spanish capital. At the same time, it has continued to bolster its international presence, promoting the geographical diversification strategy initiated five years ago.

In 2012, with an economic crisis prevailing in Spain, household and industrial consumption is expected to remain flat, with very little activity in new property developments which would enable the scope of contracts to be expanded to new customers in areas already being served; however, tenders are expected to be put out by large municipalities which previously did not consider indirect management and which, in view of their financial situation, seek to balance their budgets with the award of their water services. At the same time, our presence in various regions already consolidated in the international market has mitigated the impact of the Spanish crisis and will continue do so, since we will take advantage of our presence in regulated markets which are gradually opening up to expert companies to resolve their historical problems of managing this resource.

In 2011 significant new contracts were obtained in the international market. Noteworthy among these is the network leak detection and repair contract for the city of Riyadh (Saudi Arabia); the water supply and treatment management contract for the city of Fundão (Portugal), which addresses an infrastructure renewal plan, the aim of which is to modernise the water distribution and treatment system in the Portuguese municipality, which is located near Serra da Estrela in the centre of the country and has a population of 32,177 inhabitants; the desalination plant engineering, supply, erection and start-up contract for La Minera Candelaria in Chile (80% owned by the US company Freeport and 20% by the Japanese company Sumitomo), which will supply drinking water to a population of approximately 175,000 inhabitants in the Northern region of Copiapó, near the Atacama desert; the waste water treatment plant construction contract for the Cutzamala municipality (Mexico); the pump station construction contract for Mexico City (Mexico); the contract for the construction of the country's largest water treatment plant in Niksic (Montenegro). Also mentionable is the start-up of the contracts for the exploitation, operation and maintenance of the Mostaganem and Cap d'Jinet desalination plants in Algeria.

In Spain, numerous contracts have been arranged, renewed and extended in various municipalities, among which the following are highlighted:

- Renewal of the integrated water cycle management contract in Ávila where Aqualia has been the operator since December 1988, providing service to 58,245 inhabitants
- Operation, upkeep and maintenance contract for 11 purification plants of the Baix Ebre regional council (Tarragona)
- Extension of the integrated water cycle management contract for the Adeje municipality (Santa Cruz de Tenerife)
- Renewal of the management contract in the Iscar municipality (Valladolid)
- Management of the supply and treatment service and the construction of a regulating reservoir for the LLagostera municipality (Gerona)
- Renewal of the purification and sewerage service for the Puerto de Santamaría municipality (Cadiz)
- Supply and treatment service contract for the Caspe municipality (Zaragoza), and upgrade of its drinking water plant
- Supply and treatment service contract for the Fraga municipality (Zaragoza)
- Supply and treatment contract for the Arico municipality (Tenerife)
- Algeciras waste water treatment plant management contract
- Integrated water management contract for the Baena municipality (Córdoba)
- Supply and treatment management contract for the Yepes municipality (Toledo)
- Supply and treatment management contract for the Islantilla municipality (Huelva)
- Renewal of the supply management contract for Guía de Isora (Tenerife)
- Supply and treatment management contract for the Yuncler municipality (Toledo)
- Purification service management contract for the Chipiona municipality (Cadiz)

At the beginning of 2012 the Services area backlog amounted to EUR 25,719 million, representing nearly seven years of production.

For 2012, the **Versia** area plans to divest itself of Airport Handling assets which, together with the sale in December 2011 of companies belonging to the Parking Lot section, would push revenue down as a result of the change in the scope of consolidation caused by these two measures, which are in keeping with the FCC Group’s asset rotation policy.

By area, there are hopes that the New York **Urban Furniture** contract will be further consolidated and this, together with the obtainment of new contracts, will boost the volume of business in this area. Also, the launch of new **Logistics** contracts will lift sales slightly, softening the impact of the steady fall in consumer spending since the start of the crisis. The Maintenance and Systems area will suffer from the public sector investment containment policy.

In the **Construction** area, 2012 revenue in Spain is expected to be lower than that recognised in 2011, since there is a lull in residential building construction caused by the property market crisis and public sector budget restrictions which will affect the execution of civil engineering works.

To offset the weakness of the Spanish market, the companies composing the area are making a strong effort to expand their activities abroad. This measure will foreseeably drive foreign sales upwards in 2012 compared to 2011 levels.

The business abroad is carried on primarily in numerous Central and East European countries (through the Alpine group) and is rounded off by activities in the American market, where the Group is present through investees operating mainly in Central America and Mexico; FCC Construcción will also continue to develop the foreign business directly in Europe, Algeria and certain areas of the Middle East.

In the **Energy** area, in 2011 contacts were made and negotiations initiated to admit a shareholder of recognised prestige, interested in investing in the renewable energy section. An agreement was entered into with the Japanese multinational Mitsui & Co. Ltd., which will culminate in the formulation of a joint venture in which the FCC Group will hold a maximum ownership interest of 50% and be able to embark on the international expansion of this business area.

Given the direction of the activities underway, it is hoped that the area will be better placed financially to undertake new renewable energy projects. In this respect, it is of utmost interest to explore all the growth opportunities likely to arise in the energy area, either by acquiring ownership interests in new projects or by bidding for public-sector contracts for new power not only in Spain, but also in East European EU member countries and the US, since all these areas share the characteristic of the legal certainty required for medium-term investment commitments and their respective governments have expressed the wish to boost the development and promotion of renewable energies.

In the **Cement** area, it should be mentioned that at global level it has been unexpectedly difficult for the International Monetary Fund to remedy the structural problems faced by the advanced economies struck by the crisis, and even more complicated to formulate and execute reforms. While these economies are expected to expand steadily, growth will be weak and fitful. The outlook of emerging economies appears to be even more uncertain, although growth is more likely to be vigorous, especially in the economies which can counter the effect of a flagging foreign demand for the product by softening their policies. In the euro zone, leaving aside the major problems caused by financial turbulence, the situation is more diverse. Households in general appear to have fewer concerns than in the US, and there has been a much lower level of job destruction, except in the peripheral economies hit by the crisis, such as Spain. These economies face a major structural challenge which consists of adopting reforms which will enable them to recover and maintain their competitive edge more easily.

Against this backdrop, the macroeconomic projections of the Banco de España (January 2012) point to a substantial drop in Spanish GDP in 2012 (–1.5 %) and a modest recovery in 2013 (0.2 %), with positive rates from the first quarter of 2013, bringing the Spanish economy closer to its potential growth rate. This macroeconomic scenario is the result of a significant contraction in domestic demand, partially offset by a high contribution of the net foreign balance. In turn, the decline in domestic demand is the result of the combined effect of a steep fall in its public- and private-sector components, in a context in which household spending will be restricted due to the impact of tax consolidation on these agents' incomes, and by lower employment levels. Residential investment will continue to fall in 2012 and 2013, although not as sharply as in recent years, after overcoming its hardest phase of adjustment. Weak demand, poorer economic prospects and austere financial conditions will determine further decreases, albeit moderate, in private-sector spending on production over the next two years. Bearing in mind this panorama for 2012, the Company's sales forecasts are conditioned by the timetable for recovery in Spain. The Spanish market continues at historically low levels with a downward trend. Oficemen views very favourably the measures adopted by the Government to extend the VAT reduction for another year and to restore the first-time home buyer's tax credit. It is also confident that measures will shortly be put in place which will re-energise public works, the current situation of which is extremely worrying. In view of these prospects, a new plan is being worked out to adapt the Cement Group's structures to this reality.

12. ANNUAL CORPORATE GOVERNANCE REPORT