CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED GROUP

FINANCE

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

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

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

The accompanying Notes 1 to 31 and Appendices I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2010.

CONSOLIDATED FINANCIAL STATEMENTS

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

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

The accompanying Notes 1 to 31 and Appendices I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2010.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

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

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

The accompanying Notes 1 to 31 and Appendices I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2010.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

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

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

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

The accompanying Notes 1 to 31 and Appendices I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2010.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS STATEMENT (INDIRECT METHOD)

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

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

CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying Notes 1 to 31 and Appendices I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2010.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

TABLE OF CONTENTS

CONSOLIDATED FINANCIAL STATEMENTS

01. ABOUT THE GROUP

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

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

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

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

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

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

a) Basis of presentation

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

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

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

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

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

The consolidated financial statements are expressed in thousands of euros.

CONSOLIDATED FINANCIAL STATEMENTS

Changes in accounting policies

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

Standards and interpretations issued but not yet in force

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

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

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

Significant standards and interpretations applied in 2010 and 2009

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

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

b) Principles of consolidation

Subsidiaries

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

Joint Ventures

The Group participates in joint ventures through investments in companies controlled jointly by one or more FCC Group companies with other non-Group companies (see Note 11) and other similar enteties (see Note 12).

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

Jointly operated contracts, mainly in the construction and services areas, and joint property entities are included in the consolidated financial statements in proportion to the Group's ownership interest in the assets, liabilities, income and expenses arising from the transactions performed by these entities, and reciprocal asset and liability balances and income and expenses not realised with third parties are eliminated.

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

Associated enterprises

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

Transactions between group companies

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

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

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

Changes in the consolidated Group

Appendix IV shows the changes in 2010 in the fully consolidated companies and the companies accounted for using the equity method. The results of these companies are included in the consolidated income statement from the effective date of acquisition to year-end or from the beginning of the year to the effective date of disposal, as appropriate.

The effects of the inclusion of companies in the scope of consolidation or of their removal therefrom are shown in the related notes to the consolidated financial statements under "Changes in the Scope of Consolidation". In addition, Note 4 to these consolidated financial statements ("Changes in the Scope of Consolidation") sets forth the most significant inclusions therein.

03. ACCOUNTING POLICIES

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

a) Service Concession Contracts

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

The concession right generally means that the concession operator has an exclusive right to provide the service under the concession for a given period of time, after which the assets assigned to the concession required to provide the service are returned to the concession grantor, usually without any consideration being paid. One of the basic features of concession contracts is that they include the management or operation of the infrastructure. Concession contracts provide for the obligation to purchase or construct these non-current assets or part of them and to maintain them over the life of the concession.

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

CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

Concessions classified as financial assets are recognised at the fair value of the construction or enhancement services rendered. According to the amortised cost method, the income is carried to the income statement at the effective interest rate applicable to the flows of concession payments and receipts. As mentioned above, the income and expenses associated with operations and maintenance services are carried to the income statement as provided for in IAS 18 "Revenue".

b) Business combinations and goodwill

The assets and liabilities of the acquired companies and subgroups are recognised in the consolidated balance sheet at their fair value and the related allocations are made in this connection, including the deferred taxes arising therefrom. However, in accordance with IFRSs, the allocations may be reviewed within the 12 months following the acquisition date, should it be necessary to consider new data.

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

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

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

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

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

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

c) Intangible assets

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

CONSOLIDATED FINANCIAL STATEMENTS

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

d) Property, plant and equipment and Investment property

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

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

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

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

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

Investment properties	75
Natural resources and buildings	25-50
Plant, machinery and vehicles	5-30
Furniture and tools	7-12
Data-processing equipment	4
Other PPE	5-10

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

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

At least at every balance sheet date, the companies determine whether there is any evidence that an item or group of items of property, plant and equipment is impaired so that, as indicated in part e) of this note, an impairment loss can be recognised or reversed in order to adjust the carrying amount of the assets to their value in use. Under no circumstances may the reversals exceed the impairment losses previously recognised.

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

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

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

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

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

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

f) Leases

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

f.1) Finance leases

In financial lease transactions, the Group is always the lessor. On the enclosed consolidated balance sheet, the cost of the leased object is recognised as an asset along with a liability in the same amount. This amount will be the lower of the fair value of the leased asset and the present value, at the inception of the lease, of the agreed minimum lease payments, including the price of the purchase option when there are no reasonable doubts that it will be exercised. The minimum lease payments do not include contingent rent, costs for services and taxes to be paid by and reimbursed to the lessor. The total finance charges arising under the lease are allocated to the income statement for the year in which they are incurred using the effective interest method. Contingent rent is recognised as an expense for the period in which it is incurred.

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

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

f.2) Operating leases

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

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

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

g) Investments accounted for using the equity method

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

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

h) Financial assets

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

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

CONSOLIDATED FINANCIAL STATEMENTS

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

- **Negotiable financial assets** are assets acquired with the intention of generating a profit from short-term fluctuations in their prices. These assets, which are expected to mature within 12 months, are included under "Other Current Financial Assets" in the accompanying consolidated balance sheet.
- **These negotiable financial assets** which mature in three months or less and whose immediate realisation would not give rise to significant costs are included on the enclosed consolidated balance sheet under "Cash and cash equivalents". These assets are considered easily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. They are basically very short-term, highly liquid investments with a high turnover
- **Held-to-maturity investments** are financial assets with fixed or determinable payments and fixed maturity. Those maturing within no more than 12 months are classified as current assets and those maturing within more than 12 months as non-current assets.
- **Loans** maturing within no more than 12 months are classified as current loans and those maturing within more than 12 months as non-current loans. This category includes the collection rights originated by the application of IFRIC 12, "Service Concession Arrangments" explained in section a) of this Note.
- **Available-for-sale financial assets** are securities acquired that are not held for trading purposes and are not classified as held-to-maturity investments. They are classified as non-current in the accompanying consolidated balance sheet since it is intended to hold them at long term.

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

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

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

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

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

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

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

Also, future collection rights arising from construction project contracts awarded under the lump-sum payment method are sold.

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

CONSOLIDATED FINANCIAL STATEMENTS

i) Inventories

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

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

j) Foreign currency

j.1) Translation differences

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

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

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

j.2) Exchange differences

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

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

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

k) Equity instruments

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

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

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

l) Grants

The grants received are accounted for by type.

l.1) Capital grants

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

l.2) Operating grants

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

m) Provisions

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

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

CONSOLIDATED FINANCIAL STATEMENTS

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

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

n) Financial liabilities

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

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

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

o) Financial derivatives and accounting hedges

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

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

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

According to IAS 39 “Financial Instruments: Recognition and Measurement”, in order to be considered a hedge, a financial derivative must meet the following requirements:

- Formal designation and documentation, at inception of the hedge, of the hedging relationship and the entity’s risk management objective and strategy for undertaking the hedge.
- Documentation identifying the hedged item, the hedging instrument and the nature of the risk being hedged.
- Prospective (analytical) evidence of the effectiveness of the hedge.
- Objective and verifiable ex-post measurements.

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

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

- Interest rate swaps are measured by discounting all the flows projected in the contract in accordance with its characteristics, such as the notional amount and the schedule of collections and payments. The measurement uses a zero-coupon yield curve obtained from quoted deposits and swaps at any given time using a bootstrapping process; that yield curve is used to obtain the discount rates used in the measurements, on the assumption of “absence of arbitrage opportunities” (AOA). When there were caps and floors or combinations thereof, on occasions conditional upon special conditions being met, the interest rates used were the same as those used for the swaps, although in order to introduce the component of randomness in the exercise of the options, the generally accepted Black & Scholes model was used.
- The method for cash flow hedges linked to inflation is very similar to that for interest rate swaps. Projected inflation is estimated from inflation levels implicit in quoted inflation-indexed Europe swaps ex-tobacco, adapted to Spanish inflation using a convergence adjustment.

CONSOLIDATED FINANCIAL STATEMENTS

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

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

   1.1 In the case of interest rate swaps (IRS) in which the FCC Group receives a floating rate equal to that of the hedged borrowings and pays a fixed rate, since the objective is to reduce the variability of the borrowing costs, the effectiveness test estimates the variance of these annualised costs both in the original hedged borrowings and in the portfolio that combines these borrowings with the hedging instrument. A hedge is considered fully effective as long as the original variance in cash flows is reduced by 80%. That is, the variation in cash flows is reduced by 80% or more with the hedging instrument used. If this is not the case, the derivative is classified as speculative and its valuation changes are recognised in profit or loss.

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

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

Although certain hedging instruments are recognised as no-coverage, this is only for accounting purposes since for financial and management purposes all the hedges arranged by the FCC Group have, at inception, an underlying financial transaction and the sole purpose of hedging such transaction.

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

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

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

p) Income tax

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

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

The temporary differences between the accounting profit and the taxable profit for income tax purposes, together with the differences between the carrying amounts of assets and liabilities recognised in the consolidated balance sheet and their tax bases give rise to deferred taxes which are recognised as non-current assets and liabilities. These amounts are measured at the tax rates that are expected to apply in the years in which they will foreseeable be reversed.

CONSOLIDATED FINANCIAL STATEMENTS

q) Pension commitments

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

r) Operating income and expense

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

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

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

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

s) Related party transactions

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

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

t) Estimates made

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

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

04. CHANGES IN THE SCOPE OF CONSOLIDATION

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

a) Aquisitions

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

Year 2009

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

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

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

b) Other changes in the scope of consolidation

Year 2010

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

Year 2009

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

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

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

05. ALLOCATION OF PROFIT (LOSS)

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

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

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

06. INTANGIBLE ASSETS

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

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

a) Concessions

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

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

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

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

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

b) Goodwill

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

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

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

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

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

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

c) Other intangible assets

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

07. PROPERTY, PLANT AND EQUIPMENT

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

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

CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

Restrictions on ownership of assets

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

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

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

Acquisition commitments

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

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

08. INVESTMENT PROPERTIES

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

09. LEASES

a) Financial lease

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

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

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

The finance leases arranged by the Group companies do not include lease payments the amount of which must be determined on the basis of future economic events or indices and, accordingly, in 2010 no expense was incurred in connection with contingent rent.

b) Operating lease

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

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

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

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

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

10. SERVICE CONCESSION AGREEMENTS

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

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

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

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

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

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

a) Joint ventures

The changes in 2010 and 2009 are as follows:

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

CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

b) Associates

The changes in 2010 and 2009 are as follows:

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

CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

12. JOINT VENTURES

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

Following are the main aggregates of the jointly operated contracts included in the various headings in the accompanying consolidated balance sheet and consolidated income statement, in proportion to the percentage of ownership held therein, at 31 December 2010 and 2009:

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

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

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

Guarantees amounting to EUR 323,136 thousand (2009: EUR 234,387 thousand) were provided, mostly to government agencies and private customers, for contracts managed jointly with non-Group third parties, as security for the performance of construction projects and urban cleaning contracts.

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

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

a) Non-current financial assets

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

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

CONSOLIDATED FINANCIAL STATEMENTS

a.1) Available-for-sale financial assets

Breakdown of the balance at 31 December 2010 and 2009:

	% effective ownership	Fair value
2010		
Ownership interest of 5% or more:		
Equipamientos Urbanos de México, S.A. de C.V.	50.00	12,234
World Trade Center Barcelona, S.A.	16.52	11,422
Vertederos de Residuos, S.A.	16.03	8,998
Consorcio Traza, S.A.	16.60	8,925
M. Capital, S.A.	11.18	1,026
Build2Edifica, S.A.	15.45	700
Sierra de Mías, S.A.	10.00	403
Uncona, S.A.	9.64	605
Shopnet Brokers, S.A.	14.88	—
Other	—	3,401
Ownership interest less than 5%:		
Xfera Móviles, S.A.	3.44	2,030
Alpine Bau investments	—	16,643
Other	—	3,887
		70,274
2009		
Ownership interest of 5% or more:		
Equipamientos Urbanos de México, S.A. de C.V.	50.00	12,234
World Trade Center Barcelona, S.A.	16.52	11,422
Vertederos de Residuos, S.A.	16.03	7,050
Consorcio Traza, S.A.	16.60	1,365
M. Capital, S.A.	16.76	1,214
Build2Edifica, S.A.	15.45	901
Sierra de Mías, S.A.	10.00	403
Uncona, S.A.	9.64	605
Shopnet Brokers, S.A.	15.54	—
Other	—	2,461
Ownership interest less than 5%:		
Xfera Móviles, S.A.	3.44	—
Alpine Bau investments	—	17,193
Other	—	4,670
		59,518

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

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

CONSOLIDATED FINANCIAL STATEMENTS

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

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

a.2) Non-current loans

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

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

a.3) Other non-current financial assets

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

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

This heading includes EUR 12,920 thousand in respect of the measurement of the call option and cash flow swap arranged by the Parent within the framework of the share option plan agreed with executives and executive directors (Note18).

It also includes a trigger call on the convertible bond issue that is explained in Note 17.e).

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

b) Other current financial assets

The breakdown of the balance at 31 December 2010 and 2009 is as follows:

	2010	2009
Negotiable financial assets	1,989	1,939
Equity investment funds	1,989	1,939
Held-to-maturity investments	5,541	21,583
Promissory notes	—	5,700
Government debt securities	1,529	7,557
Fixed-income investment funds	4,012	8,326
Other loans	178,138	154,075
Loans to non-Group third parties	68,994	69,392
Loans to associated enterprises	84,419	74,502
Deposits at bank	24,725	10,181
Deposits and guarantees given	35,121	41,499
Current collection rights, service concession agreements	4,974	11,884
	225,763	**230,980**

CONSOLIDATED FINANCIAL STATEMENTS

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

These assets are unrestricted as to their use, except for "Deposits and Guarantees Given", which relate to amounts paid to secure certain contracts which will be recovered once the contracts expire.

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

14. INVENTORIES

The breakdown of the inventories at 31 December 2010 and 2009 is as follows:

		2010		2009
Property assets		522,397		468,089
Raw materials and other supplies		436,919		470,588
Construction	271,887		299,213	
Cement	107,629		107,743	
Versia	27,543		33,592	
Environmental services	28,262		29,130	
Other activities	1,598		910	
Finished products		44,091		48,658
Prepayments		134,968		115,947
		1,138,375		**1,103,282**

The main real estate products refer to land for sale, most of which was acquired in exchange for work completed or scheduled to be done by the subgroup FCC Construction, which at 31 December 2010 included: land in Tres Cantos (Madrid) for EUR 85,162 thousand, plots in Sant Joan Despi (Barcelona) totalling EUR 56,453 thousand, properties in Badalona (Barcelona) amounting to EUR 46,167 thousand and properties in Ensanche de Vallecas (Madrid) totalling EUR 25,206 thousand.

The sum of EUR 149,488 recorded under the heading of real estate products in progress (EUR 119,056 thousand in 2009) refers to property which will be sold to clients EUR 263,170 thousand (EUR 164,244 thousand in 2009). The advances paid by certain clients towards these "real estate products" are guaranteed by insurance contracts or bank guarantees, as required by Law 57/68 of 27 July, as amended by Law 38/99 of 5 November.

There were no commitments to purchase any significant property assets at year end.

The raw materials and other procurements include the installations required to execute construction work that have not yet been included in the construction projects, storable construction materials and items, materials for the assembly of street furniture, replacement parts, fuel and other materials required to carry on the business activities.

At 31 December 2010, impairment losses on inventories totalled EUR 13,138 thousand (EUR 12,293 thousand in 2009).

At 31 December 2010, there were no material differences between the carrying amount of the assets recognised and their fair value.

CONSOLIDATED FINANCIAL STATEMENTS

15. TRADE AND OTHER RECEIVABLES

a) Trade receivables for sales and services rendered

This heading in the accompanying consolidated balance sheet includes the present value of the uncollected revenue, valued as indicated in Note 3.r), contributed by the Group's various lines of business and forming the basis of the profit from operations.

The detail of the balance of accounts receivable from non-Group debtors at 31 December 2010 and 2009 is as follows:

	2010	2009
Progress billings receivable and trade receivables	3,670,395	3,743,453
Amounts to be billed for work performed	875,895	802,968
Retentions	103,261	108,550
Production billed to associates not yet collected	289,023	239,689
Trade receivables for sales and services rendered	4,938,574	4,894,660
Downpayments from customers	(936,794)	(1,073,423)
Total net balance of trade receivables and services rendered	**4,001,780**	**3,821,237**

The foregoing total is the net balance of trade receivables after considering the adjustments for the risk of doubtful debts amounting to EUR 193,233 thousand (31 December 2009: EUR 179,600 thousand) and after deducting the balance of "Trade Payables – Advances Received on Orders" on the liability side of the accompanying consolidated balance sheet. This item also includes the collected and uncollected prebillings and the advances received.

"Progress Billings Receivable and Trade Receivables for Sales" reflects the amount of the completed project and services progress billings receivable at the consolidated balance sheet date.

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

The Group companies assign trade receivables to banks, without the possibility of recourse against them in the event of non-payment. The balance of accounts receivable in this connection amounted to EUR 574,236 thousand at 31 December 2010 (31 December 2009: EUR 351,721 thousand). This amount was deducted from "Certified unpaid production and sales receivables". Future collection rights arising from construction project contracts awarded under the lump-sum payment method were sold for EUR 219,975 thousand (31 December 2009: EUR 204,464 thousand). This amount was deducted from the balance of "Amounts to be Billed for Work Performed".

b) Other receivables

The breakdown of "Other Receivables" at 31 December 2010 and 2009 is as follows:

	2010	2009
VAT refundable (Note 23)	175,878	159,300
Other tax receivables (Note 23)	61,049	59,559
Other receivables	271,942	197,789
Advances and loans to personnel	5,914	3,835
Total other receivables	**514,783**	**420,483**

16. CASH AND CASH EQUIVALENTS

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

The cash of the subsidiaries directly or indirectly wholly-controlled by Fomento de Construcciones y Contratas, S.A. is managed on a centralised basis. The cash positions of these subsidiaries are managed by the parent company as a means of optimising the Group's financing options.

The details, by item, of "Cash and Cash Equivalents" are as follows:

	2010	2009
Cash and bank accounts	1,173,479	1,132,128
Held-for-trading fixed income securities	77,212	106,577
Held-to-maturity fixed income securities	418,784	410,694
Other	9,176	5,063
	1,678,651	**1,654,462**

The breakdown, by currency, of the cash and cash equivalent position in 2010 and 2009, including current financial assets (see Note 13), is as follows:

	2010	2009
Cash and cash equivalents	1,678,651	1,654,462
Other current financial assets	225,763	230,980
Total	**1,904,414**	**1,885,442**

	2010	2009
Euro	1,467,689	1,547,029
Dollar	72,798	29,909
Pound sterling	113,290	126,248
Czech koruna	53,544	32,355
Europe (other currencies)	119,520	82,636
Latin America (diverse currencies)	31,916	31,846
Other	45,657	35,419
Total	**1,904,414**	**1,885,442**

17. EQUITY

The accompanying consolidated statements of changes in equity for the years ended 31 December 2010 and 2009 show the changes in equity attributable to the shareholders of the Parent and to the minority interests in those years.

I. Equity attributable to the Parent Company

a) Capital

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

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

The shares of Fomento de Construcciones y Contratas, S.A. are part of the exlcusive Ibex 35 index. They are publicly listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and are traded through the Spanish Stock Market Interconnection System.

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

The company, B-1998, S.L., in which Esther Koplowitz Romero de Juseu, Simante, S.L., Larranza XXI, S.L. and Eurocis, S.A. have direct or indirect ownership interests of 89.653%, 5.339% and 5.008%, respectively, has certain obligations to its shareholders which are recorded and published by the Comisión Nacional del Mercado de Valores (CNMV) and in the FCC Group's Corporate Governance Report.

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

CONSOLIDATED FINANCIAL STATEMENTS

b) Accumulated earnings and other reserves

The breakdown of this caption on the enclosed consolidated balance sheet at 31 December 2010 and 2009 is as follows:

	2010	2009
Parent company reserves	1,109,873	1,032,488
Consolidation reserves	1,701,384	1,638,314
	2,811,257	**2,670,802**

b.1) Parent Company Reserves

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

The details at 31 December 2010 and 2009 are as follows:

	2010	2009
Share premium account	242,133	242,133
Legal reserve	26,113	26,113
Retired capital reserve	6,034	6,034
Voluntary reserves	835,593	758,208
	1,109,873	**1,032,488**

Share premium account

The Capital Companies Act expressly allows the use of the share premium account balance to increase capital and does not establish any specific restrictions as to its use for other purposes.

Legal reserve

Under the Capital Companies Act, 10% of the year's net profit must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve cannot be distributed to shareholders except in the event of liquidation.

The legal reserve may be used to increase capital in an amount equal to the portion of the balance that exceeds 10% of capital after the increase.

Otherwise, until it exceeds 20% of share capital and provided there are no sufficient available reserves, the legal reserve may only be used to offset losses.

At 31 December 2010, the Parent's legal reserve had reached the stipulated level.

Retired capital reserve

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

Voluntary reserves

Reserves that are not restricted or limited in any way, freely set up with the profits of the parent company after all dividends have been paid and all legal or other restricted reserves have been funded as mandated by law.

b.2) Consolidation reserves

This caption of the enclosed consolidated balance sheet includes the consolidated reserves generated in each business areas from the time they joined the Group. In accordance with the term of IAS 27 "Consolidated and separate financial statements", it also includes those derived from changes in the ownership of Group companies as long as the control over the companies is maintained. The balances for each line of business at 31 December 2010 and 2009 were as follows:

	2010	2009
Environment	230,477	219,523
Versia	29,698	53,075
Construction	414,836	346,888
Cement	587,675	562,529
Energy	364	(1,510)
Corporation	438,334	457,809
	1,701,384	**1,638,314**

According to the law, starting from 2009 for all additional purchases of shares previously controlled by the Group, as in the case of the purchase option on 8.18% of the capital of Corporación Uniland, S.A., the difference between the additional

CONSOLIDATED FINANCIAL STATEMENTS

purchase price and the carrying value of the investment, known as goodwill, has been charged to equity in the amount EUR 71,595 thousand. Likewise included in equity is the balancing entry for the put option on 17% of the stake in Alpine Holding GmbH which is explained in Note 20 of this document and which amounts to EUR 68,838 thousand.

c) Treasury stock

This caption shows the shares in the parent company held by the parent or other Group companies, stated at cost.

The Board of Directors and the subsidiaries are authorised by the General Meeting of Shareholders of Fomento de Construcciones y Contratas, S.A. for the derivative acquisition of treasury stock within the limits and pursuant o the requirements set forth in article 144 et seq. of the Companies Act.

In 2010 and 2009, the changes that took placed under this heading were as follows:

Balance at 31 December 2008	**(118,926)**
Sales under the Stock Option Plan (Note 18)	50,141
Sales	40,378
Acquisitions	(242,475)
Balance at 31 December 2009	**(270,882)**
Sales	47
Acquisitions	(76,080)
Balance at 31 December 2010	**(346,915)**

The details of the treasury stock held by the Group at 31 December 2010 and 2009 are as follows:

	2010		2009	
	Number of Shares	Amount	Number of Shares	Amount
Fomento de Construcciones y Contratas, S.A.	3,182,582	(89,130)	3,182,582	(89,130)
Asesoría Financiera y de Gestión, S.A.	9,432,369	(257,785)	6,131,961	(181,752)
TOTAL	**12,614,951**	**(346,915)**	**9,314,543**	**(270,882)**

At 31 December 2010, the treasury stock of the parent company held by the parent or by its subsidiaries accounted for 9.91% of the total share capital (7.32% at 31 December 2009).

d) Interim dividend

On 16 December 2010, it was agreed to distribute to the shareholders of Fomento de Construcciones y Contratas, S.A. an interim dividend out of profit for 2010 equal to 71.50% gross of the par value of the shares, i.e. EUR 0.715 per share. The total amount of this dividend, EUR 88,746 thousand, was paid on or after 04 January 2011.

e) Other equity instruments

Taking into account the introduction of IAS 32 "Financial Instruments: Presentation", this section reflects the value of the equity components arising from the accounting for the convertible bonds issued by the parent company, in addition to the amounts shown under "Debentures and other negotiable securities" on the enclosed consolidated balance sheet, which together account for the total amount of the bond issue (Note 20).

In October 2009, Fomento de Construcciones y Contratas, S.A. issued debentures convertible into Company shares whose most salient features are as follows:

- The amount of the issue was EUR 450,000 thousand with a maturity date of 30 October 2014.
- The bonds were issued at par with a par value of EUR 50,000.
- The bonds accrue a fixed annual interest of 6.5% payable every six months.
- The price of converting the bonds into company shares is EUR 39.287 per share, which means that each bond will be convertibles into 1,272.68 ordinary shares.
- The bonds may be converted or redeemed for cash at the request of the bondholder or Fomento de Construcciones y Contratas, S.A. The conditions for exercising the option are set out in the "Bond Issue Agreement" and may included newly issued as well as already existing shares in the parent company's possession.
- The issue is backed by the Company's equity and there are no other special third party guarantees.
- The issue is underwritten by financial institutions and is intended for qualified international investors.

CONSOLIDATED FINANCIAL STATEMENTS

The Extraordinary General Meeting of Shareholders of Fomento de Construcciones y Contratas, S.A. held on 30 November 2009 to approve the convertibility of the bonds in company stock passed the following resolutions:

I) In accordance with the provisions of article 414 of the Consolidated Public Corporations Act, approve an increase in the Company's capital stock by the amount required to attend the demand of the holders of the Bonds to convert them under the Terms and Conditions up to an initially envisaged maximum amount of twelve million euro, but subject to any possible amendments as determined in the "Bond Issue Agreement".

II) To approve a buyback programme of shares of Fomento de Construcciones y Contratas, S.A. with the unique purpose of enabling the Company to fulfil the obligations derived from the issuance of exchangeable bonds and to reduce the Company's capital.

III) To approve a capital reduction by amortising the treasury stock acquired under the buyback programme mentioned, including the shares of treasury stock loaned to the insurers of the operation. The capital reduction is limited to a nominal amount equivalent to the number of new shares issued by the Company to accommodate the conversion requests of bondholders.

At 31 December 2010, the number of loaned shares was 1,313,322 (4,150,880 shares at 31 December 2009).

This operation includes a trigger call option which allows the Company to recover the bonds under certain circumstances (Note 13).

f) Value adjustments

The breakdown of this item at 31 December 2010 and 2009 is as follows:

	2010	2009
Changes in the fair value of financial instruments	(178,385)	(158,255)
Translation differences	(98,751)	(167,280)
	(277,136)	**(325,535)**

f.1) Changes in fair value of financial instruments:

This heading includes the changes, net of taxes, in the fair value of available-for-sale financial assets (see Note 13) and of cash flow hedging derivatives (see Note 22).

The details of the adjustments due to changes in the fair value of financial instruments at 31 December 2010 and 2009 are as follows:

	2010		2009	
Available-for-sale financial assets		(2,467)		(4,499)
World Trade Center Barcelona, S.A.	3,363		3,363	
Vertederos de Residuos, S.A.	7,890		5,943	
SCL Terminal Aéreo de Santiago, S.A.	1,165		1,165	
Xfera Móviles, S.A.	(14,900)		(14,900)	
Other	15		(70)	
Financial derivatives		(175,918)		(153,756)
Fomento de Construcciones y Contratas, S.A.	(33,248)		(27,715)	
Azincourt Investment, S.L.	(25,218)		(24,019)	
Urbs Iudex et Causidicus, S.A.	(18,029)		(15,650)	
Realia Business Group	(17,396)		(19,288)	
Nigh South West Heralth Partn	(14,954)			
Global Vía Group	(12,438)		(10,454)	
WRG Group	(10,616)		(5,475)	
Portland, S.L.	(8,548)		(22,653)	
Cementos Portland Valderrivas Group	(5,865)		(17,236)	
Other	(29,606)		(11,266)	
		(178,385)		**(158,255)**

f.2) Translation differences

The details of the amounts included under this heading for each of the most significant companies at 31 December 2010 and 2009 are as follows:

	2010		2009	
European Union:		(134,384)		(146,843)
Waste Recycling Group	(126,298)		(139,394)	
Dragon Alfa Cement Limited	(2,382)		(2,587)	
Other	(5,704)		(4,862)	
USA:		(11,918)		(26,400)
Giant Cement Holding, Inc.	(7,401)		(19,681)	
Cemusa Group	(4,652)		(5,715)	
Other	135		(1,004)	
Latin America:		40,677		10,249
Global Vía Group	46,259		20,466	
Corporación M&S Internacional C.A., S.A.	(2,277)		(4,440)	
Proactiva Group	(7,475)		(4,861)	
Cemusa Group	2,544		1,216	
Other	1,626		(2,132)	
Other currencies		6,874		(4,286)
		(98,751)		**(167,280)**

The changes in 2010 were caused primarily by fluctuations in the exchanges rates of a number of foreign currencies compared to the euro, primarily the pound sterling, US dollar and Chilean peso.

Net investment abroad in currencies other than the euro represented approximately 50.1% of the FCC Group's equity (2009: 48.4%).

The details, by geographical market, of this net investment, after translation to euros as described in Note 3.j) are as follows:

	2010	2009
UK	853,086	793,482
USA	312,353	308,238
Latin America	217,876	188,154
Czech Republic	92,304	95,677
Other	131,809	114,836
	1,607,428	**1,500,387**

g) Earnings per share

Earnings per share are calculated by dividing the profit for the year attributable to the Parent by the weighted average number of ordinary shares outstanding during the year. In 2010 the earnings per share amounted to EUR 2.60 (EUR 2.43 in 2009).

With regard to the bond issue mentioned in part e) above, it should be noted that earnings per share could be diluted if the bondholders were to exercise the conversion option under certain conditions. According to IAS 33 "Earnings per share", diluted earnings per share must be calculated by adjusting the weighted average of the number of ordinary shares in circulation under the hypothesis that all bonds have been converted into ordinary shares. Likewise, the earnings attributed to the parent company must be adjusted by adding in the amount of interest, net of tax effects, corresponding to the bonds recognised on the enclosed consolidated income statement. The diluted earnings per share for 2010 amounted to 2.56 euros (2.42 euros per share in 2009).

II. Minority interests

"Minority Interests" in the accompanying consolidated balance sheet reflects the proportional part of the equity and the profit or loss for the year after tax of the companies in which the Group's minority shareholders have ownership interests.

The details of the balances of the minority interests relating to the main companies at 31 December 2010 and 2009 are as follows:

	Equity			
	Capital	Reserves	Results	Total
2010				
Cementos Portland Valderrivas Group	18,583	570,513	10,101	599,197
Alpine Bau Group	19	6,030	(1,454)	4,595
Other	18,123	17,773	3,683	39,579
	36,725	**594,316**	**12,330**	**643,371**
2009				
Cementos Portland Valderrivas Group	18,583	567,581	22,738	608,902
Alpine Bau Group	19	9,951	2,157	12,127
Other	27,066	1,702	2,885	31,653
	45,668	**579,234**	**27,780**	**652,682**

CONSOLIDATED FINANCIAL STATEMENTS

18. SHARE-BASED PAYMENT TRANSACTIONS

Following the decision taken by the Board of Directors on 29 July 2008, the Group has a remuneration plan in place for its officers and directors linked to the value of the Parent company's shares whereunder the plan participants receive a cash amount equivalent to the difference between the value of share when the option is exercised and the value of reference established in the plan.

The most prominent features of the plan, which is broken down into two tranches, are as follows:

First tranche

- Start date: 1 October 2008
- Option exercise period: 1 October 2011 through 1 October 2013.
- Number of shares: 1,800,000 shares, 700,000 of which pertain to Directors and Officers (12 people) and the remaining 1,100,000 to other executives (43 people).
- The price of exercising the option is EUR 34.22 euros per share.

Second tranche

- Start date: 06 February 2009
- Option exercise period: 06 February 2012 through 05 February 2014.
- Number of shares: 1,500,000 shares, 147,500 of which pertain to Directors and Officers (12 people) and the remaining 1,352,500 to other executives (225 people).
- The price of exercising the option is EUR 24.71 euros per share.

Under the applicable law, the Group estimated the present liquidation value at the end of the plan, recognising the corresponding provisions that are systematically funded with a balancing entry in staff costs spread over the years of the plan. At the end of each reporting term, the current value of the obligation is re-estimated and any difference between this and the previously recognised carrying value is taken to profit and loss for the year.

At 31 December 2010, EUR 2,323 thousand (EUR 1,824 thousand in 2009) (see Note 26.c) were recognised in respect of obligations to employees participating in the share option plan on the basis of the period accrued and the total initial value of the plan, which amounted to EUR 1,439 thousand. (EUR 3,568 thousand in 2009).

In order to hedge the risk of an increase in the Company's share price within the framework of the share option plan, the Group has arranged for each one of the tranches a call option and a put option as well as an and interest rate/dividend swap with the same exercise price, nominal and maturity as the plan. The shares covered by the hedge were turned over to the financial entities, as discussed in Note 17.c).

As far as the effectiveness of the hedge is concerned, only the call option is considered to be a cash flow hedge. Consequently, the change in fair value is carried to equity under the heading of "Adjustments due to change in value" on the consolidated balance sheet while the put option and the interest rate/dividend swap cannot be considered accounting hedges and therefore the changes in fair value are carried to the income statement (Note 22).

The resulting change in the fair value of financial derivatives that are not hedges generated losses of EUR 24,286 thousand in 2010 (gain of EUR 8,322 thousand in 2009). See Notes 22 and 26.f of this document for information on the fair value of financial derivatives.

CONSOLIDATED FINANCIAL STATEMENTS

19. CURRENT AND NON-CURRENT PROVISIONS

The composition of provisions at 31 December 2010 and 2009 was as follows:

	2010		2009	
Non-current		1,047,836		906,535
Long-term employee benefit obligations	108,814		105,188	
Decommissioning, removal and rehabilitation of assets	187,683		161,245	
Environmental actions	199,282		216,890	
Litigations	171,703		170,987	
Legal and contractual guarantees and obligations	116,746		81,323	
Other provisions	263,608		170,902	
Current		143,233		110,773
Construction contract settlement and project losses	130,369		97,810	
Staff compensation	12,864		12,963	

The changes under the heading of Provisions in 2010 and 2009 were as follows:

	Provisions -non-current	Provisions -current
Balance at 31.12.08	**821,429**	**91,918**
Environmental expenses for the removal or dismantlement of assets	40,143	—
Provisions (reversals)	68,001	15,918
Computer Applications	(50,990)	—
Changes in the scope of consolidation, translation differences and other changes	27,952	2,937
Balance at 31.12.09	**906,535**	**110,773**
Environmental expenses for the removal or dismantlement of assets	36,633	—
Provisions (reversals)	142,907	33,735
Computer Applications	(49,844)	(131)
Changes in the scope of consolidation, translation differences and other changes	11,605	(1,144)
Balance at 31.12.10	**1,047,836**	**143,233**

The provisions recognised in 2010 include EUR 17,732 thousand (2009: EUR 17,475 thousand) relating to the adjustment for provision discounting.

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

The provisions stated on the enclosed consolidated balance sheet are considered to cover the Group's liability for the performance of its business activities.

The timing of the expected outflows of economic benefits at 31 December 2010 arising from the obligations covered by non-current provisions is as follows:

CONSOLIDATED FINANCIAL STATEMENTS

	Within 5 years	More than 5 years	Total
Long-term employee benefit obligations	20,525	88,289	108,814
Decommissioning, removal and rehabilitation of assets	101,328	86,355	187,683
Environmental actions	61,437	137,845	199,282
Litigations	57,787	113,916	171,703
Legal and contractual guarantees and obligations	112,551	4,195	116,746
Other provisions	75,601	188,007	263,608
	429,229	**618,607**	**1,047,836**

Long-term employee benefit obligations

"Non-Current Provisions" in the accompanying consolidated balance sheet includes the provisions covering the Group companies' obligations with respect to pensions and similar obligations such as medical and life insurance, as indicated in Note 24.

Environmental provisions

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

FCC Group management considers that the Group companies' contingencies relating to environmental protection and improvement at 31 December 2010 would not have a significant impact on the accompanying consolidated financial statements, which include provisions to cover any probable environmental risks that might arise.

Note 28 to these consolidated financial statements ("Environmental Informantion") supplements the information set forth with respect to environmental provisions.

Provisions for litigation

Provisions for litigation cover the contingencies of the FCC Group companies acting as defendants in certain proceedings in relation to the liability inherent to the business activities carried out by them. According to management's estimation, whilst the lawsuits may be significant in number they are not expected to have a notable impact on the Group's equity.

Legal and contractual guarantees and obligations

This heading includes the provisions to cover the expenses arising from contractual and legal obligations of a non-environmental nature.

Provisions for other contingencies and charges

This heading includes the items not classified in the foregoing accounts, comprising most notably the provisions to cover risks arising from international business.

Also included here are the Group's obligations with regard to share-based payments. Note 18, "Transactions with payments based on equity instruments" explains those transactions in further detail.

Provisions for construction contract settlements and project losses

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

Staff compensation

The Group companies recognise provisions for the severance payment to permanent construction site workers in accordance with the Consolidated Workers' Statute for contracts of this type. The impact of these provisions on the consolidated income statement is not material.

20. CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

The FCC Group's general policy is to provide all the Group companies with the financing that is best suited to the normal conduct of their business activities. In this connection, the Group companies are provided with the credit facilities required to cater for their budgetary plans, which are monitored on a monthly basis. Also, risk is generally spread over various banks and the Group companies currently have credit facilities with more than 140 financial institutions.

Should the financial transaction so require, the Group arranges interest-rate hedging transactions on the basis of the type and structure of each transaction (see Note 22).

In certain types of financing, particularly structured non-recourse borrowings, the arrangement of some kind of interest-rate hedge is obligatory and the Group assesses the best hedging instrument based on the project's cash flow and the amortisation calendar of the debt.

a) Current and non-current debt instruments and other marketable securities

One of the most significant items under this heading refers to the subordinated convertible debentures issued by the parent company on 30 October 2009 in the amount of EUR 450,000 thousand. The issue was intended for international institutional investors. The purpose of the issue was to reinforce the balance sheet equity structure by making the bond subordinate to the Company's corporate borrowings and to diversify the Company's financing base by supplementing its bank financing.

According to accounting laws, in addition to their financial component convertible debentures are recognised as equity in the terms described in Note 17.e) of this document. That note also describes the conditions for issuing such convertible debentures. At 31 December 2010, the carrying balance for this item shown under the heading of "Debentures and other negotiable securities" on the enclosed consolidated balance sheet was EUR 427,092 thousand. At 31 December 2010, these debentures were quoted on Bloomberg at 90.01%.

On 1 July 2010, the Alpine Group issued bonds in the fixed income market the amount EUR 100,000 thousand. The term of the bonds was five years with a single maturity date at the end of that period and an annual coupon of 5.25%. The funds were to be used to cover the Alpine Group's corporate financing needs.

In addition to this transaction, this heading includes those contributed by the Cementos Portland Valderrivas Group through the US company Giant Cement Holding, Inc. relating to an issue of non-convertible bonds amounting to USD 96 million (approximately EUR 71,714 thousand), repayable in a single maturity in 2013 and an interest interes rate indexed to Libor. The Group has arranged an interest rate hedging contract on this debt for a notional amount of USD 96 million and an interest rate of 6.093%.

Also, the company Severomoravske Vodovody a Kanalizace Ostrava, A.S. (SmVaK) issued non-convertible debentures amounting to CSK 2,000 million (EUR 79,764 thousand) at 31 Dec. 2010. These debentures, which were traded on the Prague Stock Exchange, mature in 2015 and bear nominal interest of 5%. As a guarantee associated with the bond issue, the company undertakes not to pledges the assets to third parties, not to sell the assets for a price above a certain cumulative value and not to assume debt beyond a certain limit.

b) Current and non-current bank borrowings

The details at 31 December 2010 and 2009 are as follows:

		Non-current		Current		Total
2010						
Credit facilities and loans		4,609,815		1,473,900		6,083,715
Project financing						
With recourse		2,279,530		161,576		2,441,106
Waste Recycling Group	714,595		48,459		763,054	
Uniland Group	632,919		56,009		688,928	
Olivento Group	415,230		25,617		440,847	
Other	516,786		31,491		548,277	
		6,889,345		**1,635,476**		**8,524,821**
2009						
Credit facilities and loans		4,998,891		971,507		5,970,398
Project financing						
With recourse		2,300,287		246,711		2,546,998
Waste Recycling Group	639,008		161,410		800,418	
Uniland Group	675,836		50,380		726,216	
Olivento Group	441,454		24,187		465,641	
Other	543,989		10,734		554,723	
		7,299,178		**1,218,218**		**8,517,396**

CONSOLIDATED FINANCIAL STATEMENTS

As shown on the enclosed Cash Flow Statement, the most significant changes in borrowings in 2010 were due to increases in working capital. This increase was partially offset by the revenues from the disinvestments, which included the sale of the ITV business (vehicle inspection) discussed in Note 4 of this report and the sale of 10% of Sociedad Concesionaria Tranvía de Murcia, S.A. which resulted in a loss of control. This company is now carried by the equity method and this has resulted in a reduction of debt in the amount of EUR 122,000 thousand.

The increase in working capital was caused by the delayed payments of certain public sector clients for the environmental services rendered.

In this regard, the Group has enabled the necessary sources of financing with costs and terms that are in line with the high quality of the associated asset, the type of public sector client and the basic service rendered to the client.

The main features of the most significant current and non-current credit facilities and loans formalised by the Group in 2010 are as follows:

- On 30 July 2010, the parent company refinanced a syndicated loan in the amount of EUR 1,225 millions which was to mature on 8 May 2011 under a forward start arrangement. The credit facility has a term of 3 years (maturing on 8 May 2014), with amortisation of half the amount in 2013 and is broken down into three tranches: a EUR 735 million loan, a EUR 490 million credit facility and an additional EUR 62 million which will be available on 1 January 2011, bringing the total value of the credit facility to EUR 1,287 million.
- In August 2010, Cementos Portland Valderrivas refinanced a EUR 150,000 thousand loan. Payments of EUR 15,000 thousand must be made on the loan every six months starting in August 2011, with a final payment of EUR 75,000 thousand in February 2014. The interest rate on the loan is tied to the Euribor plus 2.95%. There is an interest rate hedge on this financing fixed at a rate of 4.02% which expires in February 2011.
- On 22 December 2010, the Alpine Group signed a syndicated credit facility in the amount of EUR 160,000 thousand maturing on 22 December 2013, which is divided into two tranches.
  - a) 50% of one of the tranches is guaranteed by the Republic of Austria according to the Unternehmensliquiditätsstärkungsgesetz or ULSG passed in August 2009 to boost the liquidity of Austrian companies. Under this law, the Austrian government provides access to liquidity to foster investment and growth through a programme of government guarantees. The interest rate on this tranche is fixed. This is the second financing operation of this kind entered into by the Alpine Group.
  - b) The cost of the other tranche is based on the net debt/EBITDA ratio.

This financing was paid in full in January 2011, enabling Alpine to repay some of its debt in 2011 early.

The details of the Group's loans and credit facilities from previous fiscal years are outlined below:

- On 29 April 2009, the parent company signed a syndicated loan in the amount of EUR 375,000 thousand with 12 participating financial institutions. Later, on 4 and 27 May, it was extended to EUR 451,000 thousand, into two tranches: a long-term loan of EUR 225,500 thousand and a long-term credit facility amounting to EUR 225,500 thousand. The syndicated loan was signed for a three-year term with a single maturity date on 28 April 2012. The interest rate is Euribor plus a differential based on the debt ratio each year shown on the FCC Group's financial statements.
- On 23 October 2009, the parent company signed a long-term loan in the amount of EUR 175,000 thousand with the European Investment Bank (EIB) with a maturity date of 6 November 2012 which may be extended to 2015. The interest rate on the loan is Euribor 3 months plus a fixed differential.

The loan was granted for the financing and development of environmental investments:

- a) Acquisition of a fleet of 1,900 vehicles equipped with the most highly advance technologies that will be used to provide city sanitation services in 130 municipalities in Spain.
- b) Financing of related investments (acquisition of filling stations, vehicle cleaning equipment and wastewater treatment plants) and
- c) Development of hybrid electric vehicles for intensive use which are more energy efficient and capable of using harmless fuel, thereby reducing the emissions of polluting gases.

- On 22 December 2010, the Alpine Group signed a syndicated credit facility in the amount of EUR 200,000 thousand maturing on 31 October 2014, with the same contractual characteristics as the ones signed on 22 December 2010 and mentioned above.
- On 9 December 2009, Aqualia Gestión Integral del Agua, S.A. (wholly-owned subsidiary of the FCC Group) refinanced a corporate loan taken out in 2006 in the amount of 4,800,000 thousand Czech koruna, approximately EUR 190 million, for the acquisition of Severomoravské Vodovody from Kanalizace Ostrava, A.S. (SmVaK). There are two tranches to the financing: a corporate loan taken by Aqualia Gestión

CONSOLIDATED FINANCIAL STATEMENTS

Integral del Agua, S.A and a limited recourse loan signed by the newly created company, Aqualia Czech, S.L., a wholly-owned subsidiary of the FCC Group, which now controls 98.68% of SmVaK. The characteristics of the tranches are as follows:

a) A corporate multi-currency loan (€ and koruna) in the amount of EUR 71,750 thousand and 967,220 Czech koruna maturing in 2012.

b) A limited recourse loan in the amount of 2,000,000 thousand Czech koruna maturing in 2015.

The stipulated price includes the rate of reference (Euribor or Pribor) plus a fixed margin in the case of the corporate financing and calculated on the debt service coverage ratio (DSCR) in the case of the limited recourse financing.

- On 18 December 2009 the FCC Group signed a long term limited recourse credit facility in the amount of EUR 250,000 thousand maturing in 2024 with an interest rate equivalent to the Euribor plus a fixed margin. The Torre Picasso building was put up as collateral to guarantee this loan, in the terms described in Note 8 herein.

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

a) A long-term loan of USD 40,000 thousand granted to the parent company.

b) A long-term credit facility of USD 58,900 thousand granted to Dédalo Patrimonial S.L.

c) A long-term loan of USD 88,000 thousand granted to Dédalo Patrimonial S.L.

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

- On 25 November 2008, Fomento Internacional FOCSA (wholly owned by the Parent) arranged a long-term syndicated credit facility for EUR 500,000 thousand maturing in 2025. The object of the operation was to finance the acquisition of the business in Spain of Babcock & Brown Wind Partners. The interest rate is Euribor plus a spread calculated on the basis of the variation in the net financial debt/EBITDA ratio. At 31 December 2010, a balance of EUR 465,640 thousand was outstanding. The agreement consists of two tranches: A senior debt tranche of EUR 455,000 thousand and a subordinated debt tranche of EUR 45,000 thousand already held by the acquired company.

- On 23 December 2008, Sky Sierresita Cortijo Viejo 1 and Sky Sierresita Cortijo Viejo 2 (wholly owned by the FCC Group) arranged a long-term syndicated loan for a combined amount of EUR 117,000 thousand, maturing in 2026. The purpose of the loan was to finance the acquisition of two photovoltaic farms with a total of 20 MW in Espejo (Cordoba). The interest rate is Euribor plus a spread calculated on the basis of the variation in the net financial debt/EBITDA ratio.

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

  In addition, Azincourt Investment, S.L. obtained a syndicated loan in the amount of 625,000 thousand sterling pounds, approximately EUR 726 million, which was completely drawn down at year end. Payments must be made on the loan every six months through the maturity date in 2013. The interest rate is tied to the Libor plus a spread of 1.05% per annum payable monthly or every 3 or 6 months at the borrower's choice.

- Long-term syndicated financing facility of EUR 800,000 thousand arranged by the parent in July 2007 and maturing on 19 July 2012 with the possibility of an extension until 2014. At 31 December 2010, the loan had been drawn down in full. The agreement consists of two tranches: a long-term loan of EUR 280,000 thousand with a partial repayment of 50% one year prior to maturity and a long-term credit facility amounting to EUR 520,000 thousand.

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

CONSOLIDATED FINANCIAL STATEMENTS

In August 2006, Cementos Portland Valderrivas signed a long-term syndicated loan with a limit of EUR 780,000 thousand to partially finance the purchase of shares in Corporación Uniland through the group company, Portland S.L. The loan matures every six months starting 15 January 2007, with a final maturity date of 2012. The interest rate is Euribor plus a spread based on the variation in the net financial debt/ EBITDA ratio.

In addition, Portland, S.L. obtained a EUR 800,000 thousand syndicated loan, of which a total of EUR 678,136 thousand had been drawn down at year end. The loan matures every six months through the year 2013 with a final payment of 70% of the used capital. Shares of Corporación Uniland, S.A. have been pledged as collateral on the loan, without the possibility of recourse against the parent company. This loan is subject to certain ratios being met relative at the coverage of the financial burden and net financial indebtedness levels of Portland, S.L. and the Corporación Uniland Group which were being met at the end of 2010 and 2009.

The detail of the bank borrowings, by currency and amounts drawn down at 31 December 2010 and 2009, is as follows:

	Euro	US dollar	Pound sterling	Czech Koruna	Brazilian real	Other	Total
2010							
Credit facilities and loans	5,498,862	343,916	148,340	33,488	7,064	52,045	6,083,715
Project financing loans with recourse	1,644,593	—	763,053	—	—	33,460	2,441,106
	7,143,455	**343,916**	**911,393**	**33,488**	**7,064**	**85,505**	**8,524,821**
2009							
Credit facilities and loans	5,390,247	327,876	152,869	31,610	10,994	56,802	5,970,398
Project financing loans with recourse	1,651,409	—	800,419	78,103	—	17,067	2,546,998
	7,041,656	**327,876**	**953,288**	**109,713**	**10,994**	**73,869**	**8,517,396**

CONSOLIDATED FINANCIAL STATEMENTS

The credit facilities and loans denominated in US dollars are being used mainly to finance the assets of the Cementos Portland Group, M&S Concesiones S.A. and the Versia Group in the United States; those arranged in pounds sterling relate to the financing of the assets of the WRG Group (Waste Recycling Group Ltd) in the United Kingdom; and those arranged in Czech koruna are being used to finance the operations of SmVaK (Severomoravske Vodovody a Kanalizace Ostrava, A.S.) and the assets of the Alpine Bau Group in the Czech Republic.

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

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

c) Other non-current liabilities

	2010	2009
Non-current		
Finance lease liabilities	81,942	100,463
Borrowings – non-Group third parties	162,446	174,013
Liabilities relating to financial derivatives	212,709	210,217
Deposits and bonds received	29,745	29,072
Urban furniture contract financing	563,589	558,954
Other items	16,675	17,936
	1,067,106	**1,090,655**

Under the heading of "Borrowings – non-Group third parties" on the table above, the sum of EUR 101,396 thousand (EUR 120,962 thousand in 2009) refers to a put option executed by FCC Construcción, S.A., which on 29 October 2009 proceeded to revise the agreements initially signed with a minority shareholder, Alpine Holding GmbH:

In October 2009, the minority shareholder exercised part of the option on 3.73% in the amount of EUR 20,230 thousand with the option on the remaining 17% stake still pending.

The conditions of the agreement are as follows:

a) Under the initial agreement, FCC Construcción, S.A. has granted a minority shareholder of Alpine Holding GmbH a put option exercisable in 2009 on 52% of its ownership interest and in 2011 on the portion not previously exercised and on the remainder of its total ownership interest (20.73%). The exercise price is based on the performance of EBITDA, profit before tax and net financial debt in the financial statements for 2008, if the option is exercised in 2009, or in those for 2010 if it is exercised in 2011.

b) An additional agreement that establishes two put options on 7% of the ownership interest which may be exercised at a rate of 3.5% in 2011 and 2012 of 7% in 2012. The price of this option is EUR 37,970 thousand plus 5% interest starting in November 2009.

c) An addendum to the initial agreement in which it is agreed to modify the put option mentioned above, allowing the option to be exercised in 2011 on all shares not sold as of that date and setting a price based on gross operating profit and before-tax profits shown on the 2010 financial statements. Alternatively, if they are not sold in 2011, all shares in the company's possession as of that date will be sold in 2013, using the 2012 financial statements to set the price.

Simultaneously, the minority shareholder has granted a call option to FCC Construcción, S.A. on the former's entire stake in Alpine Holding GmbH which may be exercised at any time through 31 December 2014, according to an amendment to the initial agreement. The same parameters are used to determine the price of both the put and the call options.

Under the heading of "Liabilities arising from financial derivatives" described in Note 22, "Derivative financial instruments", the amount of EUR 56,399 thousand (EUR 32,007 thousand in 2009) refers to the market value of the put option on the treasury stock associated with the Stock Option Plan for officers and directors, as mentioned in Note 18, as well as the financial hedging instruments composed primarily of interest rate swaps.

The heading titled "Urban furniture contract financing" includes the payment obligations assumed by the FCC Group in connection with the operating rights to certain urban furniture contracts (Notes 2 and 6).

CONSOLIDATED FINANCIAL STATEMENTS

d) Other current financial liabilities

	2010	2009
Current		
Finance lease liabilities	72,152	71,124
Interim dividend payable	89,950	99,017
Payable to non-current asset suppliers and notes payable	61,035	48,323
Group companies, associates and jointly-controlled enterprises	17,483	17,798
Liabilities relating to financial derivatives	13,378	14,542
Deposits and bonds received	13,232	11,643
Financiación contratos mobiliario urbano	59,405	31,805
Other items	17,987	6,312
	344,622	**300,564**

This balance sheet item includes various debt items, most notably that relating to the payment of the 2010 and 2009 interim dividend, of which EUR 88,746 thousand correspond to the Parent.

e) Repayment schedule

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

	2012	2013	2014	2015	2016 and thereafter	Total
2010						
Debentures and other marketable securities	—	71,714	422,204	178,599	—	672,517
Bank borrowings current	2,409,329	2,630,567	898,315	104,610	846,524	6,889,345
Other financial liabilities	147,299	295,498	73,446	55,903	494,960	1,067,106
	2,556,628	**2,997,779**	**1,393,965**	**339,112**	**1,341,484**	**8,628,968**

21. TRADE AND OTHER PAYABLES

The composition of the caption titled "Trade and other payables" at 31 December 2010 and 2009 is as follows:

	2010	2009
Suppliers	3,318,288	3,562,381
Current tax liabilities	107,507	19,316
Other taxed payable	558,440	573,702
Advance payments from customers	936,794	1,073,423
Accrued wages and salaries	193,613	182,315
Other payables	548,326	485,694
Total creditors and other account payable	**5,662,968**	**5,896,831**

According to the resolution of the Accounting and Audit Institute of 29 December 2010 which develops Law 15/2010 of 5 July, which in turn established measures to combat delinquency in commercial operations and, in particular, in compliance with the Second Temporary Provision of the said resolution, it is noted that the outstanding balance shown under "Suppliers" at the end of 2010, exclusively for companies located in Spain, is EUR 2,056,041 thousand. In addition, it is noted that the aforementioned Law 15/2010 took effect on 5 July 2010 and therefore applies to contracts signed on or after that date. According to the period of time between the signing, delivery of the goods or services and the valid payment term during the transitory period of the Law, there is no deferment which exceeds the legally-established maximum limits.

CONSOLIDATED FINANCIAL STATEMENTS

22. DERIVATIVE FINANCIAL INSTRUMENTS

Generally speaking, the financial derivatives contracted by the FCC Group are treated, from an accounting perspective, as provided for in the rules governing accounting hedges, as explained in Note 3.o) herein.

The main financial risk hedged by the FCC Group using derivatives is the variation in floating interest rates to which group companies' finance is referenced.

At 31 December 2010, the FCC Group had arranged interest rate hedging transactions totalling EUR 6,228,826 thousand (31 December 2009: EUR 5,109,729 thousand), mainly in the form of IRSs in which the Group companies pay fixed interest rates and receive floating interest rates.

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

	Type of derivative	Type hedge	% hedged	Notional 31.12.09	Notional 31.12.10	Value at 31.12.09	Value at 31.12.10	Maturity
Fully consolidated companies								
Fomento de Construcciones y Contratas, S.A.	IRS	FE	100%	162,842	148,023	(13,102)	(12,710)	30/12/2013
	IRS	FE	2%	15,385	13,539	(943)	(786)	30/12/2013
	IRS	FE	20%	128,849	113,389	(8,629)	(7,093)	30/12/2013
	IRS	FE	31%	196,159	172,622	(13,645)	(11,155)	30/12/2013
	IRS	FE	17%	109,618	96,465	(7,285)	(5,996)	30/12/2013
	Basis Swap	FE		20,011	—	(13)	—	30/06/2010
	Basis Swap	FE		100,000	—	(65)	—	30/06/2010
	Basis Swap	FE		100,000	—	(62)	—	30/06/2010
	Basis Swap	FE		100,000	—	(63)	—	30/06/2010
	Basis Swap	FE		130,000	—	(84)	—	30/06/2010
	Basis Swap	FE		—	105,000	—	11	30/06/2011
	Basis Swap	FE		—	245,000	—	43	30/06/2011
	Basis Swap	FE		—	26,998	—	1	30/06/2011
	Basis Swap	FE		—	46,016	—	8	30/06/2011
	Basis Swap	FE		—	—	—	—	
Azincourt Investment, S.L.	IRS	FE	15%	100,606	99,630	(8,849)	(9,291)	31/12/2013
	IRS	FE	15%	100,606	99,630	(8,849)	(9,291)	31/12/2013
	IRS	FE	15%	100,606	99,630	(8,849)	(9,291)	31/12/2013
	IRS	FE	14%	88,298	87,441	(7,766)	(8,154)	31/12/2013
Severomoravské Vodovody a Kanalizace Ostrava A.S. (SmVaK)	IRS	VR	25%	18,900	—	589	—	16/11/2015
WRG –RE3	IRS	FE	82%	36,684	36,748	(2,620)	(2,628)	30/09/2029
Kent	IRS	FE	37%	52,823	52,797	(5,370)	(7,497)	31/03/2027
	IRS	FE	16%	22,638	22,627	(2,302)	(3,213)	31/03/2027
	IRS	FE	27%	37,731	38,760	(3,836)	(5,355)	31/03/2027

CONSOLIDATED FINANCIAL STATEMENTS

	Type of derivative	Type hedge	% hedged	Notional 31.12.09	Notional 31.12.10	Value at 31.12.09	Value at 31.12.10	Maturity
Fully consolidated companies								
WRG - WREXHAM	IRS	FE	100%	27,239	27,657	(3,007)	(6,128)	30/09/2032
Depurplan 11, S.A.	IRS	FE	65%	8,735	8,280	(873)	(901)	01/12/2025
Ecodeal-Gestao Integral de Residuos Industriais, S.A.	IRS	FE	80%	12,640	11,337	(849)	(769)	15/12/2017
Autovía Conquense, S.A.	IRS	FE	100%	56,000	43,246	(4,458)	(4,447)	30/06/2024
	IRS	FE	100%	28,000	21,623	(2,229)	(2,224)	28/06/2024
Olivento	Basis Swap	FE	7%	33,774	32,081	(451)	(945)	31/12/2024
	Basis Swap	FE	9%	41,691	39,600	(556)	(1,167)	31/12/2024
	Basis Swap	FE	16%	72,941	69,283	(984)	(2,048)	31/12/2024
	Basis Swap	FE	6%	29,025	27,569	(392)	(815)	31/12/2024
	IRS	FE	7%	33,774	32,081	(456)	(948)	31/12/2024
	CAP	FE	9%	39,166	37,202	(528)	(1,100)	31/12/2024
	IRS	FE	6%	27,160	25,798	(362)	(760)	31/12/2024
	IRS	FE	7%	33,774	32,081	(456)	(948)	31/12/2024
	IRS	FE	9%	39,166	37,202	(523)	(1,096)	31/12/2024
Aqualia Czech, S.L.	Forward IRS	FE	17%	—	13,036	—	(869)	15/05/2015
	Forward IRS	FE	12%	—	8,691	—	(205)	15/05/2015
	Forward IRS	FE	11%	—	8,147	—	(192)	15/05/2015
	Forward IRS	FE	7%	—	5,432	—	(128)	15/05/2015
	Forward IRS	FE	3%	—	2,067	—	(3)	15/05/2015
Torre Picasso	IRS	FE	89%	—	200,000		(5,218)	18/12/2024
ALPINE	Currency forward	FE		2,318	—	(857)	—	18/01/2010
	Currency forward	FE		2,014	—	(923)	—	13/01/2010
	Currency forward	FE		5,431	—	(1,238)	—	04/01/2010
	Currency forward	FE		8,473	—	(1,507)	—	18/01/2010
	Currency forward	FE		12,083	—	(1,525)	—	19/01/2010
	Currency forward	FE		—	1,664	—	(11)	31/03/2011
	IRS	FE	43%	—	85,714	—	1,834	31/10/2014
Helios Patrimonial 1, S.L. y Helios Patrimonial 2, S.L.	IRS	FE	13%	—	14,900	—	495	22/12/2023
	IRS	FE	13%	—	14,900	—	526	22/12/2023
	IRS	FE	27%	—	29,832	—	1,022	22/12/2023
	IRS	FE	27%	—	29,832	—	1,053	22/12/2023
Concesionaria Túnel de Coatzcoalcos, S.A. de C.V.	IRS	FE	100%	31,634	42,724	(1,617)	(3,464)	10/06/2014

CONSOLIDATED FINANCIAL STATEMENTS

	Type of derivative	Type hedge	% hedged	Notional 31.12.09	Notional 31.12.10	Value at 31.12.09	Value at 31.12.10	Maturity
Fully consolidated companies								
Cementos Portland Valderrivas, S.A.	IRS	FE	100%	150,000	150,000	(5,601)	(656)	22/02/2011
	IRS	FE	60%	409,855	337,527	(16,696)	(4,084)	15/07/2011
	IRS	FE	14%	16,667	15,000	(238)	(129)	15/07/2012
	IRS	FE	14%	16,667	15,000	(238)	(129)	15/07/2012
	IRS	FE	14%	16,667	15,000	(238)	(129)	15/07/2012
	Basis Swap	FE		50,000	—	(205)	—	15/01/2010
	Basis Swap	FE		150,000	—	(406)	—	25/03/2010
	Basis Swap	FE		409,855	—	(1,676)	—	15/01/2010
	Basis Swap	FE		—	439,636	—	(6)	15/07/2011
	IRS	FE		—	57,109	—	50	15/07/2011
	Basis Swap	FE		—	150,000	—	(124)	22/02/2011
Portland, S.L.	IRS	FE	12%	89,148	84,473	(5,241)	(2,826)	15/07/2012
	IRS	FE	6%	48,003	45,485	(2,849)	(1,535)	15/07/2012
	IRS	FE	12%	89,148	84,473	(5,241)	(2,826)	15/07/2012
	IRS	FE	6%	48,003	45,485	(2,849)	(1,535)	15/07/2012
	IRS	FE	12%	89,148	84,473	(5,241)	(2,826)	15/07/2012
	IRS	FE	6%	48,003	45,485	(2,849)	(1,535)	15/07/2012
	IRS	FE	6%	44,574	42,236	(2,621)	(1,413)	15/07/2012
	IRS	FE	3%	24,002	22,743	(1,424)	(767)	15/07/2012
	IRS	FE	6%	44,574	42,236	(2,621)	(1,413)	15/07/2012
	IRS	FE	3%	24,002	22,743	(1,424)	(767)	15/07/2012
Giant Cement Holding, Inc	IRS	FE	100%	66,609	72,156	(6,713)	(7,793)	22/05/2013
	IRS	FE	26%	36,494	33,886	(2,891)	(2,937)	05/10/2014
	IRS	FE	26%	36,494	33,886	(2,891)	(2,937)	05/10/2014
Cementos Lemona, S.A.	IRS	FE	50%	4,000	2,400	(172)	(60)	01/06/2012
	IRS	FE	50%	4,125	2,475	(184)	(68)	14/06/2012
	IRS	FE	50%	2,063	1,313	(98)	(34)	20/07/2012
Total fully consolidated companies				**4,084,895**	**4,251,514**	**(186,141)**	**(158,332)**	
Companies carried using the equity method								
Tramvia Metropolità, S.A.	IRS	FE	56%	9,115	8,341	(1,824)	(1,649)	31/10/2023
	IRS	FE	24%	3,906	3,575	(781)	(706)	31/10/2023
Tramvia Metropolità del Besós, S.A.	IRS	FE	64%	11,613	10,544	(1,580)	(1,535)	30/06/2023
	IRS	FE	16%	2,903	2,636	(395)	(384)	30/06/2023
Cedinsa Eix del Llobregat, S.A.	IRS	FE	70%	41,451	40,898	(1,135)	(2,002)	01/05/2033

CONSOLIDATED FINANCIAL STATEMENTS

	Type of derivative	Type hedge	% hedged	Notional 31.12.09	Notional 31.12.10	Value at 31.12.09	Value at 31.12.10	Maturity
Companies carried using the equity method								
Urbs Iudex et Causidicus, S.A.	IRS	FE	100%	78,042	75,811	(26,763)	(30,161)	30/12/2033
Cedinsa d'Aro, S.A.	CAP	FE	100%	5,440	—	—	—	04/01/2010
	IRS	FE	100%	8,449	8,351	(719)	(913)	03/01/2033
Nova Bocana Barcelona, S.A.	IRS	FE	17%	5,523	5,491	(545)	(621)	30/06/2025
	IRS	FE	33%	11,047	10,983	(1,088)	(1,240)	30/06/2025
Suministro de Aguas de Querétano, S.A. de C.A.	CAP	FE	100%	26,337	30,066	18	—	20/01/2011
Betearte, S.A.U.	IRS	FE	33%	1,923	1,826	(242)	(173)	06/02/2018
Nihg South West Health Partnership Limited	IRS	FE	33%	—	28,443	—	(1,947)	19/05/2039
	IRS	FE	33%	—	28,443	—	(1,947)	19/05/2039
	IRS	FE	33%	—	28,443	—	(1,947)	19/05/2039
	CAP	FE	18%	—	20,571	—	—	31/03/2014
	CAP	FE	18%	—	20,571	—	—	31/03/2014
	Swap de Inflación	FE	50%	—	866	—	(2,781)	31/03/2039
	Swap de Inflación	FE	50%	—	866	—	(2,781)	31/03/2039
Cedinsa Ter Concessionaria de la Generalitat, S.A:	IRS	FE	32%	—	22,613	—	(658)	31/12/2014
	IRS	FE	7%	—	4,947	—	(144)	31/12/2014
	IRS	FE	14%	—	9,611	—	(280)	31/12/2014
	IRS	FE	7%	—	4,947	—	(144)	31/12/2014
	IRS	FE	14%	—	9,921	—	(289)	31/12/2014
Concessió Estacions Aeroport L9	IRS	FE	9%	—	42,475	—	(75)	23/09/2012
	IRS	FE	3%	—	13,521	—	(24)	23/09/2012
	IRS	FE	3%	—	14,674	—	(26)	23/09/2012
	IRS	FE	3%	—	13,746	—	(24)	23/09/2012
	IRS	FE	3%	—	5,757	—	(10)	23/09/2012
	IRS	FE	3%	—	5,757	—	(6)	23/09/2012
	IRS	FE	36%	—	169,899	—	1,140	23/12/2033
	IRS	FE	12%	—	54,083	—	363	23/12/2033
	IRS	FE	13%	—	58,696	—	394	23/12/2033
	IRS	FE	12%	—	54,983	—	369	23/12/2033
	IRS	FE	12%	—	23,028	—	154	23/12/2033
	IRS	FE	13%	—	23,028	—	96	23/12/2033

CONSOLIDATED FINANCIAL STATEMENTS

	Type of derivative	Type hedge	% hedged	Notional 31.12.09	Notional 31.12.10	Value at 31.12.09	Value at 31.12.10	Maturity
Companies carried using the equity method								
Sociedad Concesionaria Tranvía de Murcia, S.A.	IRS	FE	34%	—	19,856	—	(4)	31/03/2011
	IRS	FE	25%	—	14,894	—	(3)	31/03/2011
	IRS	FE	42%	—	24,825	—	(5)	31/03/2011
Concesionaria Atención Primaria, S.A.	IRS	FE	75%	—	3,767	—	(7)	20/12/2018
Atlántica de Graneles y Moliendas, S.A.	IRS	FE	100%	656	219	(10)	(2)	02/06/2011
	IRS	FE	100%	656	219	(10)	(2)	02/06/2011
	IRS	FE	100%	656	219	(10)	(2)	02/06/2011
	IRS	FE	100%	656	219	(10)	(2)	02/06/2011
Realia Patrimonio, S.L.U.	IRS	FE		8,096	8,064	(728)	(734)	30/06/2014
	IRS	FE		8,096	8,064	(724)	(732)	30/06/2014
	IRS	FE		16,193	16,128	(1,372)	(1,403)	30/06/2014
	IRS	FE		16,193	16,128	(1,490)	(1,495)	30/06/2014
	IRS	FE		16,193	16,128	(1,490)	(1,495)	30/06/2014
	IRS	FE		16,193	16,128	(1,449)	(1,463)	30/06/2014
	IRS	FE		8,096	8,064	(745)	(748)	30/06/2014
	IRS	FE		8,096	8,064	(728)	(734)	30/06/2014
	IRS	FE		16,193	16,128	(1,372)	(1,403)	30/06/2014
	IRS	FE		16,193	16,128	(1,490)	(1,495)	30/06/2014
	IRS	FE		16,193	16,128	(1,490)	(1,495)	30/06/2014
	IRS	FE		16,193	16,128	(1,449)	(1,463)	30/06/2014
	IRS	FE		8,096	8,064	(745)	(748)	30/06/2014
	IRS	FE		8,096	8,064	(728)	(734)	30/06/2014
	IRS	FE		8,096	8,064	(728)	(734)	30/06/2014
	IRS	FE		8,096	8,064	(724)	(732)	30/06/2014
Societe d'Investissements Inmobiliers Cotee de Paris	IRS	FE		8,026	7,798	(721)	(718)	30/06/2014
	IRS	FE		8,026	7,798	(705)	(705)	30/06/2014
	IRS	FE		16,052	15,595	(1,442)	(1,436)	30/06/2014
	IRS	FE		16,052	15,595	(1,329)	(1,348)	30/06/2014
	IRS	FE		16,052	15,595	(1,329)	(1,348)	30/06/2014
	IRS	FE		16,052	15,595	(1,442)	(1,436)	30/06/2014
	IRS	FE		8,026	7,798	(721)	(718)	30/06/2014
	IRS	FE		8,026	7,798	(705)	(705)	30/06/2014
Hermanos Revilla, S.A.	IRS	FE		1,114	1,761	(41)	(41)	16/01/2012
Ruta de los Pantanos, S.A.	IRS	FE		12,163	17,137	(1,521)	(2,267)	02/01/2018

CONSOLIDATED FINANCIAL STATEMENTS

	Type of derivative	Type hedge	% hedged	Notional 31.12.09	Notional 31.12.10	Value at 31.12.09	Value at 31.12.10	Maturity
Companies carried using the equity method								
Autopista Central Gallega - Concesionaria Española, S.A. Unipersonal	IRS	FE		25,899	42,187	(2,176)	(3,203)	31/07/2013
	IRS	FE		15,539	25,312	(1,306)	(1,922)	31/07/2013
Phunciona Gestión Hospitalaria, S.A. (Hospital del Sureste, S.A.)	IRS	FE		9,910	14,225	(181)	(597)	31/12/2032
	IRS	FE		—	13,738	—	(299)	31/12/2032
Túnel d'Envalira, S.A. Concesionaria del Principat d'Andorra	COLLAR	FE		7,134	8,865	(451)	(637)	20/07/2022
Tranvía de Parla, S.A.	IRS	FE		20,654	26,010	(1,869)	(2,739)	30/12/2022
Concesiones de Madrid, S.A.	IRS	FE		34,450	33,555	(2,109)	(1,976)	15/12/2013
Terminal Polivalente de Castellón, S.A.	IRS	FE		5,196	6,537	(489)	(676)	15/01/2018
	IRS	FE		2,598	3,268	(244)	(338)	15/01/2018
Autovía del Camino, S.A.	SWAP INFLACIÓN	FE		3,316	5,487	5,206	9,131	15/12/2027
	IRS	FE		27,863	27,838	(4,475)	(5,076)	15/12/2027
	IRS	FE		17,155	17,118	(2,604)	(2,863)	15/12/2024
	IRS	FE		1,139	17,003	(86)	(186)	16/12/2030
Autopista de la Costa Cálida Concesionaria Española de Autopistas, S.A.	IRS	FE		20,109	20,109	(992)	(889)	15/12/2012
	IRS	FE		20,109	20,109	(992)	(889)	15/12/2012
Madrid 407 Sociedad Concesionaria, S.A.	IRS	FE		11,592	11,589	(1,365)	(1,700)	10/07/2033
Ibisan, S.A.	IRS	FE		14,302	28,136	(601)	(1,782)	30/12/2027
N6 (Concession) Limited	IRS	FE		5,964	6,405	(342)	(249)	30/06/2013
	IRS	FE		4,297	4,257	(326)	(364)	30/06/2034
	IRS	FE		371	373	(29)	(33)	30/06/2034
	IRS	FE		1,763	—	(27)	—	04/01/2010
	IRS	FE		1,323	—	(20)	—	04/01/2010
	IRS	FE		4,474	4,805	(254)	(195)	28/06/2013
	IRS	FE		3,223	3,193	(233)	(270)	30/06/2034
	IRS	FE		278	280	(21)	(24)	30/06/2034
	IRS	FE		1,764	—	(24)	—	04/01/2010
	IRS	FE		5,966	6,407	(338)	(261)	28/06/2013
	IRS	FE		4,298	4,258	(310)	(359)	30/06/2034
	IRS	FE		378	373	(27)	(31)	30/06/2034
	IRS	FE		1,764	—	(27)	—	04/01/2010
	IRS	FE		5,966	6,407	(338)	(247)	28/06/2013
	IRS	FE		4,298	4,258	(310)	(350)	30/06/2034
	IRS	FE		378	373	(28)	(31)	30/06/2034

CONSOLIDATED FINANCIAL STATEMENTS

	Type of derivative	Type hedge	% hedged	Notional 31.12.09	Notional 31.12.10	Value at 31.12.09	Value at 31.12.10	Maturity
Companies carried using the equity method								
Portsur Castellón, S.A.	IRS	FE	100%	4,466	4,466	(461)	(538)	31/10/2031
M50 (Concession) Limited	IRS	FE		5,110	6,109	(900)	(1,135)	28/03/2040
	IRS	FE		5,110	6,109	(962)	(1,196)	28/03/2040
	IRS	FE		5,110	6,109	(961)	(1,195)	28/03/2040
	IRS	FE		5,110	6,109	(961)	(1,195)	28/03/2040
	IRS	FE		1,469		(43)		27/10/2010
M50 (Concession) Limited	IRS	FE		1,469		(43)		27/10/2010
	IRS	FE		1,469		(43)		27/10/2010
	IRS	FE		1,469		(43)		27/10/2010
Autopistas del Sol, S.A.	IRS	FE		30,778	33,734	(2,691)	(4,865)	30/11/2023
Concesionaria Hospital Son Dureta, S.A.	IRS	FE		11,038	16,108	(2,321)	(2,399)	25/07/2029
	IRS	FE		11,038	16,108	(2,304)	(2,392)	25/07/2029
Autovía Necaxa - Tihuatlan, S.A. de C.V.	IRS	FE		14,500	28,907	(786)	(4,688)	06/12/2027
	IRS	FE		14,074	28,454	(763)	(4,550)	06/12/2027
	IRS	FE		14,074	28,057	(763)	(4,550)	06/12/2027
Scutvias-Autoestradas da Beira Interior, S.A.	IRS	FE		13,221	12,140	(2,750)	(1,934)	04/10/2018
	IRS	FE		8,264	7,587	(1,718)	(1,208)	04/10/2018
	IRS	FE		8,264	7,587	(1,718)	(1,208)	04/10/2018
	IRS	FE		3,305	3,035	(689)	(486)	04/10/2018
Aeropuerto de Castellón	IRS	FE		5,712	5,605	(442)	(498)	30/09/2019
Auto-Estradas XXI – Subconcessionaria Transmontana, S.A.	IRS	FE		6,646	23,769	(693)	(1,528)	31/12/2029
	IRS	FE		2,420	8,665	(252)	(556)	31/12/2029
	IRS	FE		4,289	15,340	(447)	(986)	31/12/2029
	IRS	FE		6,646	23,769	(693)	(1,528)	31/12/2029
	IRS	FE		6,646	23,769	(693)	(1,528)	31/12/2029
	IRS	FE		6,320	22,601	(659)	(1,452)	31/12/2029
	IRS	FE		3,600	12,875	(375)	(827)	31/12/2029
CIRALSA Sociedad Anónima Concesionaria del Estado	IRS	FE		7,083	7,083	(132)	(331)	30/12/2024
	IRS	FE		7,083	7,083	(132)	(331)	30/12/2024
	IRS	FE		7,083	7,083	(133)	(333)	30/12/2024
Compañía Concesionaria del Túnel de Sóller, S.A.	IRS	FE		3,112	5,173	(66)	(167)	30/06/2018
	IRS	FE		3,112	5,173	(67)	(168)	30/06/2018
Metro Barajas Sociedad Concesionaria, S.A.	IRS	FE		—	7,595	—	(93)	24/06/2024
Total equity method				**1,024,834**	**1,977,312**	**(105,594)**	**(141,228)**	

CONSOLIDATED FINANCIAL STATEMENTS

The detail, by maturity, of the notional amount of the hedging transactions arranged at 31 December 2010 is as follows:

	Notional maturity				
	2011	2012	2013	2014	2015 and thereafter
Fully consolidated companies	1,762,226	697,808	883,182	188,911	719,387
Companies carried using the equity method	124,439	220,971	171,692	383,116	1,077,094

The following table shows the financial derivatives contracted for hedging purposes by the company but which are not considered hedges for accounting purposes:

	Type of derivative	Type hedge	% hedged	Notional 31.12.09	Notional at 31.12.10	Value at 31.12.09	Value at 31.12.10	Maturity
Fully consolidated companies								
.A.S.A. Abfall Service Zistersdorf GmbH	COLLAR	ESP		50,667	70,667	(5,726)	(6,426)	28/03/2024
Total fully consolidated companies				**50,667**	**70,667**	**(5,726)**	**(6,426)**	
Companies carried using the equity method								
Zabalgarbi, S.A.	COLLAR	ESP		3,000	—	(58)	—	26/01/2010
	BARRIER SWAP	ESP		4,500	3,000	(342)	(263)	26/01/2014
	COLLAR	ESP		3,000	—	(86)	—	26/01/2010
	BARRIER SWAP	ESP		4,500	4,500	(562)	(428)	27/01/2014
	BARRIER SWAP	ESP		3,000	—	(50)	—	26/01/2010
	BARRIER SWAP	ESP		3,000	—	(48)	—	26/01/2010
Suministro de Aguas de Querétano, S.A. de C.V.	CAP	ESP		—	473	—	—	20/01/2011
Nihg South West Health Partnership Limited	CAP	ESP		—	20,571	—	55	31/03/2014
	CAP	ESP		—	20,571	—	56	31/03/2014
Total equity method				**21,000**	**49,115**	**(1,146)**	**(580)**	

CONSOLIDATED FINANCIAL STATEMENTS

The detail, by maturity, of the notional amount covered by the derivatives that do not meet the requirements to be considered hedging instruments:

	Notional maturity				
	2011	2012	2013	2014	2015 y siguientes
Fully consolidated companies	3,556	3,556	3,556	3,556	56,443
Companies carried using the equity method	473	—	—	48,642	—

The following table refers to the fair value of the PUT treasury stock sale instruments associated with the stock option plan for officers and directors mentioned in Note 18:

Type of derivative	Classification	Amount contracted	Maturity	Fair value 2009		Fair value 2010	
				Assets	Liabilities	Assets	Liabilities
First tranche							
CALL	Hedge	61.596	30/09/2013	6,983	—	1,065	—
PUT	Speculative	61.596	30/09/2013	—	21,989	—	37,910
Swap	Speculative	61.596	30/09/2013	5,625	—	4,336	—
				12,608	**21,989**	**5,401**	**37,910**
Second tranche							
CALL	Hedge	37.065	10/02/2014	9,939	—	2,505	—
PUT	Speculative	37.065	10/02/2014	—	10,018	—	18,489
Swap	Speculative	37.065	10/02/2014	6,533	—	5,014	—
				16,472	**10,018**	**7,519**	**18,489**

23. TAXES

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

Under authorisation 18/89, the FCC Group files consolidated income tax returns with all the other Group companies that meet the requirements established by tax legislation.

Fomento de Construcciones y Contratas, S.A., the subsidiaries composing the FCC Group and the joint ventures have all the years not yet statute-barred open for review by the tax authorities for the taxes applicable to them. The criteria that the tax authorities might adopt in relation to the years open for review could give rise to contingent tax liabilities which cannot be objectively quantified. In relation to the years which have been reviewed, in certain cases the criteria applied by the tax authorities gave rise to tax assessments, which are currently being appealed against by the related Group companies. However, the Parent's directors consider that the resulting liabilities, relating both to the years open for review and to the assessments issued, will not significantly affect the Group's equity.

CONSOLIDATED FINANCIAL STATEMENTS

a) Deferred tax assets and liabilities

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

The negative taxable income of the subsidiaries were generally offset by deducting from the income tax the investment valuation allowances recognised by the Group companies owning the holding, or by deducting these losses from the consolidated tax base in the case of subsidiaries that file consolidated tax returns. However, certain companies recognised deferred tax assets relating to tax losses amounting to EUR 51,817 thousand, since they considered that there are no doubts as to their recoverability (31 December 2009: EUR 36,628 thousand).

Deferred tax liabilities arose mainly as a result of:

- The differences between the tax base and the carrying amount resulting from the recognition of assets at fair value in connection with the corporate acquisitions in the FCC Group's various business segments, as indicated in Note 3.b) and 4. In general, these liabilities do not represent future cash outflows since they reverse at the same rate as that of the depreciation taken on the revalued assets.
- The amortisation for tax purposes of leased assets and of certain items of property, plant and equipment qualifying for accelerated amortisation for tax purpose and the release of amortisation in 2009 which made it possible to completely amortise certain investments as long as certain requirements were met.
- Profits earned by joint ventures that are included in the next year's taxable base for corporate income tax and,
- The tax deductibility of the goodwill arising on the acquisition of non-resident companies before 2008 up to a limit of one-twentieth of the total since, in accordance with IFRS 3 "Business Combinations", goodwill is not amortisable for accounting purposes.

In 2010, "Retained Earnings and Other Reserves" includes a decrease of EUR 14,437 thousand (decrease of EUR 16,118 thousand at 31 December 2009) arising from the tax effect of translation differences and the adjustment of the fair value of financial instruments, with a balancing entry in the related deferred taxes.

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

	2011	2012	2013	2014	2015 and thereafter	Total
Assets	44,615	61,054	17,055	15,492	460,381	598,597
Liabilities	119,101	26,149	22,160	20,329	968,304	1,156,043

b) Taxes

The detail at 31 December 2010 and 2009 of the current assets and liabilities included under "Tax Receivables" and "Tax Payables", respectively, is as follows:

Current assets

	2010	2009
VAT refundable (Note 15)	175,878	159,300
Current-year tax	38,334	57,833
Other tax items (Note 15)	61,049	59,559
	275,261	**276,692**

Current liabilities

	2010	2009
VAT refundable (Note 21)	255,560	259,482
Current-year tax	107,507	19,316
Other tax items (Note 21)	302,880	314,220
	665,947	**593,018**

c) Income tax expense

The income tax expense incurred in 2010 amounts to EUR 80,048 thousand (2009: EUR 115,229 thousand), as shown in the accompanying consolidated income statement. Following is the reconciliation of the expense to the tax charge payable:

	2010			2009		
Consolidated profit for the year before tax			393,631			439,045
	Increases	Decreases		Increases	Decreases	
Consolidation adjustments and eliminations	—	(7,578)	(7,578)	6,227	—	6,227
Permanent differences	42,960	(29,795)	13,165	35,644	(45,382)	(9,738)
Adjusted consolidated Carrying profit (loss)			**399,218**			**435,534**
Permanent differences: impact en reserves (*)			3,291			(773)
Temporary differences						
- Arising during the year	230,111	(226,819)	3,292	251,713	(463,161)	(211,448)
- Arising in prior years	360,216	(183,258)	176,958	182,480	(149,663)	32,817
Consolidated taxable base (tax result)			**582,759**			**256,130**

(*) Deductible income and expenses allocated in accordance with the accounting rules are carried directly to reserves.

	2010	2009
Adjusted consolidated carrying profit	399,218	435,534
Corporate tax	113,479	137,200
Deductions and credits	(35,116)	(22,453)
Tax rate adjustment	(50)	—
Other adjustments	1,735	482
Corporate tax expense	**80,048**	**115,229**

CONSOLIDATED FINANCIAL STATEMENTS

24. PENSION PLANS AND SIMILAR OBLIGATIONS

Generally speaking, the Spanish member companies of the Group doe not have pension plans other than those provided by Social Security. However, in accordance with the amended deed of the Pension Plans and Pension Funds, in those instances where such obligations do exist, the company has outsourced its pension plans and similar obligations to personnel.

The parent company, with authorisation from the Executive Committee, an insurance policy was arranged and paid to cover the payment of benefits relating to death, permanent occupational disability, retirement bonuses and pensions and other situations for, among other employees, certain executive directors and executives. In particular, the contingencies giving rise to indemnity are those that entail the extinction of the employment relationship for any of the following reasons:

a) Unilateral decision of the Company.

b) Dissolution or disappearance of the Parent for whatever cause, including merger or spin-off.

c) Death or permanent disability.

d) Other causes of physical or legal incapacity.

e) Substantial change in professional terms and conditions

f) Ceasing of the executive on reaching 60 years of age, at the request of the executive and with the consent of the Company.

g) Ceasing of the executive on reaching 65 years of age, by unilateral decision of the executive.

On the enclosed consolidated income statement for 2010, there are no premium insurance payments or refunds of excess insurance premiums paid. In 2009, there were premium refunds totalling EUR 6,418 thousand. At 31 December 2010, the fair value of the premiums paid covered all actuarial obligations assumed. No insurance benefits of this kind were paid in fiscal year 2010 (EUR 5,942 thousand at 31 December 2009).

Regarding the liabilities assumed by the Spanish member companies of the Group in respect of certain former senior staff wages, the liability side of the accompanying consolidated balance sheet for 2010 includes the present value, totalling EUR 3,029 thousand (2009: EUR 3,082 thousand). Also, remuneration amounting to EUR 221 thousand in both 2010 and 2009 was paid with a charge to this provision.

Certain of the Group's foreign subsidiaries have undertaken to supplement the retirement benefits and other similar obligations accruing to their employees. The accrued obligations and any assets assigned thereto were measured by independent actuaries using generally accepted actuarial methods and techniques. Where appropriate, the obligations were recognised in the accompanying consolidated balance sheet under "Non-Current Provisions - Pensions and Similar Obligations", as established by IFRSs (see Note 19).

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

- The cement company Giant Cement Holding Inc., resident in the USA, is obliged to supplement its employees' retirement pension benefits. The valuation of the plan assets and the accrued obligations was performed by independent actuaries. The projected unit credit method was used for this purpose, with an average actuarial discount rate of 5.20% (2009: 5.70%). At 31 December 2010, the fair value of the plan assets amounted to USD 40,279 thousand (2009: USD 36,987 thousand), and the actuarial value of the accrued obligations amounted to USD 52,424 thousand (2009: EUR 45,227 thousand).

  Also, Giant Cement Holding, Inc. has undertaken to continue to provide health care and life insurance for certain employees after termination of their employment, the cost of which was EUR 35,826 thousand (EUR 29,067 thousand in 2009).

  At 31 December 2010, the actuarial deficit for pension and healthcare insurance obligations to employees amounted to EUR 23,559 thousand (2009: EUR 17,261 thousand), which are not provided for in the consolidated financial statements of the Group since, as permitted under IAS 19 "Employee Benefits", the Group opted to defer recognition of actuarial gains and losses, which are being systematically recognised in the income statement over the remaining years of the employees' working life in the case of pension benefit obligations, and over the remaining life expectancy of the employees in the case of healthcare insurance obligations. The net difference, representing a liability of EUR 24,412 thousand (31 December 2009: EUR 20,046 thousand), was recognised under "Provisions for Pensions and Similar Obligations" in the accompanying consolidated balance sheet.

CONSOLIDATED FINANCIAL STATEMENTS

- The accompanying consolidated balance sheet at 31 December 2010 includes the employee benefit obligations of the Waste Recycling Group companies, resident in the UK. These obligations are represented by certain assets assigned to the plans funding the benefits, the fair value of which amounted to EUR 35,888 thousand (31 December 2009: EUR 31,661 thousand), and the actuarial value of the accrued obligations amounted to EUR 40,927 thousand (31 December 2009: EUR 36,195 thousand). The net difference, representing a liability of EUR 5,039 thousand (31 December 2009: EUR 4,534 thousand), was recognised under non-current provisions on the accompanying consolidated balance sheet. The caption titled "Staff charges" on the enclosed consolidated income statement includes a cost of EUR 713 thousand (31 December 2009: EUR 876 thousand) relating to the net difference between the service cost and the return on the plan assets. The average actuarial rate applied was 5.4%. (5.7% en 2009).
- At 31 December 2010, the Alpine Bau Group companies contributed EUR 59,444 thousand (31 December 2009: EUR 56,952 thousand) relating to the actuarial value of their accrued pension and termination benefit obligations. The amount of these obligations is recognised under "Provisions for Pensions and Similar Obligations" in the accompanying consolidated balance sheet. A cost of EUR 4,836 thousand is included in the accompanying consolidated income statement in respect of the aforementioned items (31 December 2009: EUR 7,154 thousand)
- Lastly, Flightcare Italia, SpA also contributed EUR 11,237 thousand to "Provisions for long-term employee benefits" in the accompanying consolidated balance sheet at 31 December 2010 (31 December 2009: EUR 12,170 thousand). This amount relates to the actuarial value of the accrued obligations, to which no assets have been assigned. The caption titled "Staff costs" on the enclosed consolidated income statement includes a cost of EUR 532 thousand (31 December 2009: EUR 1,370 thousand) relating to the net difference between the service cost and the discounted present value. The average actuarial rate applied was 0.96% in both years.

The details of the changes in the year in the obligations and assets associated with the pension plan are as follows:

Year 2010

Actual evolution of the present value of the obligation

	Giant	Waste Recycling Group	Alpine	Flightcare
Opening balance of obligations	**74,294**	**36,195**	**71,034**	**11,796**
Current service cost	1,426	678	4,934	—
Borrowing costs	4,520	2,108	2,553	108
Contributions by participants	—	50	—	424
Actuarial gains/losses	6,519	2,207	2,597	137
Changes due to exchange rate	6,382	1,151	3,781	—
Benefits paid in 2009	(4,891)	(1,496)	(7,247)	(1,465)
Past service costs	—	34	—	—
Business contingencies	—	—	2,041	—
Closing balance of obligations	**88,250**	**40,927**	**79,693**	**11,000**

Actual evolution of the fair value of plan assets

	Giant	Waste Recycling Group	Alpine	Flightcare
Opening balance of plan assets	**36,987**	**31,661**	**12,895**	**—**
Expected return on assets	3,676	2,128	324	—
Actuarial gains/losses	—	1,922	254	—
Changes due to exchange rate	2,888	1,006	2,216	—
Employer contributions	78	617	2,733	—
Participant contributions	—	50	—	—
Benefits paid	(3,350)	(1,496)	(1,609)	—
Closing balance of plan assets	**40,279**	**35,888**	**16,813**	**—**

CONSOLIDATED FINANCIAL STATEMENTS

Conciliation of the actual evolution of the obligation, less the plan assets with the balance effectively recognised on the balance sheet

	Giant	Waste Recycling Group	Alpine	Flightcare
Net balance of obligations less plan assets at year-end	**47,971**	**5,039**	**62,880**	**11,000**
Actuarial gains/losses not recognised on balance sheet within 10% margin	—	—	(3,436)	237
Actuarial gains/losses not recognised on balance sheet to be recognised in later years	(23,559)	—	—	—
Unrecognised past-services cost balance (paragraph 58.b, IAS 19)	—	—	—	—
Net balance (asset-liability) recognised at year-end	**24,412**	**5,039**	**59,444**	**11,237**

Year 2009

Actual evolution of the present value of the obligation

	Giant	Waste Recycling Group	Alpine	Flightcare
Opening balance of obligations	**72,295**	**25,615**	**66,602**	**11,748**
Current service cost	2,359	594	7,172	—
Interests cost	2,613	1,707	2,491	482
Contributions by participants	—	193	—	888
Actuarial gains/losses	3,580	5,945	424	317
Changes due to exchange rate	(2,439)	2,754	—	—
Benefits paid	(4,114)	(897)	(7,744)	(1,639)
Past service costs	—	284	2,089	—
Closing balance of obligations	**74,294**	**36,195**	**71,034**	**11,796**

Actual evolution of the fair value of plan assets

	Giant	Waste Recycling Group	Alpine	Flightcare
Opening balance of plan assets	**35,534**	**23,672**	**11,952**	**—**
Expected return on assets	5,639	1,577	382	—
Actuarial gains/losses	—	3,131	—	—
Changes due to exchange rate	(1,201)	2,613	350	—
Employer contributions	—	1,373	2,126	—
Participant contributions	—	192	—	—
Benefits paid	(2,985)	(897)	(1,915)	—
Closing balance of plan assets	**36,987**	**31,661**	**12,895**	**—**

Reconciliation of the actual evolution of the obligation, less the plan assets with the balance effectively recognised on the balance sheet

	Giant	Waste Recycling Group	Alpine	Flightcare
Net balance of obligations less plan assets at year-end	**37,307**	**4,534**	**56,153**	**11,796**
Actuarial gains/losses not recognised on balance sheet within 10% margin	—	—	822	374
Actuarial gains/losses not recognised on balance sheet to be recognised in later years	(17,261)	—	—	—
Unrecognised past-services cost balance (paragraph 58.b, IAS 19)	—	—	(23)	—
Net balance (asset-liability) recognised at year-end	**20,046**	**4,534**	**56,952**	**12,170**

25. THIRD PARTY GUARANTEES AND OTHER CONTINGENT LIABILITIES

At 31 December 2010, the Group had provided EUR 5,200,345 thousand of guarantees to third parties, provided to government agencies and private-sector customers as security for the performance of construction projects and urban cleaning contracts (31 December 2009: EUR 5,927,309 thousand).

Fomento de Construcciones y Contratas, S.A. and the Group's subsidiaries are acting as defendants in certain lawsuits in relation to the liability inherent to the various business activities carried on by the Group in the performance of the contracts awarded, for which the related provisions have been recognised (see Note 19). The lawsuits, although numerous, represent scantily material amounts when considered individually. Accordingly, on the basis of past experience and the existing provisions, the resulting liabilities would not have a significant effect on the Group's equity.

In relation to the Group companies' interests in businesses managed jointly through joint ventures, joint property entities, joint accounts and other entities of a similar legal nature, the venturers share joint and several liability with respect to the activity carried on (see Note 12).

26. INCOME AND EXPENSE

a) Operating revenues

The Group classifies operating income under "Revenue", except for that arising from work on non-current assets, operating grants, income from the sale of real estate assets and the expenses chargeable to tenants which are recorded as "Other Operating Income" on the enclosed consolidated income statement.

Note 27, "Segment Reporting", shows the contribution of the business lines to consolidated revenue.

The details of other operating income in 2010 and 2009 are as follows:

	2010	2009
Income from sundry services	193,477	205,726
CO_2 emission rights	62,784	35,278
Insurance indemnities	17,109	19,922
Operating grants	22,575	21,591
Other income	17,433	21,827
Excess provisions	24,577	53,183
	337,955	**357,527**

b) Supplies

The details of the balance under "Supplies" at 31 December 2010 and 2009 were as follows:

	2010	2009
Work performed by subcontractors and other companies	3,436,909	3,941,190
Purchases and procurements	2,186,770	2,181,971
Other external expenses	132	2,961
	5,623,811	**6,126,122**

c) Staff costs

The details of saff costs in 2010 and 2009 is as follows:

	2010	2009
Wages and salaries	2,590,904	2,584,745
Social Security	642,805	648,387
Other staff costs	67,055	63,390
	3,300,764	**3,296,522**

The balance under "Staff costs" at 31 December 2010 included EUR 2,323 thousand (EUR 1,824 thousand at 31 December 2009) relative to the Stock Option Plan (Note 18).

CONSOLIDATED FINANCIAL STATEMENTS

The average number of employees working for the Group, by professional category, in 2010 and 2009 was as follows:

	2010	2009
Managers and university graduates	4,255	4,410
Other qualified line personnel	7,679	7,367
Clerical and similar staff	10,246	10,403
Other salaried employees	70,113	71,486
	92,293	**93,666**

The average number of employees at the Group, by gender, in 2010 and 2009 was as follows:

	2010	2009
Men	72,656	73,834
Women	19,637	19,832
	92,293	**93,666**

d) Impairment and results on fixed asset disposals

The composition of the balances under "Impairment and gains or losses on disposals of financial instruments" in 2010 and 2009 was as follows:

	2010	2009
Gain on the sale of ITV (vehicle inspection) business (Note 4.b)	163,385	—
Gain on the disposal of FCC Global Insurance General Services, S.A. (Note 4.b)	—	44,299
Gains(losses) on disposals of Property, Plant and Equipment and intangible assets	6,990	(6,691)
Impairment (Provisions)/reversals	(21,345)	19,199
Other items	(3,679)	4,037
	145,351	**60,844**

Notable under the heading of impairment in 2010 was the impairment of Flightcare Italia S.p.A. goodwill in the amount of EUR 17,000 thousand (Note 6).

e) Financial income and expense

The detail of the finance income in 2010 and 2009, based on the assets giving rise thereto, is as follows:

	2010	2009
Negotiable financial assets	5,730	3,043
Available-for-sale financial assets	3,801	2,878
Held-to-maturity investments	11,060	5,808
Current and non-current loans	17,283	17,373
"Total price payment" works	7,618	8,518
Cash and cash equivalents	14,299	28,576
	59,791	**66,196**

The details of finance costs in 2010 and 2009 are as follows:

	2010	2009
Credit facilities and loans	252,940	229,143
Limited recourse project financing loans	111,957	94,010
Payable under finance leases	4,544	7,882
Payable to third parties	39,029	19,412
Assignment of accounts receivable under "total price payment"	15,877	9,041
Other finance costs	17,738	18,187
	442,085	**377,675**

f) Change in fair value of financial instruments

The most noteworthy change was the loss due a change in the fair value of the non-hedging derivatives swap associated with the Share Option Plan which was EUR 24,286 thousand (gain of EUR 8,322 thousand in 2009) (Note 18).

g) Impairment and results on disposal of financial instruments

Notable under this heading in 2009 was the impairment of the Xfera Móviles, S.A. portfolio in the amount of EUR 18,443 thousand.

h) Results of entities carried under the equity method

The composition of this caption is as follows:

	2010	2009
Results (Note 11)		
Jointly-controlled entities	2,223	(8,194)
Associates	8,111	2,101
Results on disposals	6,505	24,454
	16,839	**18,361**

Notable among the disposals in 2009 was the sum of EUR 17,283 thousand in profits generated by the contribution of the concession business to the Global Vía Infraestructuras Group (Note 4).

27. SEGMENT REPORTING

a) Business segments

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

The "Corporation" column includes the financial activity arising from the Group's centralised cash management, the operation of the Torre Picasso building and the companies that do not belong to any of the aforementioned Group activities.

Income statement by segment

In particular, the information shown in the following tables includes the following items as the segment result for 2010 and 2009:

- All operating income and expenses of the subsidiaries and joint ventures relating to the business carried on by the segment.
- Interest income and expenses arising from segment assets and liabilities, dividends and gains and losses on sales of the financial assets of the segment.
- The stake in the profits (losses) of companies carried by the equity method.
- The income tax expense relating to the transactions performed by each segment.
- The "Corporation" column includes, in addition to the aforementioned items, the eliminations due to financial or other transactions between Group segments.
- The contribution of each area to the equity attributable to the shareholders of Fomento de Construcciones y Contratas, S.A. is shown under "Contribution to FCC Group Profit".

CONSOLIDATED FINANCIAL STATEMENTS

	Total	Services Environment	Services Versia	Construction	Cement	Energy	Corporation
2010							
Turnover	12,114,168	3,672,222	846,347	6,693,575	886,678	86,254	(70,908)
Other income	420,552	81,592	35,733	173,085	96,609	6,871	26,662
Operating expenses	(11,100,168)	(3,096,162)	(743,092)	(6,511,175)	(763,595)	(27,641)	41,497
Fixed asset amortisation	(732,140)	(333,246)	(96,400)	(115,100)	(133,773)	(45,698)	(7,923)
Operating profit	71,313	(895)	150,350	1,215	(18,908)	(49)	(60,400)
Operating results	773,725	323,511	192,938	241,600	67,011	19,737	(71,072)
Percentage of revenue turnover	6.39%	8.81%	22.80%	3.61%	7.56%	22.88%	100.23%
Financial income and expense	(382,294)	(183,864)	(33,149)	(59,355)	(64,915)	(39,895)	(1,116)
Other financial income (losses)	(14,639)	3,688	3,123	6,800	2,227	—	(30,477)
Profit (loss) companies carried by equity	16,839	26,740	3,270	(1,920)	(1,499)	3,936	(13,688)
Before-tax profits (losses) from continuous operations	**393,631**	**170,075**	**166,182**	**187,125**	**2,824**	**(16,222)**	**(116,353)**
Income tax	(80,048)	(32,657)	(31,078)	(31,321)	8,136	5,283	1,589
Consolidated profit of the year	**313,583**	**137,418**	**135,104**	**155,804**	**10,960**	**(10,939)**	**(114,764)**
Minority interests	(12,330)	(2,985)	64	637	(9,757)	55	(344)
Profit/(loss) attributed to parent company	**301,253**	**134,433**	**135,168**	**156,441**	**1,203**	**(10,884)**	**(115,108)**
Contribution to FCC Group profit	**301,253**	**134,433**	**135,168**	**156,441**	**860**	**(10,884)**	**(114,765)**

CONSOLIDATED FINANCIAL STATEMENTS

	Total	Services Environment	Services Versia	Construction	Cement	Energy	Corporation
2009							
Turnover	12,699,629	3,601,697	820,012	7,201,220	1,035,393	81,948	(40,641)
Other income	407,987	111,809	28,986	187,034	66,409	2,898	10,851
Operating expenses	(11,622,703)	(3,103,361)	(750,110)	(6,982,152)	(812,758)	(19,011)	44,689
Fixed asset amortisation	(752,381)	(322,863)	(95,229)	(121,199)	(162,969)	(42,636)	(7,485)
Operating profit	56,980	10,124	2,850	(2,794)	2,494	—	44,306
Operating results	789,512	297,406	6,509	282,109	128,569	23,199	51,720
Percentage of revenue turnover	6.22%	8.26%	0.79%	3.92%	12.42%	28.31%	(127.26%)
Financial income and expense	(311,479)	(155,713)	(37,389)	(37,489)	(73,036)	(29,797)	21,945
Other financial income (losses)	(57,349)	(10,846)	(3,019)	(21,289)	(13,835)	(7)	(8,353)
Profit (loss) companies carried by equity	18,361	17,335	2,168	81,582	12,171	513	(95,408)
Before-tax profits (losses) from continuous operations	**439,045**	**148,182**	**(31,731)**	**304,913**	**53,869**	**(6,092)**	**(30,096)**
Income tax	(115,229)	(31,488)	5,076	(77,673)	(13,984)	2,615	225
Consolidated profit of the year	**323,816**	**116,694**	**(26,655)**	**227,240**	**39,885**	**(3,477)**	**(29,871)**
Minority interests	(27,780)	(2,452)	(24)	(2,414)	(15,843)	(152)	(6,895)
Profit/(loss) attributed to parent company	**296,036**	**114,242**	**(26,679)**	**224,826**	**24,042**	**(3,629)**	**(36,766)**
Contribution to FCC Group profit	**296,036**	**114,242**	**(26,679)**	**224,826**	**17,147**	**(3,629)**	**(29,871)**

CONSOLIDATED FINANCIAL STATEMENTS

Regarding to the tables above anf for "Corporation", the following items are particularly worthy of note in 2010 and 2009:

Turnover

	2010	2009
Torre Picasso	25,371	26,127
Elimination of inter-segment transactions	(100,759)	(77,446)
Other	4,480	10,678
	(70.908)	**(40.641)**

Contribution to FCC Group profit (net of tax)

	2010	2009
Results of Realia Business carried by the equity method (Note 4)	**335**	**(16,445)**
Results of Global Vía Group:		
- Consolidated by equity method	(22,901)	(13,522)
- Intergroup portfolio transfers	—	(53,376)
Gain on the sale of FCC Global Insurance General Services, S.A.	—	36,325
Stock option derivatives and others	(21,350)	6,580
Torre Picasso (Note 8)	12,572	13,202
International expansion provision	(42,280)	—
Staff costs	(14,423)	(16,534)
Other	(26,718)	13,899
	(114,765)	**(29,871)**

CONSOLIDATED FINANCIAL STATEMENTS

Balance sheet by segments

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

CONSOLIDATED FINANCIAL STATEMENTS

	Total	Services Environment	Services Versia	Construction	Cement	Energy	Corporation
2009							
ASSETS							
Non-current assets	13,384,655	5,368,193	1,189,783	1,708,916	2,998,148	1,014,423	1,105,192
Intangible assets	5,009,277	1,971,672	822,801	496,442	1,105,580	545,903	66,879
Property, plant and equipment	5,957,478	2,729,658	281,703	741,526	1,752,765	463,939	(12,113)
Investment property	264,093	7,332	—	18,563	—	—	238,198
Investments carried using the equity method	1,145,754	191,364	25,785	193,731	40,991	914	692,969
Financial assets	404,024	262,582	20,745	78,397	7,299	51	34,950
Deferred tax assets	604,029	205,585	38,749	180,257	91,513	3,616	84,309
Current assets	8,427,874	1,920,778	331,924	5,282,017	869,534	56,602	(32,981)
Non-current assets held for sale	—	—	—	—	879	—	(879)
Inventories	1,103,282	38,436	35,363	887,191	141,141	146	1,005
Trade and other receivables	5,372,976	1,478,758	247,486	3,395,067	255,609	20,930	(24,874)
Other financial assets	230,980	109,426	24,095	100,382	17,183	4,013	(24,119)
Other assets	66,174	23,317	3,321	34,668	4,311	266	291
Cash and cash equivalents	1,654,462	270,841	21,659	864,709	450,411	31,247	15,595
Total assets	**21,812,529**	**7,288,971**	**1,521,707**	**6,990,933**	**3,867,682**	**1,071,025**	**1,072,211**
LIABILITIES							
Equity	3,097,574	540,738	86,434	576,679	1,455,645	(6,425)	444,503
Non-current liabilities	11,178,933	2,438,120	771,072	847,187	2,014,559	677,653	4,430,342
Grants	85,692	18,236	396	63,953	3,107	—	—
Provisions	906,535	445,962	59,597	186,339	49,547	11,844	153,246
Financial liabilities	8,952,544	1,432,132	668,517	469,548	1,666,832	556,287	4,159,228
Deferred tax liabilities	1,216,910	524,546	42,562	127,347	295,065	109,522	117,868
Other liabilities	17,252	17,244	—	—	8	—	—
Current liabilities	7,536,022	4,310,113	664,201	5,567,067	397,478	399,797	(3,802,634)
Provisions	110,773	8,216	1,387	101,123	47	—	—
Financial liabilities	1,519,368	953,865	295,038	1,039,082	238,956	384,537	(1,392,110)
Trade and other payables	5,896,831	1,109,084	216,182	4,422,243	156,054	15,260	(21,992)
Other liabilities	9,050	2,025	13	4,619	2,421	—	(28)
Intra-group transactions	—	2,236,923	151,581	—	—	—	(2,388,504)
Total liabilities	**21,812,529**	**7,288,971**	**1,521,707**	**6,990,933**	**3,867,682**	**1,071,025**	**1,072,211**

CONSOLIDATED FINANCIAL STATEMENTS

Cash flows by segment

	Total	Services Environment	Services Versia	Construction	Cement	Energy	Corporation
2010							
From operating activities	1,011,065	489,641	156,231	37,318	250,888	52,551	24,436
From investing activities	(576,643)	(356,175)	31,879	(288,534)	(13,109)	(50,752)	100,048
From financing activities	(423,519)	(145,749)	(193,632)	220,601	(265,144)	(2,005)	(37,590)
Effect of exchange rate fluctuations and other	13,286	4,301	4,362	3,676	912	—	35
Cash flow of the year	**24,189**	**(7,982)**	**(1,160)**	**(26,939)**	**(26,453)**	**(206)**	**86,929**
2009							
From operating activities	1,602,070	682,714	138,262	146,519	360,262	71,690	202,623
From investing activities	(843,050)	(406,287)	(67,115)	263,360	79,211	(207,966)	(504,253)
From financing activities	(503,784)	(219,427)	(71,495)	(369,673)	(269,073)	159,994	265,890
Effect of exchange rate fluctuations and other	(9,435)	(7,968)	692	(840)	(2,341)	—	1,022
Cash flow of the year	**245,801**	**49,032**	**344**	**39,366**	**168,059**	**23,718**	**(34,718)**

b) Activities and investments by geographical area

Approximately 46% of the Group's business is conducted abroad (2009: 44%)

The breakdown, by market, of the revenue earned abroad by the Group companies in 2010 and 2009 is as follows:

	Total	Services Environment	Services Versia	Construction	Cement	Energy
2010						
European Union	4,446,592	1,145,077	216,503	3,033,846	48,270	2,896
USA North America	288,874	106,072	35,801	11,033	135,968	—
Latin America	226,057	3,133	28,817	193,244	863	—
Other	600,400	56,978	598	433,162	108,938	724
	5,561,923	**1,311,260**	**281,719**	**3,671,285**	**294,039**	**3,620**
2009						
European Union	4,509,742	1,111,079	209,700	3,132,215	56,748	—
USA	296,612	84,446	28,053	46,267	137,846	—
Latin America	150,456	5,440	21,936	122,461	619	—
Other	668,747	54,387	697	513,667	99,996	—
	5,625,557	**1,255,352**	**260,386**	**3,814,610**	**295,209**	**—**

CONSOLIDATED FINANCIAL STATEMENTS

According to the terms of IFRS 8, "Operating segments", the enclosed financial statement includes the following information by geographical area:

	Group Total	Spain	UK	Czech Republic	Other European Union countries	United States of America	Latin America	Other
2010								
ASSETS								
Intangible assets	5,063,681	3,055,770	725,336	897	597,440	582,028	102,210	—
Property, Plant and Equipment	5,833,737	2,523,778	1,467,515	302,958	813,801	590,726	43,584	91,375
Investment property	259,033	235,443	—	—	23,590	—	—	—
Deferred tax assets	598,597	357,782	135,052	1,787	21,889	76,192	5,873	22
2009								
ASSETS								
Intangible assets	5,009,277	3,073,767	697,921	935	592,143	563,692	80,819	—
Property, Plant and Equipment	5,957,478	2,648,187	1,480,482	288,512	840,361	549,555	46,361	104,020
Investment property	264,093	245,530	—	—	18,563	—	—	—
Deferred tax assets	604,029	363,800	145,433	1,170	19,565	68,069	3,581	2,411

c) Staff

The average number of employees in 2010 and 2009, by business area, was as follows:

	2010	2009
Services		
Environmental	49,513	49,558
Versia	11,201	11,251
Construction	27,583	28,637
Cement	3,529	3,832
Corporation	467	388
	92,293	**93,666**

28. ENVIRONMENTAL INFORMATION

At the meeting held on 3 June 2009, the Board of Directors of FCC approved the FCC Group's Environmental Policy which responds to the objectives of the 2009-2010 Corporate Responsibility Master Plan and reinforces the FCC Group's commitment to social responsibility as part of FCC's overall strategy in relation to environmental services.

The FCC Group conducts its business in keeping with its commitment to corporate responsibility, to compliance with all applicable legal requirements, to its respect for interest groups and its desire to generate wealth and wellbeing.

Aware of just how important environmental preservation and the responsible use of available resources are to the FCC Group and in keeping with the desire to render its services in a way which is respectful of the environment, the FCC Group has established the following standards, applicable to the entire organisation, which serve as the cornerstone of its contribution to sustainable development.

Continuing improvement

Promoting environmental excellence by establishing objectives for continuously improving performance, minimizing the negative impact of the processes, products and services of the FCC Group and maximising the positive impact.

Control and monitoring

Establishing systems for managing environmental indicators for the operational control of processes that provide the knowledge needed for the purposes of monitoring, evaluating, decision making and communication of the environmental performance of the FCC Group and the fulfilment of the commitments assumed.

Climate change and pollution prevention

Directing the fight against climate change by implementing processes with lower greenhouse effect gas emissions and by fostering emery efficiency and promoting renewable energies.

Preventing pollution and protecting the environment through effective management and the responsible use of natural resources and by minimizing the impact of the emissions, dumping and waste generated and handled in connection with the FCC Group's business activities.

Observing the environment and innovation

Identifying the risks and opportunities inherent to the activities associated with a changeable natural environment in order to promote innovation and the application of new technologies and to generate synergies among the different activities carried out by the FCC Group.

Life cycle of products and services

Intensifying environmental considerations when planning the activities, acquisition of materials and equipment and relationships with suppliers and contractors.

The necessary ivolvement of all

Promoting an awareness and application of environmental principles among employees and other interest groups.

Sharing the experience with best practices with the different social agents to foster alternative solutions that contribute to the achievement of a sustainable environment.

The implementation of quality management and environmental management systems and follow-up audits are illustrative of the measures taken by the FCC Group in this area. With regard to environmental risk management, the Group has implemented environmental management systems certified under ISO 14001 standards in the various business areas, which focus on:

a) Compliance with the applicable regulations and achievement of environmental objectives that go beyond external requirements.

b) Decrease in environmental impact through adequate planning.

c) Ongoing analysis of risks and possible improvements.

The basic tool for mitigating environmental risk is the environmental plan prepared by each operating unit, which sets out the following:

a) Identification of environmental issues and of applicable legislation.

b) Impact evaluation criteria.

c) Measures to be adopted.

d) A system for measuring the objectives achieved.

CONSOLIDATED FINANCIAL STATEMENTS

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

The performance of production activities in the Environmental Services area requires the use of specialised structures, plant and machinery that are efficient in terms of environmental protection and conservation. At 31 December 2010, the acquisition cost of the non-current assets assigned to production in the Services area, net of depreciation and amortisation, totalled EUR 4,816,724 thousand (31 December 2009: EUR 4,701,329 thousand). The environmental provisions, mainly for landfill sealing and shutdown expenses, totalled EUR 353,556 thousand (31 December 2009: EUR 348,089 thousand).

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

At year-end the Cementos Portland Valderrivas Group had non-current assets relating to environmental conservation and protection amounting to EUR 192,856 thousand (2009: EUR 191,314 thousand), with accumulated amortisation of EUR 88,251 thousand (EUR 79,708 thousand in 2009).

The Group's cement business receives, free of charge, CO_2 emission rights under the corresponding national allocation plans. In 2010 and 2009, the emission rights received were equivalent to 7,763,000 tonnes per annum, 7,729,000 tonnes of which referred to the National Allocation Plan (NAP) for Spain for the period 2008-2012 for the companies Cementos Portland Valderrivas, S.A., Cementos Alfa, S.A., Lemona Industrial, S.A. and Uniland Cementera, S.A. and 34,000 tonnes pending final allocation to Cementos Portland Valderrivas, S.A.

In 2010, the companies mentioned above reached an agreement with a financial institution to exchange the emission rights received as part of the "EUA" for the acquired investment rights in projects in developing countries (also known as "CER") during the term of the 2008-2012 National Allocation Plan. The financial institution has guaraneed the Group a premium per ton exchanged.

The caption titled "Operating Income" on the enclosed income statement reflects the income obtained from the sale of greenhouse gas rights 2010 in the amount of EUR 62,784 thousand (EUR 35,278 thousand in 2009) (Note 26.a).

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

It has also implemented an "Environmental Behaviour Code" which establishes the environmental conservation and protection requirements for subcontractors and suppliers.

The Energy area strives for energy efficiency through the use of technologies which focus on the generation and use of renewable energies as vital mechanisms for the reduction of CO_2 emission and the fight against climate change.

It is not believed that there are any significant contingencies in relation to the protection and enhancement of the environment at 31 December 2010 which could have a significant impact on the enclosed financial statements.

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

29. FINANCIAL RISK MANAGEMENT POLICIES

Financial risk refers to changes in the value of financial instruments contracted by the Group due to political, market and other factors, and the effect of such changes on the consolidated balance sheet.

The FCC Group's risk management philosophy is consistent with its business strategy, as it strives for maximum solvency and efficiency at all times. In that regard, the Group has set out stringent financial risk management and control criteria for identifying, measuring, analysing and controlling the risks faced in the course of FCC's operations. This risk policy is correctly integrated into the Group's organisational structure.

In keeping with the risk control policy, hedging transactions arranged by the FCC Group are not speculative but, rather, aim to cover the transaction risks.

Due to the Group's activities and the operations through which carries them out, it is exposed to the following risks:

Capital risk management

The Group manages its capital to ensure that the Group companies will be able to continue to operate as profitable businesses while maximising the return for shareholders.

The Group's overall strategy continues to focus on geographical diversification, developing and expanding activities in Europe and in North and Central America.

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

In addition to the standard objectives of investment analysis (returns, return period, risk assumed, and strategic and market valuations), these analyses focus on keeping the net debt/EBITDA ratio at reasonable levels and within the terms of agreements with lenders.

The Company's Finance Department, which is in charge of managing financial risks, regularly reviews the leverage ratios and compliance with loan covenants, as well as subsidiaries' capital structures.

Interest rate risk

In order to adopt the optimal position for the Group's interests, it implements an active risk management policy; it constantly monitors the market and adopts positions depending mainly on the asset being financed.

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

Nevertheless, the FCC Group has arranged interest rate hedges; at the end of 2010, it had hedged 48.6% of the Group's total net debt using a range of instruments at different terms (including hedges for structured project finance).

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

Foreign exchange risk

As a result of the FCC Group's positioning in international markets, it is exposed to exchange rate risks in its net foreign currency positions with respect to both the euro and other foreign currencies when the investment and financing of an activity cannot be arranged in the same currency.

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

The Group actively manages its foreign exchange risk by arranging financial transactions in the same currency as that in which the related asset is denominated. In that regard, the Group strives always to finance its activities in every country in the local currency as this creates a natural hedge between cash flows and financing. However, this is occasionally not possible where the currency of the country of origin of the investment is weak and long-term financing cannot be obtained in that currency. In these cases, financing is obtained either in the currency of the consolidated Group or in the most closely-related foreign currency.

Foreign currency risk is expressed as the portion of the Group's equity denominated in currencies other than the euro, as indicated in Note 17, "Equity", the most noteworthy currency being the pound sterling.

CONSOLIDATED FINANCIAL STATEMENTS

Solvency risk

At 31 December 2010, the FCC Group's net financial debt amounted to EUR 7,748,732 thousand as shown in the following table:

	2010	2009
Bank borrowings	8,524,821	8,517,396
Bonds and debentures	680,650	563,297
Other interest-bearing debt	447,675	459,906
Current financial assets	(225,763)	(230,980)
Cash and cash equivalents	(1,678,651)	(1,654,462)
Net financial debt	**7,748,732**	**7,655,157**
Net debt with limited recourse	**(2,760,615)**	**(2,881,637)**
Net debt with recourse	**4,988,117**	**4,773,520**

The most relevant ratio for measuring solvency and repayment capacity is: the net debt / EBITDA ratio. The Group's ratios are reasonable and comply with the covenants agreed with lenders.

Liquidity risk

The FCC Group operates in various markets in order to obtain the financing it needs, thereby mitigating liquidity risk.

Despite the adverse situation reigning in the financial markets throughout 2010, the FCC Group has remained extremely well positioned and has anticipated any potential adversity by paying close attention to trends in those factors that may help to resolve liquidity shortfalls in the future and to the various sources of financing and their characteristics.

Details of the credit facilities granted at consolidated level at 31 December 2010, taking into account only short- and long-term bank debt and excluding non-recourse debt, finance lease payables and accrued interest payable, are as follows:

	Amount granted	Undrawn balance	Balance drawn down
Consolidated	7,586,285	1,526,911	6,059,374

Concentration risk

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

- Sources of financing: The FCC Group obtains financing from over 140 Spanish and international credit institutions.
- Markets/geographical area (Spanish, foreign): The FCC Group operates in a wide variety of markets in Spain and other countries; 83% of the Group's debt is in euro and 17% in various currencies in several international markets.
- Products: The FCC Group arranges a broad spectrum of financial products, including loans, credit facilities, debt instruments, syndicated transactions and discounting facilities.
- Currency: The FCC Group finances its operations in a wide variety of currencies. Although there is significant concentration of financing in euro, US dollars and pounds sterling, investments tend to be financed in the local currency, and in the country of origin, wherever possible.

Sensitivity test

With regard to the sensitivity test of hedging derivatives and net debt, the table below shows the amounts obtained, in thousands of euros, in relation to the exisiting derivatives at the end of the year with an impact on equity and the income statement, once the percentage of interest is applied. Given the instability of financial markets, the sensitivity test considered three scenarios which assumed a rise in the interest rate curve at 31 December 2010 of 100, 125 and 150 basis points and three scenarios which assumed a decline in the interest rate curve of 100, 75 and 50 basis points.

	Hedging derivatives					
	-100 bp	-75 bp	-50 bp	+100 bp	+125 bp	+150 bp
Impact on equity (fully consolidated companies)	(74,479)	(55,160)	(36,281)	67,992	84,117	99,911
Impact on equity (equity method)	(107,262)	(78,890)	(51,579)	92,789	114,092	134,639

Regarding the derivatives that do not meet hedging requirements, it should be noted that the impact which applying the sensitivity test in the same terms as indicated above would have on the income statement would be negligible.

As with derivatives, the table below shows the effect which the upward or downward variations in the interest rate curve discussed above would have on net debt and on the Company's income statement, excluding the debt associated with hedging instruments (+100 bp, +125 bp, +150 bp and -100 bp, -75 bp y -50 bp respectively).

	Net debt					
	-100 bp	-75 bp	-50 bp	+100 bp	+125 bp	+150 bp
Impact on income statement	(50,100)	(37,600)	(25,100)	50,100	62,700	75,200

Internal Financial Reporting Control System (IFRCS)

As a consequence of the foreseeable incorporation of the 4th EU Directive into Spanish law in 2011, publicly listed companies shall not be obligated to itemise the information relative to the description of their internal control systems for regulated financial information (hereinafter IFRCS). Furthermore, following the modification in 2010 of section 4 of the Eighteenth Additional Provision of the Stock Market Act in relation to the adaptation of the 8th EU Directive, there are new responsibilities for the Audit Committees of publicly listed companies relative to their organizations' internal control practices.

To assist these entities in complying with their new obligations, the CNMV asked the Expert Working Group to draft a report which could serve as a frame of reference and a guide about internal control practices to ensure the reliability of financial information.

In this regard, in 2010 Fomento de Construcciones y Contratas, S.A. started a project to evaluate the current level of development of the IFRCS in relation to the good practices proposed in the report published by the CNMV and implement any measures which may be needed in this regard.

CONSOLIDATED FINANCIAL STATEMENTS

30. INFORMATION ON RELATED PARTY TRANSACTIONS

a) Transactions with significant shareholders of the Parent

The detail of the significant transactions involving a transfer of resources or obligations between Group companies and significant shareholders are as follows:

Shareholder Company	Group Operation	nature of the transaction	Type of relationship	Amount
B1998, S.L.	FCC Medio Ambiente, S.A.	Contractual	Cleaning services	3,282

b) Transactions with Company directors and officers

The bylaw-stipulated emoluments earned by the directors of Fomento de Construcciones y Contratas, S.A. payable to them by the Company or by any of the Group companies, joint ventures or associates totalled EUR 1,937 thousand in 2010 (EUR 2,209 thousand in 2009).

The detail of the fixed and variable remuneration earned by the executive directors of Fomento de Construcciones y Contratas, S.A. in 2010 and 2009 and payable to them by the Company or by any of the Group companies, joint ventures or associates is as follows:

	2010	2009
Fixed	3,724	4,075
Variable	1,639	1,866
	5,363	5,941

The senior executives listed below, who are not members of the Board of Directors, earned total remuneration of EUR 6,668 thousand in 2010 (2009: EUR 6,686 thousand).

2010	
José Luís de la Torre Sánchez	Chairman of FCC Servicios
Miguel Hernanz Sanjuan	Director of Internal Audit
Dieter Kiefer	Chairman and CEO of Cementos Portland Valderrivas
José Mayor Oreja	Chairman of FCC Construcción, S.A.
Víctor Pastor Fernández	Director of Finance
Antonio Gómez Ciria	General Manager of Administration and IT
Eduardo González Gómez	Director of Energy and Sustainability
José Manuel Velasco Guardado	Director of Communications and Corporate Responsibility
Francisco Martín Monteagudo	Director of Human Resources
2009	
José Luís de la Torre Sánchez	Chairman of FCC Servicios
Miguel Hernanz Sanjuan	Director of Internal Audit
Dieter Kiefer	Chairman and CEO of Cementos Portland Valderrivas
José Mayor Oreja	Chairman of FCC Construcción, S.A.
Víctor Pastor Fernández	Director of Finance
Antonio Gómez Ciria	General Manager of Administration and IT
Gerard Ries	Deputy Director of Strategy and International Corporate Development
Eduardo González Gómez	Director of Energy and Sustainability
José Manuel Velasco Guardado	Director of Communications and Corporate Responsibility
Francisco Martín Monteagudo	Director of Human Resources

CONSOLIDATED FINANCIAL STATEMENTS

The payments made by the Group in relation to the insurance policy taken out for, among others, certain executive directors and executives of the Company or the Group are disclosed in Note 24.

Except as indicated in Note 24, no other remuneration, advances, loans or guarantees were granted to the Board members.

Set forth below are the required disclosures in relation to the ownership interests held by the directors of Fomento de Construcciones y Contratas, S.A. in the share capital of non-FCC Group companies; the activities (if any) performed by them, as independent professionals or as employees, that are identical, similar or complementary to the activity business of the FCC Group; and the transactions (if any) conducted by them or by persons acting on their behalf with the Company or with any company in the same Group that are not part of the Company's normal business activities or are not conducted on an arm's length basis:

- They do not perform the same, analogous or supplementary activity to that which constitutes the Company's corporate object on their own behalf or on the behalf of any other person.
- They do not hold any ownership interests in the share capital of any companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the company object of Fomento de Construcciones y Contratas, S.A
- They have not participated in other operations falling outside the scope of the Company's ordinary business operations or under conditions other than arm's length, either with the Company or any other member company of the Group.

The exception to the above is the Director B-1998, which has reported that the director's respresentative, Esther Koplowitz Romero de Juseu, is also a member of the Board of Directors of Veolia Environnement, S.A. Henri Proglio is also a member of the Board of Directors of Veolia Environnement, S.A. and Chairman of Electricité de France (EDF).

The details of the directors holding positions in companies in which Fomento de Construcciones y Contratas, S.A. has a direct or indirect ownership interest are as follows:

Director name or business name	Group company	Position
Cartera Deva, S.A.	Cementos Portland Valderrivas, S.A. Realia Business, S.A.	Director Director
EAC Inversiones Corporativas, S.L.	Cementos Portland Valderrivas, S.A. FCC Construcción, S.A. Realia Business, S.A.	Director Director Director
Don Fernando Falcó Fernández de Córdova	FCC Construcción, S.A. Waste Recycling Group Limited Realia Business, S.A.	Director Director Director
Don Rafael Montes Sánchez	FCC Construcción, S.A. Cementos Portland Valderrivas, S.A. Realia Business, S.A.	Director Director Director
Don Juan Castells Masana	Waste Recycling Group Limited Cementos Portland Valderrivas, S.A.	Director Director
Don Baldomero Falcones Jaquotot	FCC Energía, S.A.	Chairman
Don Felipe B. García Pérez	FCC Energía, S.A. FCC Environmental LLC.	Sectretary Director
Don Javier Ribas	FCC Environmental LLC.	Director

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

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

CONSOLIDATED FINANCIAL STATEMENTS

Name of director or executive	Name of the Group company or entity	Nature of the transaction	Type of relationship	Amount
Dominum Desga, S.A.	Servicios especiales de limpieza, S.A.	Contractual	Service rendered	7,262

c) Transactions between Group companies or entities

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

The revenue recognised in the accompanying consolidated income statement includes EUR 340,623 thousand (EUR 383,197 thousand in 2009) relating to Group company billings to associates.

The Group's consolidated financial statements also include purchases from associates amounting to EUR 72,760 thousand (EUR 33,361 thousand in 2009).

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

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

31. FEES PAID TO AUDITORS

The 2010 and 2009 fees for financial audit services and for other professional services provided to the various Group companies and joint ventures composing the FCC Group by the principal auditor and by other auditors participating in the audit of the various Group companies, and by entities related to them, both in Spain and abroad, are shown in the following table:

	2010		2009	
Fees for auditing services		6,331		6,508
Principal auditor	3,755		3,826	
Other auditors	2,576		2,682	
Fees for other services		7,541		8,035
Principal auditor	444		846	
Other auditors	7,097		7,189	
		13,872		14,543

CONSOLIDATED FINANCIAL STATEMENTS

APPENDIX I SUBSIDIARIES (FULLY CONSOLIDATED COMPANIES)

Company	Address	Ownership (%)	Auditor
ENVIRONMENTAL SERVICES			
Abastecimientos y Saneamientos del Norte, S.A. Unipersonal	Uruguay, 11 – Vigo (Pontevedra)	100.00	
Abrantaqua-Serviço de Aguas Residuais Urbanas do Municipio de Abrantes, S.A.	Portugal	60.00	Ernst & Young
Acque di Caltanissetta, S.p.A.	Italy	88.90	Ernst & Young
Adobs Orgànics. S.L.	Sant Benet, 21 –Manresa (Barcelona)	60.00	
AEBA Ambiente y Ecología de Buenos Aires, S.A.	Argentina	52.50	
Aguas Torrelavega, S.A.	La Viña, 4 – Torrelavega (Cantabria)	51.00	Audinfor
Aigües de l'Alt Empordà, S.A.- in liquidation -	Lluís Companys, 43 – Roses (Girona	51.40	
Aigües de Vallirana, S.A. Unipersonal	Conca de Tremp, 14 – Vallirana (Barcelona)	100.00	
Alfonso Benítez, S.A.	Federico Salmón, 13 - Madrid	100.00	PricewaterhouseCoopers
Apex/FCC Llc.	USA	51.00	
Aqua Campiña, S.A.	Avda. Blas Infante, 6 – Écija (Sevilla)	90.00	Audinfor
Aquaelvas – Aguas de Elvas, S.A.	Portugal	100.00	Ernst & Young
Aqualia Czech, S.L.	Ulises, 18 – Madrid	100.00	Ernst & Young
Aqualia Gestión Integral del Agua, S.A.	Federico Salmón, 13 - Madrid	100.00	Ernst & Young
Aqualia Infraestructuras Inzenyring s.r.o.	Czech Republic	100.00	Ing. Ladislav Baláz
Aqualia Infraestructuras de México, S.A. de C.V.	Mexico	100.00	Ernst & Young
Aqualia Infraestructuras, S.A.	Ulises, 18 – Madrid	100.00	
Aqualia New Europe B.V.	Holland	51.00	Ernst & Young
Aquamaior-Aguas de Campo Maior, S.A.	Portugal	100.00	Ernst & Young
Armigesa, S.A.	Plaza de la Constitución s/n – Armilla (Granada)	51.00	
Augas Municipais de Arteixo, S.A.	Plaza Alcalde Ramón Dopico – Arteixo (La Coruña)	51.00	Centium
Azincourt Investment, S.L. Unipersonal	Federico Salmón, 13 - Madrid	100.00	Deloitte
Baltecma Gestión de Residuos Industriales, S.L.	Conradors, parcela 34 P.I. Marratxi – Marratxi (Balearic Islands)	70.00	
Cartagua, Aguas do Cartaxo, S.A.	Portugal	60.00	Ernst & Young
Castellana de Servicios, S.A.	Federico Salmón, 13 - Madrid	100.00	PricewaterhouseCoopers
Chemipur Químicos, S.L. Unipersonal	Pincel, 25 – Sevilla	100.00	
Colaboración, Gestión y Asistencia, S.A.	Federico Salmón, 13 - Madrid	100.00	
Compañía Catalana de Servicios, S.A.	Balmes, 36 – Barcelona	100.00	PricewaterhouseCoopers
Compañía de Control de Residuos, S.L.	Peña Redonda, 27 – P.I. Silvota – Llanera (Asturias)	64.00	
Compañía Onubense de Aguas, S.A.	Avda. Martín Alonso Pinzón, 8 – Huelva	60.00	
Corporación Inmobiliaria Ibérica, S.A.	Ulises, 18 – Madrid	100.00	
Cristales Molidos, S.L.	Partida San Gregorio – Cadrete (Zaragoza)	100.00	
Dédalo Patrimonial, S.L. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
Depurplan 11, S.A.	San Miguel, 4 3ºB – Zaragoza	100.00	Audinfor

CONSOLIDATED FINANCIAL STATEMENTS

Company	Address	Ownership (%)	Auditor
Depurtebo, S.A.	San Pedro, 57 – Zuera (Zaragoza)	100.00	
Ecoactiva de Medio Ambiente, S.A.	Ctra. Puebla Albortón a Zaragoza Km. 25 Zaragoza	60.00	
Ecodeal-Gestao Integral de Residuos Industriais, S.A.	Portugal	53.63	PricewaterhouseCoopers
Ecogenesis Societe Anonime Rendering of Cleansing and Waste Management Services	Greece	51.00	
Ecoparque Mancomunidad del Este, S.A.	Federico Salmón, 13 - Madrid	100.00	
Egypt Environmental Services, S.A.E.	Egypt	100.00	PricewaterhouseCoopers
Ekonor, S.A.	Larras de San Juan-Iruña de Oca (Álava)	100.00	PricewaterhouseCoopers
Ekostone Áridos Siderúrgicos, S.L.	Trinidad, 9 – Getxo (Vizcaya)	51.00	
Empresa Comarcal de Serveis Mediambientals del Baix Penedés, ECOBP, S.L.	Plaça del Centre, 3 - El Vendrell (Tarragona)	80.00	Audinfor
Empresa Mixta de Conservación de la Estación Depuradora de Aguas Residuales de Butarque, S.A.	Princesa, 3 – Madrid	70.00	
Empresa Municipal de Desarrollo Sostenible Ambiental de Úbeda, S.L.	Plaza Vázquez de Molina, s/n –Úbeda (Jaén)	90.00	Audinfor
Entemanser, S.A.	Castillo, 13 – Adeje (Santa Cruz de Tenerife)	97.00	Ernst & Young
Enviropower Investments Limited	UK	100.00	Deloitte
F.S. Colaboración y Asistencia, S.A.	Ulises, 18 – Madrid	65.00	Audinfor
FCC Ámbito, S.A.	Federico Salmón, 13 - Madrid	100.00	PricewaterhouseCoopers
FCC Environmental Llc. (1)	USA	100.00	
FCC Medio Ambiente, S.A.	Federico Salmón, 13 - Madrid	100.00	PricewaterhouseCoopers
Focsa Services, U.K., Ltd.	UK	100.00	Deloitte
Focsa Serviços de Saneamento Urbano de Portugal, S.A.	Portugal	100.00	PricewaterhouseCoopers
FTS 2010 Societa Consortile a Responsabilita Limitata	Italy	60.00	
Gamasur Campo de Gibraltar, S.L.	Antigua Ctra. de Jimena de la Frontera, s/n – Los Barrios (Cádiz)	85.00	PricewaterhouseCoopers
GEMECAN, Gestora Medioambiental y de Residuos, S.L.	Josefina Mayor, 12 – Telde (Las Palmas)	100.00	
Geneus Canarias, S.L. Unipersonal	Electricista, 2. U. I. de Salinetas – Telde (Las Palmas)	100.00	
Gestió i Recuperació de Terrenys, S.A.	Rambla de Catalunya, 2-4 – Barcelona	80.00	Audinfor
Gestión de Aguas del Norte, S.A.	Cuarta del Agua, 9 – Galdar (Las Palmas)	100.00	Ernst & Young
Gonzalo Mateo, S.L.	Partida San Gregorio – Cadrete (Zaragoza)	100.00	PricewaterhouseCoopers
Graver Española, S.A. Unipersonal	Epalza, 8 – Bilbao (Vizcaya)	100.00	Audinfor
Group .A.S.A.	Austria		
1. Polabská	Czech Republic	100.00	
ASA Abfall Services AG	Austria	100.00	PricewaterhouseCoopers
.A.S.A. Abfall Service Betriebs GmbH	Austria	100.00	
.A.S.A. Abfall Service Halbenrain GmbH	Austria	100.00	
.A.S.A. Abfall Service Industrieviertel Betriebs GmbH	Austria	100.00	
.A.S.A. Abfall Service Neunkirchen GmbH	Austria	100.00	
.A.S.A. Abfall Service Zistersdorf GmbH	Austria	100.00	PricewaterhouseCoopers
.A.S.A. AbfallService Halbenrain GmbH & Co Nfg KG	Austria	100.00	PricewaterhouseCoopers

(1) Name change. Formerly Hydrocarbon Recovery Services Inc.

CONSOLIDATED FINANCIAL STATEMENTS

Company	Address	Ownership (%)	Auditor
.A.S.A. AbfallService Industrieviertel GmbH & Co Nfg KG	Austria	100.00	
.A.S.A. AbfallService Wiener Neustadt GmbH	Austria	100.00	
.A.S.A. Bulgaria E.O.O.D.	Bulgaria	100.00	PricewaterhouseCoopers
.A.S.A. Ceské Budêjovice s.r.o	Czech Republic	75.00	PricewaterhouseCoopers
.A.S.A. Dacice s.r.o	Czech Republic	60.00	
.A.S.A. EKO d.o.o	Serbia	100.00	
.A.S.A. EKO Polska sp. z.o.o.	Poland	100.00	PricewaterhouseCoopers
.A.S.A. EKO s.r.o.	Slovakia	100.00	
.A.S.A. EKO Znojmo s.r.o	Czech Republic	49.66	
.A.S.A. Es Únanov s.r.o.	Czech Republic	66.00	
.A.S.A. Finanzdienstleistungen GmbH	Austria	100.00	
.A.S.A. Hódmezövásárhel y Köztisztasági Kft	Hungary	61.83	PricewaterhouseCoopers
.A.S.A. Hp spol. s.r.o.	Czech Republic	100.00	
.A.S.A. International Environmental Services GmbH	Austria	100.00	
.A.S.A. Kikinda d.o.o.	Serbia	80.00	PricewaterhouseCoopers
.A.S.A. Kisalföld Szállító Környezetvédelmi Es H Kft	Hungary	100.00	
.A.S.A. Liberec s.r.o.	Czech Republic	55.00	
.A.S.A. Lubliniec sp. z.o.o.	Poland	61.97	
.A.S.A. Magyarország Környezetvédelem És H Kft	Hungary	100.00	PricewaterhouseCoopers
.A.S.A. Odpady Litovel s.r.o.	Czech Republic	49.00	
.A.S.A. Olsava spol. s.r.o.	Slovakia	100.00	
.A.S.A. Slovensko spol. s.r.o.	Slovakia	100.00	PricewaterhouseCoopers
.A.S.A. Sluzby Zabovresky s.r.o.	Czech Republic	89.00	
.A.S.A. spol. s.r.o.	Czech Republic	100.00	PricewaterhouseCoopers
.A.S.A. Tarnobrzeg sp. z.o.o. (2)	Poland	60.00	
.A.S.A. TRNAVA spol. s.r.o.	Slovakia	50.00	PricewaterhouseCoopers
.A.S.A. TS Prostejov s.r.o.	Czech Republic	75.00	PricewaterhouseCoopers
.A.S.A. V.O.D.S. Sanacie s.r.o.	Slovakia	51.00	
.A.S.A. Vilnius UAB	Lithuania	100.00	
.A.S.A. Vrbak d.o.o.	Serbia	51.00	
.A.S.A. Zabcice spol. s.r.o.	Czech Republic	80.00	
.A.S.A. Zohor spol. s.r.o.	Slovakia	85.00	PricewaterhouseCoopers
Abfallwirtschaftszentrum Mostviertel GmbH	Austria	100.00	
Avermann-Hungária Kft	Hungary	100.00	
Bec Odpady s.r.o.	Czech Republic	99.60	
EKO-Radomsko sp. z.o.o.	Poland	100.00	
Entsorga Entsorgungs GmbH Nfg KG	Austria	100.00	

(2) Name change. Formerly Pergo a.s.

CONSOLIDATED FINANCIAL STATEMENTS

Company	Address	Ownership (%)	Auditor
EnviCon G a.s..	Czech Republic	100.00	
Erd-Kom Érdi Kommunális Hulladékkezelö	Hungary	90.00	PricewaterhouseCoopers
Inerta Abfallbehandlungs GmbH	Austria	100.00	
Kreindl GmbH	Austria	100.00	
Miejska Przedsiebiorstwo Gospodarki Komunalnej sp. z.o.o. Zabrze	Poland	80.00	PricewaterhouseCoopers
Obsed a.s.	Czech Republic	100.00	
Quail spol. s.r.o.	Czech Republic	100.00	PricewaterhouseCoopers
Regios AS	Czech Republic	99.99	PricewaterhouseCoopers
Remat Jihlava s.r.o.	Czech Republic	100.00	
S.C. A.S.A. Servicii Ecologice SRL	Romania	100.00	PricewaterhouseCoopers
SC Valmax Impex SRL	Romania	60.00	PricewaterhouseCoopers
Sárrétti Közterület-Fenntartó Kft	Hungary	25.50	
Siewierskie Przedsiebiorstwo Gospodarki Komunalnej sp. z.o.o.	Poland	60.00	
Skladka Uhy spol. s.r.o.	Czech Republic	100.00	
Terobet AS	Czech Republic	100.00	
Technické Sluzby – A S A s.r.o.	Slovakia	100.00	PricewaterhouseCoopers
Textil Verwertung GmbH	Austria	100.00	
Tores – Technické, Obchodní a Rekreacní Sluzby AS	Czech Republic	100.00	
Waste City spol. s.r.o. –in liquidation-	Slovakia	100.00	
Waste Recycling Group:	UK		
3C Holdings Limited	UK	100.00	
3C Waste Limited	UK	100.00	Deloitte
Airdriehill Quarries Limited	UK	100.00	
Allington O & M Services Limited (3)	UK	100.00	Deloitte
Allington Waste Company Limited	UK	100.00	Deloitte
Anti-Waste (Restoration) Limited	UK	100.00	Deloitte
Anti-Waste Limited	UK	100.00	Deloitte
Arnold Waste Disposal Limited	UK	100.00	Deloitte
BDR Property Limited (4)	UK	80.00	Deloitte
BDR Waste Disposal Limited	UK	100.00	Deloitte
CLWR Management 2001 Limited	UK	100.00	
Darrington Quarries Limited	UK	100.00	Deloitte
Derbyshire Waste Limited	UK	100.00	Deloitte
East Waste Limited	UK	100.00	Deloitte
Enviropower Investments, Ltd.	UK	100.00	Deloitte
FCC Energy Limited (5)	UK	100.00	
FCC Environmental Services Limited (6)	UK	100.00	

(3) Name change. Formerly Waste Recycling Group (South West) Limited.
(4) Name change. Formerly Arpley Gas Limited.
(5) Name change. Formerly Tawse Ellon (Haulage) Limited.
(6) Name change. Formerly Anti-Rubbish Limited.

CONSOLIDATED FINANCIAL STATEMENTS

Company	Address	Ownership (%)	Auditor
FCC Environmental Services UK Limited (7)	UK	100.00	
Finstop Limited	UK	100.00	
Green Waste Services Limited	UK	100.00	
GWS (Holdings) Limited	UK	100.00	
Herrington Limited	UK	100.00	
Integrated Waste Management Limited (8)	UK	100.00	Deloitte
Kent Conservation & Management Limited	UK	100.00	
Kent Energy Limited	UK	100.00	Deloitte
Kent Enviropower Limited	UK	100.00	Deloitte
Landfill Management Limited	UK	100.00	Deloitte
Lincwaste Limited	UK	100.00	Deloitte
Meadshores Limited	UK	100.00	
Norfolk Waste Limited	UK	100.00	Deloitte
Oxfordshire Waste Limited	UK	100.00	Deloitte
Paper Product Developments Limited	UK	90.00	
Pennine Waste Management Limited	UK	100.00	Deloitte
RE3 Holding Limited	UK	100.00	Deloitte
RE3 Limited	UK	100.00	Deloitte
Site&Field Equipment Limited	UK	100.00	
T Shooter Limited	UK	100.00	Deloitte
Waste Recovery Limited	UK	100.00	Deloitte
Waste Recycling Group (Central) Limited	UK	100.00	Deloitte
Waste Recycling Group (Scotland) Limited	UK	100.00	Deloitte
Waste Recycling Group (Yorkshire) Limited	UK	100.00	Deloitte
Waste Recycling Group Limited	UK	100.00	Deloitte
Waste Recycling Limited	UK	100.00	Deloitte
Wastenotts (Reclamation) Limited	UK	100.00	Deloitte
Wastenotts O & M Services Limited (9)	UK	100.00	Deloitte
Wastewise Limited	UK	100.00	
Wastewise Power Limited	UK	100.00	
Wastewise Trustees Limited	UK	100.00	
Welbeck Waste Management Limited	UK	100.00	Deloitte
Winterton Power Limited	UK	100.00	
WRG (Management) Limited	UK	100.00	Deloitte
WRG (Midlands) Limited	UK	100.00	Deloitte
WRG (Northerm) Limited	UK	100.00	Deloitte
WRG Acquisitions 2 Limited	UK	100.00	

(7) Name change. Formerly Econowaste Limited.
(8) Name change. Formerly Humberside Wastewise Waste Management Services Limited
(9) Name change. Formerly Wastenotts Limited.

CONSOLIDATED FINANCIAL STATEMENTS

Company	Address	Ownership (%)	Auditor
WRG Berkshire Limited	UK	100.00	Deloitte
WRG Environmental Limited	UK	100.00	Deloitte
WRG PFI Holdings Limited	UK	100.00	Deloitte
WRG Properties Limited	UK	100.00	
WRG Waste Services Limited	UK	100.00	Deloitte
WRG Wrexham PFI Holdings Limited	UK	100.00	Deloitte
WRG Wrexham PFI Limited	UK	100.00	Deloitte
Hidrotec Tecnología del Agua, S.L. Unipersonal	Pincel, 25 – Sevilla	100.00	
Instugasa, S.L. Unipersonal	La Presa, 14 – Adeje (Santa Cruz de Tenerife)	100.00	Ernst & Young
Integraciones Ambientales de Cantabria, S.A.	Barrio la Barquera, 13 – Torres - Reocín – Cartes (Cantabria)	70.00	
International Petroleum Corp. of Delaware	USA	100.00	
International Services Inc., S.A. Unipersonal	Arquitecto Gaudí, 4 – Madrid	100.00	
Inversora Riutort, S.L.	Berlín, 38-43 – Barcelona	100.00	
Jaime Franquesa, S.A.	P.I. Zona Franca Sector B calle D49 – Barcelona	100.00	
Jaume Oro, S.L.	Avda. de les Garrigues, 15 – Bellpuig (Lleida)	100.00	
Limpieza e Higiene de Cartagena, S.A.	Luis Pasteur, 6 – Cartagena (Murcia)	90.00	PricewaterhouseCoopers
Limpiezas Urbanas de Mallorca, S.A.	Ctra. San Margalida-Can Picafort – Santa Margalida (Baleares)	100.00	Audinfor
Manipulación y Recuperación MAREPA, S.A	Avda. San Martín de Valdeiglesias, 22 – Alcorcón (Madrid)	100.00	PricewaterhouseCoopers
Municipal de Serveis, S.A.	Joan Torró i Cabratosa, 7 – Girona	80.00	
Nilo Medioambiente, S.L. Unipersonal	Pincel, 25 – Sevilla	100.00	Audinfor
Onyx Gibraltar, Ltd.	UK	100.00	
Ovod spol. s.r.o.	Czech Republic	100.00	Ing. Ladislav Baláz
Recuperació de Pedreres, S.L.	Rambla de Catalunya, 2 – Barcelona	80.00	PricewaterhouseCoopers
Saneamiento y Servicios, S.A.	Federico Salmón, 13 - Madrid	100.00	PricewaterhouseCoopers
Serveis d’Escombreries i Neteja, S.A.	Coure, s/n – P.I. Riu Clar - Tarragona	100.00	
Servicios de Levante, S.A.	Ctra. de Valencia Km. 3 – Castellón de la Plana (Castellón)	100.00	PricewaterhouseCoopers
Servicios Especiales de Limpieza, S.A.	Federico Salmón, 13 - Madrid	100.00	PricewaterhouseCoopers
Severomoravské Vodovody a Kanalizace Ostrava A.S.	Czech Republic	98.67	Ernst & Young
Sociedad Española de Aguas Filtradas, S.A.	Ulises, 18 – Madrid	100.00	Ernst & Young
Sociedad Ibérica del Agua S.I.A., S.A. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
Telford & Wrekin Services, Ltd.	UK	100.00	Deloitte
Tratamiento Industrial de Aguas, S.A.	Federico Salmón, 13 - Madrid	100.00	Audinfor
Tratamiento y Reciclado Integral de Ocaña, S.A.	Federico Salmón, 13 - Madrid	100.00	
Tratamientos y Recuperaciones Industriales, S.A.	Rambla de Catalunya, 2-4, P.5 – Barcelona	75.00	PricewaterhouseCoopers
Valoración y Tratamiento de Residuos Urbanos, S.A.	Riu Magre, 6 – Pol. Ind. Patada del Cid –Quart de Poblet (Valencia)	80.00	
Valorización y Tratamiento de Residuos, S.A.	Alameda de Mazarredo, 15-4º A – Bilbao (Vizcaya)	100.00	Audinfor

CONSOLIDATED FINANCIAL STATEMENTS

Company	Address	Ownership (%)	Auditor
VERSIA			
Aparcamientos Concertados, S.A.	Arquitecto Gaudí, 4 – Madrid	100.00	PricewaterhouseCoopers
Beta de Administración, S.A.	Federico Salmón, 13 - Madrid	100.00	Centium
C.G.T. Corporación General de Transportes, S.A.	Federico Salmón, 13 - Madrid	100.00	
Camusa Corporación Americana de Mobiliario Urbano, S.A.	Argentina	100.00	
Cemusa Amazonia, S.A.	Brazil	100.00	
Cemusa Boston, Llc.	USA	100.00	
Cemusa Brasilia, S.A.	Brazil	100.00	
Cemusa do Brasil Ltda.	Brazil	100.00	PricewaterhouseCoopers
Cemusa Corporación Europea de Mobiliario Urbano, S.A.	Francisco Sancha, 24 – Madrid	100.00	PricewaterhouseCoopers
Cemusa INC	USA	100.00	PricewaterhouseCoopers
Cemusa Italia, S.R.L.	Italy	100.00	
Cemusa Miami, Llc.	USA	100.00	
Cemusa Miami Ltd.	USA	100.00	
Cemusa NY, Llc.	USA	100.00	
Cemusa Portugal Companhia de Mobiliario Urbano e Publicidade, S.A.	Portugal	100.00	PricewaterhouseCoopers
Cemusa Rio, S.A.	Brazil	100.00	
Cemusa Salvador, S.A.	Brazil	65.00	
Conservación y Sistemas, S.A.	Federico Salmón, 13 - Madrid	100.00	PricewaterhouseCoopers
Empresa Mixta de Tráfico de Gijón, S.A.	W-6, 23 P.I. Promosa – El Plano – Tremañes (Gijón)	60.00	PricewaterhouseCoopers
Equipos y Procesos, S.A.	Conde de Peñalver, 45 – Madrid	80.73	
Estacionamientos y Servicios, S.A.	Federico Salmón, 13 - Madrid	100.00	PricewaterhouseCoopers
FCC International, B.V.	Holland	100.00	
FCC Logística Portugal, S.A.	Portugal	99.99	PricewaterhouseCoopers
FCC Logística, S.A. Unipersonal	Buenos Aires, 10 P.I. Camporroso – Alcalá de Henares (Madrid)	100.00	PricewaterhouseCoopers
FCC Versia, S.A.	Federico Salmón, 13 - Madrid	100.00	PricewaterhouseCoopers
Flightcare Belgium, Naamloze Vennootschap	Belgium	100.00	PricewaterhouseCoopers
Flightcare Cyprus Limited	Cyprus	75.00	
Flightcare Italia, S.p.A.	Italy	100.00	PricewaterhouseCoopers
Flightcare, S.L.	Federico Salmón, 13 - Madrid	100.00	PricewaterhouseCoopers
Geral I.S.V. Brasil Ltda.	Brazil	100.00	
Navegación y Servicios Aeroportuarios, S.A. Unipersonal (10)	Federico Salmón, 13 - Madrid	100.00	
Santos Renting, S.L. Unipersonal	Francisco Medina y Mendoza – Guadalajara	100.00	
Sistemas y Vehículos de Alta Tecnología, S.A.	Conde de Peñalver, 45 – Madrid	100.00	PricewaterhouseCoopers
Zona Verde-Promoçao e Marketing Limitada	Portugal	100.00	PricewaterhouseCooper

(10) Name change. Formerly Industrial de Limpiezas y Servicios, S.A. Unipersonal

CONSOLIDATED FINANCIAL STATEMENTS

Company	Address	Ownership (%)	Auditor
CONSTRUCTION			
Alpetrol, S.A.	Avda. General Perón, 36 – Madrid	100.00	
Aremi Tecair, S.A.	Valle de Laguar, 7 - Valencia	100.00	Deloitte
Áridos de Melo, S.L.	Finca la Barca y el Ballestar, s/n – Barajas de Melo (Cuenca)	100.00	Centium
Autovía Conquense, S.A.	Pedro Texeira, 8 – Madrid	100.00	Deloitte
BBR Pretensados y Técnicas Especiales, S.L.	Retama, 5 – Madrid	100.00	Centium
Binatec al Maghreb, S.A.	Morocco	100.00	
Concesionaria Túnel de Coatzacoalcos, S.A. de C.V.	Mexico	85.59	
Concesiones Viales de Costa Rica, S.A.	Costa Rica	100.00	
Concesiones Viales S. de R.L. de C.V.	Mexico	99.97	Deloitte
Conservial, S.L.	Manuel Lasala, 36 – Zaragoza	100.00	
Construcción y Filiales Mexicanas, S.A. de C.V.	Mexico	100.00	
Constructora Túnel de Coatzacoalcos, S.A. de C.V.	Mexico	55.60	
Contratas y Ventas, S.A.	Asturias, 41 – Oviedo (Asturias)	100.00	Deloitte
Desarrollo y Construcción DEYCO CRCA, S.A.	Costa Rica	100.00	
Dezvoltare Infraestructura, S.A.	Romania	51.03	
Dizara Inversión, S.L.	Avda. General Perón, 36 – Madrid	100.00	
EHST - European High-Speed Trains SGPS, S.A.	Portugal	85.71	Deloitte
FCC Construcción, S.A.	Balmes, 36 – Barcelona	100.00	Deloitte
FCC Construcción de Centroamérica, S.A.	Costa Rica	100.00	
FCC Constructii Romania, S.A.	Romania	100.00	
FCC Construction Hungary Kft	Hungary	100.00	
FCC Construction I-95 Llc.	USA	100.00	
FCC Construction Inc.	USA	100.00	
FCC Construction International B.V.	Holland	100.00	
FCC Construction Northern Ireland Limited	Ireland	100.00	
FCC Industriale SRL	Italy	100.00	
FCC Servicios Industriales y Energéticos, S.A. (11)	Acanto, 22 – Madrid	100.00	Deloitte
Fomento de Construcciones y Contratas Construction Ireland Limited	Ireland	100.00	
Gavisa Portugal Montagens Eléctricas Lda.	Portugal	97.00	
Alpine Group:			
Acoton Projektmanagement & Bauträger GmbH	Austria	79.10	
AD Grundbesitzverwaltung GmbH	Germany	80.54	
AJS Acoton Projektmanagement & Bautrager GmbH Co KG	Austria	86.10	
Alpine Aleksandar d.o.o.	Macedonia	83.49	
Alpine Bau CZ s.r.o. (12)	Czech Republic	86.97	
Alpine Bau Deutschland AG	Germany	86.73	Deloitte

(11) Name change. Formerly Especialidades Eléctricas, S.A.
(12) Name change. Formerly Alpine Stavebni Spolecnost Cz s.r.o.

CONSOLIDATED FINANCIAL STATEMENTS

Company	Address	Ownership (%)	Auditor
Alpine Bau GmbH	Austria	86.97	Deloitte
Alpine Bau GmbH A-1 sp. j	Poland	86.88	Deloitte
Alpine Bau GmbH Schweiz	Switzerland	86.97	Deloitte
Alpine Bau India Private Limited	India	86.97	Thingna & Contractor, Chertered Accountants
Alpine BeMo Tunnelling GmbH	Austria	87.10	Deloitte
Alpine Building Services GmbH	Germany	86.73	
Alpine Bulgaria AD	Bulgaria	44.35	
Alpine Construction Polska sp z.o.o.	Poland	86.73	Deloitte
Alpine Consulting d.o.o.	Slovenia	86.97	
Alpine d.o.o. Banja Luka	Bosnia Herzegovina	86.97	
Alpine d.o.o. Beograd	Serbia	86.97	Deloitte
Alpine Dolomit d.o.o.	Serbia	71.93	
Alpine Energie Cesko spol. s.r.o.	Czech Republic	86.97	
Alpine Energie Deutschland GmbH	Germany	86.97	Deloitte
Alpine Energie Holding AG (Austria) (13)	Austria	86.97	
Alpine Energie Holding AG (Germany)	Germany	86.97	Deloitte
Alpine Energie Luxembourg SARL	Luxembourg	86.97	
Alpine Energie Osterreich GmbH	Austria	86.97	Deloitte
Alpine Energie Schweiz AG	Switzerland	86.97	Deloitte
Alpine Energie Solar Italia GmbH	Austria	86.97	
Alpine Granit d.o.o.	Serbia	85.13	
Alpine Green Energia sp. z.o.o.	Poland	65.12	
Alpine Green Energy Italy SRL	Italy	86.97	
Alpine Holding GmbH	Austria	83.00	Deloitte
Alpine Hungaria Bau GmbH	Hungary	86.97	Deloitte
Alpine Investment d.o.o.	Bosnia Herzegovina	44.35	
Alpine Liegenschaftsverwertungs GmbH	Austria	86.97	
Alpine Mayreder Construction Co Ltd. AMCC	China	65.23	
Alpine Podgorica d.o.o.	Montenegro	86.97	
Alpine Project Finance and Consulting GmbH	Germany	86.97	
Alpine PZPB d.o.o.	Serbia	86.97	
Alpine Rudnik Krecnjaka Lapisnica d.o.o.	Bosnia Herzegovina	44.35	Confida
Alpine Skopje DOOEL	Macedonia	86.97	
Alpine - Slask Budowa sp. z.o.o.	Poland	86.97	
Alpine Slovakia spol s.r.o.	Slovakia	86.97	Deloitte
Alpine Untertagebau GmbH	Germany	86.73	Deloitte
Alpine, S.A.	Romania	86.97	Deloitte

(13) Name change. Formerly APT Alpine Project Technology GmbH

CONSOLIDATED FINANCIAL STATEMENTS

Company	Address	Ownership (%)	Auditor
Altec Umwelttechnik GmbH	Austria	86.97	
Andezit Stanceni SRL (14)	Romania	86.97	
Asfaltna Cesta d.o.o.	Croatia	86.97	
Bautechnische Prüf und Versuchsanstalt GmbH	Austria	86.97	
Bewehrungszentrum Linz GmbH	Austria	86.97	
Bürozentrum U3 Projekt GmbH	Austria	86.97	
CSS - City Service Solution GmbH (15)	Germany	86.97	
E Gottschall & Co GmbH	Germany	83.00	
Ecoenergetika d.o.o.	Slovenia	86.97	
Emberger & Essl GmbH	Austria	78.27	
Emberger & Heuberger Bau GmbH	Austria	78.27	Deloitte
Fröhlich Bau und Zimmereiunternehmen GmbH	Austria	86.97	
Geotechnik Systems GmbH	Austria	86.97	
OOO, Alpine Mayreder	Russia	86.97	
Grados d.o.o. Novi Sad	Serbia	60.59	
Gregorich GmbH	Austria	86.97	
Grund Pfahl und Sonderbau GmbH	Austria	86.97	Deloitte
Grund und Sonderbau GmbH	Austria	86.97	
Grund und Sonderbau GmbH ZNL Berlín	Austria	86.97	Deloitte
Hazet Bauunternehmung GmbH	Austria	86.97	Deloitte
Hoch & Tief Bau Beteiligungs GmbH	Austria	84.02	
Ing Arnulf Haderer GmbH	Austria	86.97	
Ingenieurbüro Für Energie – Und Haustechnik Andreas Duba GmbH	Germany	78.27	
Kai Center Errichtungs und Vermietungs GmbH	Austria	86.10	
KAPPA d.o.o.	Croatia	60.59	
Klöcher Bau GmbH	Austria	86.97	Deloitte
Konrad Beyer & Co Spezialbau GmbH	Austria	86.97	Deloitte
MLA Beteiligungen GmbH (16)	Austria	86.97	
Mortinger-Grohmann Tief Hoch und Strassenbau GmbH	Austria	86.97	Deloitte
MWG Wohnbau GmbH	Austria	86.10	
Oekotechna Entsorgungs und Umwelttechnik GmbH	Austria	86.97	
OKTAL Plus d.o.o.	Croatia	86.97	
Osijek – Koteks d.d.	Croatia	60.59	Deloitte
Osijek - Koteks d.o.o.	Croatia	86.97	Deloitte
PRO – PART AG	Switzerland	86.97	
PRO-PART Energie GmbH	Switzerland	86.97	
PRO – PART in Austria Handels GmbH	Austria	86.97	

(14) Name change. Formerly S.C. “Hodaco Servimpex” SRL
(15) Name change. Formerly City Service Solution GmbH
(16) Name change. Formerly MLA Lieferasphalt GmbH.

CONSOLIDATED FINANCIAL STATEMENTS

Company	Address	Ownership (%)	Auditor
Project Development GmbH	Austria	86.97	
RMG d.o.o.	Bosnia Herzegovina	44.35	
Salzburger Lieferasphalt GmbH & Co KG	Austria	34.79	
Schauer Eisenbahnbau GmbH	Austria	86.97	
Solar Park Serena SRL	Italy	60.88	
Strazevica Kamenolom d.o.o. (17)	Serbia	51.94	
Stump – Geospol s.r.o. Prag	Czech Republic	86.97	Deloitte
Stump Hydrobudowa sp. z.o.o. Warschau	Poland	86.97	Deloitte
Stump Spezial Tiefbau GmbH	Czech Republic	86.97	Deloitte
Thalia Errichtungs und Vermietungs GmbH	Austria	79.10	
Tiefbau Deutschlandsberg GmbH & Co KG	Germany	52.18	
Universale Bau GmbH	Austria	86.97	Deloitte
Vela Borovica Koncern d.o.o.	Croatia	86.97	
Velici Kamen d.o.o.	Croatia	60.59	Deloitte
Walter Hamann Hoch Tief und Stahlbetonbau GmbH	Germany	86.73	
Weinfried Bauträger GmbH	Austria	86.97	
Wellnesshotel Ëpito Kft	Hungary	86.97	Deloitte
Ibérica de Servicios y Obras, S.A.	Federico Salmón, 13 - Madrid	100.00	Deloitte
Ibervia Construcciones y Contratas, S.L.	Avda. General Perón, 36 – Madrid	100.00	
Impulsa Infraestructura, S.A. de C.V.	Mexico	52.00	
Impulsora de Proyectos PROSERME, S.A. de C.V.	Mexico	100.00	
Internacional Tecair, S.A.	Valentín Beato, 24-26 – Madrid	100.00	Deloitte
M&S Concesiones, S.A.	Costa Rica	100.00	
Mantenimiento de Infraestructuras, S.A.	Avda. General Perón, 36 – Madrid	100.00	Deloitte
Megaplás Italia, S.p.A.	Italy	100.00	
Megaplás, S.A.	Hilanderas, 4-14 – La Poveda – Arganda del Rey (Madrid)	100.00	Deloitte
Motre, S.L.	Bonastruc de Porta, 20 - (Girona)	100.00	
Moviterra, S.A.	Bonastruc de Porta, 20 - (Girona)	100.00	Deloitte
Naturaleza, Urbanismo y Medio Ambiente, S.A.	Galena, 11 – Entreplanta - Valladolid	100.00	
Nevasa Inversión, S.L.	Avda. General Perón, 36 – Madrid	100.00	
Norseñal, S.L.	Juan Flórez, 64 – La Coruña	100.00	
Participaciones Teide, S.A.	Avda. General Perón, 36 – Madrid	100.00	
Pedrera Les Gavarres, S.L.	Bonastruc de Porta, 20 - (Girona)	100.00	
Pinturas Jaque, S.L.	Avenida General Perón, 36 – Madrid	100.00	
Prefabricados Delta, S.A.	Retama, 7 – Madrid	100.00	Deloitte
Proyectos y Servicios, S.A.	Torregalindo, 1 – Madrid	100.00	Centium
Ramalho Rosa Cobetar Sociedade de Construçoes, S.A.	Portugal	100.00	Deloitte

(17) Name change. Formerly Strazevica AD.

CONSOLIDATED FINANCIAL STATEMENTS

Company	Address	Ownership (%)	Auditor
Señalizaciones de Vías Públicas, S.L.	Avda. de Barber, 2 – Toledo	100.00	
Servià Cantó, S.A.	Bonastruc de Porta, 20 - (Girona)	100.00	Deloitte
Sincler, S.A. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
Tema Concesionaria, S.A.	Porto Pi, 8 – Palma de Mallorca (Balearic Islands)	100.00	
Tulsa Inversión, S.L.	Avda. General Perón, 36 – Madrid	100.00	
Vialia, Sociedad Gestora de Concesiones de Infraestructuras, S.L.	Avda. General Perón, 36 – Madrid	100.00	
CEMENT			
Áridos de Navarra, S.A.	Estella, 6 – Pamplona (Navarra)	47.16	
Áridos Uniland, S.A. Unipersonal	Torrenteres, 20 P.I. Sur-El Papiol (Barcelona)	52.53	Deloitte
Áridos y Canteras del Norte, S.A.U.	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	70.51	Deloitte
Áridos y Premezclados, S.A. Unipersonal	José Abascal, 59 – Madrid	71.51	Deloitte
Arriberri, S.L. Unipersonal	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	52.88	Deloitte
Atracem, S.A. Unipersonal	José Abascal, 59 – Madrid	71.46	Deloitte
Cántabra Industrial y Minera, S.A. Unipersonal	Josefina de la Maza, 4 P.E. Piasca – Santander (Cantabria)	62.84	Deloitte
Canteras de Alaiz, S.A.	Estella, 6 – Pamplona (Navarra)	50.04	Deloitte
Canteras Villallano, S.L.	Poblado de Villallano – Villallano (Palencia)	62.84	
Carbocem, S.A.	Paseo de la Castellana, 45-85 Madrid	57.19	Deloitte
Cemensilos, S.A.	Josefina de la Maza, 4 P.E. Piasca – Santander (Cantabria)	62.84	Deloitte
Cementos Alfa, S.A.	Josefina de la Maza, 4 P.E. Piasca – Santander (Cantabria)	62.84	Deloitte
Cementos Lemona, S.A.	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	70.51	Deloitte
Cementos Portland Valderrivas, S.A.	Estella, 6 – Pamplona (Navarra)	71.46	Deloitte
Cementos Villaverde, S.L. Unipersonal	Almagro, 26 – Madrid	71.46	Deloitte
Coastal Cement Corporation	USA	71.34	
Compañía Auxiliar de Bombeo de Hormigón, S.A. Unipersonal	José Abascal, 59 – Madrid	71.46	
Corporación Uniland, S.A.	Córcega, 299 – Barcelona	52.64	Deloitte
Dragon Alfa Cement Limited	UK	62.84	Bentley Jennison
Dragon Energy Llc.	USA	71.34	
Dragon Products Company Inc.	USA	71.34	
Egur Birziklatu bi Mila, S.L.	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	42.31	
Explotaciones San Antonio, S.L. Unipersonal	Josefina de la Maza, 4 P.E. Piasca – Santander (Cantabria	62.84	
Giant Cement Company	USA	71.34	
Giant Cement Holding, Inc.	USA	71.34	Deloitte
Giant Cement NC Inc.	USA	71.34	
Giant Cement Virgina Inc.	USA	71.34	
Giant Resource Recovery Inc.	USA	71.34	
Giant Resource Recovery – Arvonia Inc.	USA	71.34	
Giant Resource Recovery – Attalla Inc.	USA	71.34	

CONSOLIDATED FINANCIAL STATEMENTS

Company	Address	Ownership (%)	Auditor
Giant Resource Recovery – Harleyville Inc.	USA	71.34	
Giant Resource Recovery – Sumter Inc.	USA	71.34	
Hormigones de la Jacetania, S.A.	Llano de la Victoria – Jaca (Huesca)	44.66	KPMG
Hormigones Premezclados del Norte, S.A.	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	70.51	Deloitte
Hormigones Reinosa, S.A. Unipersonal	Josefina de la Maza, 4 P.E. Piasca – Santander (Cantabria)	62.84	
Hormigones Uniland, S.L. Unipersonal	Ctra. Vilafranca del P. a Moja Km. 1 – Olérdola (Barcelona)	52.53	Deloitte
Hormigones y Morteros Preparados, S.A. Unipersonal	José Abascal, 59 – Madrid	71.46	Deloitte
Horminal, S.L. Unipersonal	José Abascal, 59 – Madrid	71.46	
Keystone Cement Company	USA	71.34	
Lemona Industrial, S.A. Unipersonal	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	70.51	Deloitte
Maquinaria para Hormigones, AIE	Maestro García Rivero, 7 – Bilbao (Vizcaya)	39.66	
Morteros Bizkor, S.L.	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	37.96	Deloitte
Morteros Valderrivas, S.L. Unipersonal	José Abascal, 59 – Madrid	71.46	Deloitte
Participaciones Estella 6, S.L. Unipersonal	Estella, 6 – Pamplona (Navarra)	71.46	
Portland, S.L. Unipersonal	José Abascal, 59 – Madrid	71.46	Deloitte
Prebesec Mallorca, S.A.	Conradors, 48 – Marratxi – Palma de Mallorca (Baleares)	35.96	
Prebesec, S.A. Unipersonal	Torrenteres, 20 P.I. Sur-El Papiol (Barcelona)	52.53	Deloitte
Prefabricados Uniland, S.A. Unipersonal	Córcega, 299 – Barcelona	52.53	
Recisuelos, S.A. Unipersonal	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	70.51	
Santursaba, S.L. Unipersonal	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	70.51	
Sechem Inc.	USA	71.34	
Select Béton, S.A.	Tunisia	46.25	Mourad Guellaty
Société des Ciments d'Enfida	Tunisia	46.25	Mourad Guellaty
Southern Cement Limited	UK	52.64	Deloitte
Telsa, S.A.	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	70.51	Deloitte
Telsa, S.A. y Compañía Sociedad Regular Colectiva	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	70.51	Deloitte
Transportes Gorozteta, S.L. Unipersonal	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	52.88	
Transportes Lemona, S.A.	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	70.51	
Tratamiento Escombros Almoguera, S.L.	José Abascal, 59 – Madrid	36.47	
Uniland Cementera, S.A.	Córcega, 299 – Barcelona	52.53	Deloitte
Uniland International B.V.	Holland	52.64	
Uniland Marítima, S.L. Unipersonal	Córcega, 299 – Barcelona	52.53	
Uniland Trading B.V.	Holland	52.64	
Uniland USA Llc.	USA	52.64	
Utonka, S.A. Unipersonal	Torrenteres, 20 P.I. Sur-El Papiol (Barcelona)	52.53	

CONSOLIDATED FINANCIAL STATEMENTS

Company	Address	Ownership (%)	Auditor
ENERGY			
Efitek Energía, S.A. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
Electric Generation Investments Limited	UK	100.00	Deloitte
Enerstar Villena, S.A.	San Vicente Ferrer, 16 – Gandía (Valencia)	67.00	Deloitte
FCC Energía, S.A.	Federico Salmón, 13 - Madrid	100.00	Deloitte
FCC Energia Catalunya, S.L.	Balmes, 36 – Barcelona	80.04	
Fomento Internacional Focsa, S.A. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
Generación Eléctrica Europea, S.A.R.L.	Federico Salmón, 13 - Madrid	100.00	
Generación Eléctrica Hispana, S.A.R.L.	Federico Salmón, 13 - Madrid	100.00	
Olivento Group:			
Olivento, S.L. Unipersonal	Federico Salmón, 13 - Madrid	100.00	Deloitte
Sistemas Energéticos Abadía, S.A.	Albareda, 1 – Zaragoza	96.57	Deloitte
Guzmán Energía, S.L. Unipersonal	Portada, 11 – Palma del Río (Córdoba)	100.00	Deloitte
Helios Patrimonial 1 , S.L. Unipersonal	Federico Salmón, 13 - Madrid	100.00	Deloitte
Helios Patrimonial 2 , S.L. Unipersonal	Federico Salmón, 13 - Madrid	100.00	Deloitte
OTHER ACTIVITIES			
Afigesa Inversión, S.L. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
Asesoría Financiera y de Gestión, S.A.	Federico Salmón, 13 - Madrid	100.00	Deloitte
Compañía Auxiliar de Agencia y Mediación, S.A. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
Compañía General de Servicios Empresariales, S.A. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
Corporación Española de Servicios S.A.	Federico Salmón, 13 - Madrid	100.00	
Corporación Financiera Hispánica, S.A.	Federico Salmón, 13 - Madrid	100.00	
Europea de Gestión, S.A. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
Eusko Lanak, S.A.	Federico Salmón, 13 - Madrid	100.00	
F-C y C, S.L. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
FCC 1, S.L. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
FCC Construcciones y Contratas Internacional, S.L. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
FCC Finance B.V.	Holland	100.00	
FCC Fomento de Obras y Construcciones, S.L. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
FCC Inmobiliaria Conycon, S.L. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
FCC International B.V.	Holland	100.00	
Fedemés, S.L.	Federico Salmón, 13 - Madrid	100.00	
Per Gestora Inmobiliaria, S.L.	Plaza Pablo Ruiz Picasso – Madrid	100.00	Centium
Puerto Cala Merced, S.A.	Arquitecto Gaudí, 4 – Madrid	100.00	

CONSOLIDATED FINANCIAL STATEMENTS

APPENDIX II JOINTLY-CONTROLLED COMPANIES WITH THIRD PARTIES OUTSIDE THE GROUP (CONSOLIDATED BY THE EQUITY METHOD)

Company	Address	Net carring value of the portfolio 2010	Net carring value of the portfolio 2009	% effective ownership	Auditor
ENVIRONMENTAL SERVICES					
Aguas de Langreo, S.L.	Alonso del Riesgo, 3 – Sama de Langreo (Asturias)	861	674	49.00	Audinfor
Aguas de Narixa, S.A.	Málaga, 11 – Nerja (Málaga)	298	311	50.00	Audinfor
Aguas y Servicios de la Costa Tropical de Granada, A.I.E.	Plaza de la Aurora – Motril (Granada)	805	805		Attest Servicios Empresariales
Aigües de Girona, Salt i Sarrià de Ter, S.A.	Ciutadans, 11 – Girona	201	292	26.89	Cataudit Auditors Associats
Aquagest Aqualia, A.I.E. (1)	Condado de Jaruco, s/n – Lloret de Mar (Barcelona)	59	218		
Atlas Gestión Medioambiental, S.A.	Roma, 25 – Barcelona	14,482	14,700	50.00	Deloitte
Beacon Waste Limited	UK	1,559	1,502	50.00	Deloitte
Compañía de Servicios Medioambientales Do Atlantico, S.A.	Ctra. de Cedeira Km. 1 – Narón (La Coruña)	292	362	49.00	Audinfor
Costa Brava Abastament Aqualia-Sorea, A.I.E.	Sector Carlit, s/n – Empuriabrava (Girona)	—	—		
Ecoparc del Besós, S.A.	Rambla Cataluña, 91-93 – Barcelona	4,040	2,951	49.00	Castellà Auditors Consultors
Ecoserveis Urbans de Figueres, S.L.	Avda. de les Alegries, s/n – Lloret de Mar (Girona)	260	477	50.00	
Electrorecycling, S.A.	Ctra. BV – 1224 Km. 6,750 – El Pont de Vilomara i Rocafort (Barcelona)	1,735	1,139	33.34	KPMG Auditores
Empresa Mixta d'Aigües de la Costa Brava, S.A.	Plaza Josep Pla, 4 – Girona	327	132	25.00	Deloitte
Empresa Mixta de Aguas y Servicios, S.A.	Elisa Cendreros, 14 – Ciudad Real	75	16	41.25	Centium
Empresa Mixta de Limpieza de la Villa de Torrox, S.A.	Pz. de la Constitución, 1 – Torrox (Málaga)	414	432	50.00	Audinfor
Empresa Mixta de Medio Ambiente de Rincón de la Victoria, S.A.	Avda. Zorreras, 8 – Rincón de la Victoria (Málaga)	388	287	50.00	Audinfor
Empresa Municipal de Aguas de Benalmádena, EMABESA, S.A.	Avda. Juan Luis Peralta, s/n – Benalmádena (Málaga)	1,907	1,487	50.00	Audinfor
Fisersa Ecoserveis, S.A.	Alemania, 5 – Figueres (Girona)	266	(7)	36.35	Tax Consulting i Auditoria
Gestión de Servicios Hidráulicos de Ciudad Real, A.I.E.	Ramírez de Arellano – Madrid	(61)	—		
Girona, S.A.	Travessera del Carril, 2 – Girona	1,382	1,284	33.61	Cataudit
Proactiva Group	Cardenal Marcelo Espínola, 8 – Madrid	44,058	40,448	50.00	
Hades Soluciones Medioambientales, S.L.	Mayor, 3 – Cartagena (Murcia)	60	60	50.00	
Inalia Mostaganem, S.L.	Gobelas, 47-49 – Madrid	—	(2)	50.00	
Inalia Water Solutions, S.L.	Ulises, 18 – Madrid	5	5	50.00	
Ingeniería Urbana, S.A.	Calle 1 esquina calle 3, P.I. Pla de la Vallonga – Alicante	5,105	5,130	35.00	Deloitte
ITAM Delta de la Tordera, A.I.E.	Berlín, 38-48 – Barcelona	—	(1)		
Mediaciones Comerciales Ambientales, S.L.	Roma, 25 – Barcelona	248	272	50.00	
Mercia Waste Management Ltd.	UK	11,777	9,903	50.00	Deloitte
Pilagest, S.L.	Ctra. BV – 1224 Km. 6,750 – El Pont de Vilomara i Rocafort (Barcelona)	824	900	50.00	

(1) Name change. Formerly Sorea-Searsa Aqualia, A.I.E.

CONSOLIDATED FINANCIAL STATEMENTS

Company	Address	Net carring value of the portfolio 2010	Net carring value of the portfolio 2009	% effective ownership	Auditor
Reciclado de Componentes Electrónicos, S.A.	E – Pol. Actividades Medioambientales – Aznalcóllar (Sevilla)	2,256	1,840	37.50	KPMG
Senblen, S.A.	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	(149)	(149)	85.23	
Servicios de Limpieza Integral de Málaga III, S.A.	Camino de la Térmica, 83 – Málaga	1,856	290	26.01	
Servicios Urbanos de Málaga, S.A.	Ulises, 18 – Madrid	525	2,061	51.00	
Severn Waste Services Limited	UK	184	161	50.00	Deloitte
Tratamiento Industrial de Residuos Sólidos, S.A.	Rambla Cataluña, 91 – Barcelona	694	582	33.33	Castellà Auditors Consultors
Zabalgarbi, S.A.	Camino de Artigas, 10 – Bilbao (Vizcaya)	13,999	13,012	30.00	KPMG
VERSIA					
Converty Service, S.A.	Camino de los Afligidos P.I. La Esgaravita, 1 – Alcalá de Henares (Madrid)	5,657	5,843	50.00	Pérez y Asociados Auditores
Corporación Jerezana de Transportes Urbanos, S.A. Unipersonal	P.I. El Portal – Jerez de la Frontera (Cádiz)	2,757	2,051	50.00	
Detren Compañía General de Servicios Ferroviarios, S.L.	Serrano, 93 – Madrid	1,517	1,614	50.00	Ernst & Young
FCC-CONNEX Corporación, S.L.	Serrano, 93 – Madrid	12,319	11,374	50.00	
Infoser Estacionamientos, A.I.E.	Manuel Silvela, 8 – Madrid	120	81		
Tranvía de Parla, S.A.	Camino de la Cantuela, 2 – Parla (Madrid)	211	278	5.00	
Valenciana de Servicios I.T.V., S.A.	P.I. El Oliveral – Ribarroja de Turia (Valencia)	—	3,163	50.00	
Versia Holding GmbH	Austria	7	16	100.00	
CONSTRUCTION					
ACE Acestrada Construçao de Estradas	Portugal	1	77	13.33	
ACE CAET XXI Construçoes	Portugal	164	—	50.00	
ACE Edifer Construçoes Ramalho R.C. E.C.	Portugal	93	(16)	33.33	
ACE EPOS/Dreagados/Sopol/Ramalho Rosa Cobetar (2)	Portugal	—	40	13.33	
ACE FCC Construcción e Edifer	Portugal	—	26	50.00	
ACE Infraestructuras das Antas – Construçao e Obras Publicas	Portugal	77	2	33.33	
ACE Metrexpo	Portugal	156	(3)	44.90	
ACE Ramalho Rosa Cobetar a Edifer	Portugal	—	4	56.00	
ACE Ramalho Rosa Cobetar Graviner e Novocpa	Portugal	—	2	72.25	
ACE Ribeiradio-Ermida	Portugal	(119)	—	55.00	
ACE SPIE, Ramalho Rosa Cobetar, Eterman (3)	Portugal	(1)	—	35.00	
ACE Túnel Ramela	Portugal	—	40	13.33	

(2) Name change. Formerly ACE Túnel Ramela
(3) Name change. Formerly ACE Túnel Odeoluca

CONSOLIDATED FINANCIAL STATEMENTS

Company	Address	Net carring value of the portfolio 2010	Net carring value of the portfolio 2009	% effective ownership	Auditor
ACE Túnel Rua de Ceuta, Construçao e Obras Publicas	Portugal	90	(5)	49.50	
Construcciones Olabarri, S.L.	Ripa, 1 – Bilbao (Vizcaya)	4,916	4,850	49.00	Charman
Constructora de Infraestructura de Agua de Queretaro, S.A. de CV	Mexico	2,500	1,644	49.00	Deloitte
Constructora Durango-Mazatlan, S.A. de C.V.	Mexico	(2,741)	—	51.00	
Constructora Nuevo Necaxa Tihuatlan, S.A.C.V.	Mexico	2,703	1,648	40.00	Deloitte
Dragados FCC, Canada Inc.	Canada	(1,624)	(1,118)	50.00	Daye Kelly & Associates
Peri 3 Gestión, S.L.	General Álava, 26 – Vitoria Gasteiz (Álava)	2	2	50.00	
Servicios Empresariales Durango-Mazatlan, S.A. de C.V.	Mexico	11	—	51.00	
Sociedad Concesionaria Tranvía de Murcia, S.A.	Olof Palmer, s/n – Murcia	15,948	—	50.00	Deloitte
CEMENT					
Atlántica de Graneles y Moliendas, S.A.	Muelle de Punta Sollana, s/n – Zierbena (Vizcaya)	1,772	2,071	35.26	KPMG
Carbocem, S.A.	Paseo de la Castellana, 45 Madrid	73	73	57.19	Deloitte
Corporación Uniland, S.A.	Córcega, 299 – Barcelona	(7)	(7)	52.64	Deloitte
Pedrera de l'Ordal, S.L.	Ctra. N 340 km. 1229,5 La Creu del L'Ordal –				
	Subirats (Barcelona)	4,250	4,201	26.26	
ENERGY					
Olivento Group:					
Integral Management Future Renewables, S.L.	A Condomiña, s/n – Ortoño (La Coruña)	974	914	50.00	Deloitte
Sigenera, S.L.	Orzán, 124 – La Coruña	(6)	—	50.00	Ernst & Young
OTHER ACTIVITIES					
Global Vía Group	Paseo de la Castellana, 141 Edificio Cuzco IV - Madrid	481,572	478,983	50.00	
Realia Business Group	Paseo de la Castellana, 216 Madrid	145,304	153,818	30.20	Deloitte
TOTAL VALUE OF COMPANIES CARRIED BY THE EQUITY METHOD (JOINTLY-CONTROLLED COMPANIES)		**789,428**	**773,240**		

CONSOLIDATED FINANCIAL STATEMENTS

APPENDIX III ASSOCIATES (CONSOLIDATED BY THE EQUITY METHOD)

Company	Address	Net carring value of the portfolio 2010	Net carring value of the portfolio 2009	% effective ownership	Auditor
ENVIRONMENTAL SERVICES					
Abastament en Alta Costa Brava Empresa Mixta, S.A.	Plaza Josep Pla Casadevall, 4 3º 1º - Girona	115	—	26.00	
Aguas de Denia, S.A.	Pare Pere, 17 – Denia (Alicante)	423	404	33.00	
Aguas de Priego, S.L.	Plaza de la Constitución, 3 - Priego de Córdoba (Córdoba)	246	—	49.00	
Aguas de Ubrique, S.A.	Avda. España, 9 – Ubrique (Cádiz)	(88)	11	49.00	
Aigües de Blanes, S.A.	Canigó, 5 – Blanes (Girona)	47	54	16.47	
Aigües del Tomoví, S.A.	Plaza Vella, 1 – El Vendrell (Tarragona)	466	520	49.00	GM Auditors
Aprochim Getesarp Rymoil, S.A.	P.I. Logrenzana La Granda – Carreño (Asturias)	1,554	1,366	23.49	Menéndez Auditores
Aquos El Realito, S.A. de CV	Mexico	17	4	49.00	Deloitte
Aragonesa de Gestión de Residuos, S.A.	Paseo María Agustín, 36 – Zaragoza	10	8	18.60	Laes Nexia & Castillero
Aragonesa de Recuperaciones Medioambientales XXI, S.A.	Ctra. Castellón Km. 58 – Zaragoza	—	6		
Aragonesa de Tratamientos Medioambientales XXI, S.A.	Ctra. Castellón Km. 58 – Zaragoza	693	708	33.00	
Betearte, S.A.U.	Colón de Larreátegui, 26 – Bilbao (Vizcaya)	583	571	33.33	Attest Servicios Empresariales
Clavegueram de Barcelona, S.A.	Acer, 16 – Barcelona	841	896	20.33	Bove Montero y Asociados
Concesionaria de Desalación de Ibiza, S.A.	Rotonda de Santa Eulalia, s/n - Ibiza	281	254	32.00	
Conducció del Ter, S.L.	Bourg de Peage, 89 – Sant Feliu de Gíxols (Girona)	13	108	48.00	
Constructora de Infraestructuras de Aguas de Potosí, S.A. de C.V.	Mexico	2	—	24.50	
Ecogestión Ambiental, S.L.	Juan Ramón Jiménez, 12 – Madrid	104	94	50.00	
EMANAGUA Empresa Mixta Municipal de Aguas de Níjar, S.A.	Plaza de la Goleta, 1 – Níjar (Almería)	223	221	49.00	Audinfor
Empresa Municipal de Aguas de Algeciras, S.A.	Avda. Virgen del Carmen – Algeciras (Cádiz)	(197)	105	49.00	Centium
Empresa Municipal de Aguas de Jodar, S.A.	Plaza España, 1 – Jodar (Jaén)	79	—	49.00	
Empresa Municipal de Aguas de Linares, S.A.	Cid Campeador, 7 – Linares (Jaén)	111	158	49.00	Centium
Empresa Municipal de Aguas de Toxiria, S.A.	Cristóbal Colón, 104 – Torredonjimeno (Jaén)	15	89	49.00	Centium
Generavila, S.A.	Plaza de la Catedral, 11 – Ávila	292	417	36.00	Audinfor
Gestión Integral de Residuos Sólidos, S.A.	Profesor Beltrán Baquena, 4 – Valencia	1,171	1,219	49.00	BDO
A.S.A. Group:	Austria	5,469	5,883		
A.S.A. + AVE Környezetvédelmi H Kft	Hungary	—	—	50.00	PricewaterhouseCoopers
A.S.A. Hlohovec s.r.o.	Slovakia	—	—	50.00	
A.K.S.D. Városgazdálkodási Korlátolt FT	Hungary	—	—	25.50	PricewaterhouseCoopers
ASTV s.r.o.	Czech Republic	—	—	49.00	
Huber Abfallservice Verwaltungs GmbH	Austria	—	—	49.00	
Huber Entsorgungs GmbH Nfg KG	Austria	—	—	49.00	
Killer GmbH	Austria	—	—	50.00	
Killer GmbH & Co KG	Austria	—	—	50.00	

CONSOLIDATED FINANCIAL STATEMENTS

Company	Address	Net carring value of the portfolio 2010	Net carring value of the portfolio 2009	% effective ownership	Auditor
Recopap s.r.o.	Slovakia	—	—	50.00	PricewaterhouseCoopers
Repap Czech spol. s.r.o.	Czech Republic	—	—	50.00	
Technické a Stavební Sluzby AS	Czech Republic	—	—	50.00	
Tirme Group	Ctra. Soller Km. 8,2 Camino de Son Reus-Palma de Mallorca (Baleares)	9,587	8,605	20.00	KPMG
Waste Recycling Group	UK	—	—		
Energylinc Limited	UK	—	—	50.00	
Goole Renewable Energy Limited	UK	—	—	20.00	
Shelford Composting Limited	UK	—	—	50.00	KPMG
La Unión Servicios Municipales, S.A.	Salvador Pascual, 7 – La Unión (Murcia)	113	71	49.00	Audinfor
Nueva Sociedad de Aguas de Ibiza, S.A.	Avda. Bartolomé de Roselló, 18 – Ibiza (Baleares)	102	91	40.00	
Orasqualia Construction, S.A.E.	Egypt	2,522	—	50.00	KPMG
Orasqualia for the Development of the Waste Water Treatment Plant S.A.E.	Egypt	379	288	50.00	KPMG
Pallars Jussà Neteja i Serveis, S.A.	Pau Casals, 14 – Tremp (Lleida)	33	37	40.80	
Proveïments d'Aigua, S.A.	Asturies, 13 – Girona	269	245	15.12	
Sera Q A Duitama E.S.P., S.A.	Colombia	31	16	30.60	
Shariket Miyeh Ras Djinet, S.p.A.	Algeria	5,247	3,199	25.50	Mohammed Samir HADJ ALI
Shariket Tahlya Miyah Mostaganem, S.p.A.	Algeria	11,520	6,795	25.50	Mohammed Samir HADJ ALI
Sogecar, S.A.	Polígono Torrelarragoiti – Zamudio (Vizcaya)	468	457	30.00	
Suministro de Agua de Queretaro, S.A. de CV	Mexico	9,982	6,934	28.81	Deloitte
VERSIA					
I.T.V. Córdoba, S.A.	Argentina	—	45	30.00	
CONSTRUCTION					
Ablocade, S.L.	Rafael López, 1 – Huelva	741	930	20.00	
Administración y Servicios Grupo Zapotillo, S.A. de C.V.	Mexico	3	—	50.00	
Aigües del Segarra Garrigues, S.A.	Avenida de Tarragona, 6 – Tárrega (Lleida)	4,445	4,510	25.00	Deloitte
Autopistas del Valle, S.A.	Costa Rica	5,900	5,331	48.00	Deloitte
Baross Ter Ingatlanprojekt-Fejlszto Kft	Hungary	456	532	20.00	Consultrade Plussz Könywizsgáló és Adótanássadó Kft
BBR VT International Ltd.	Switzerland	1,467	1,254	22.50	Trewitax Zürich AG
Cleon, S.A.	Avda. General Perón, 36 – Madrid	24,874	24,961	25.00	KPMG
Concesionaria Atención Primaria, S.A.	Plaza Es Fortí, 4 – Palma de Mallorca	1,003	—	33.00	Deloitte
Concessió Estacions Aeroport L9, S.A.	Córcega, 270 – Barcelona	19,954	506	49.00	
Constructora de Infraestructuras de Aguas de Potosí, S.A. de C.V.	Mexico	2	—	24.50	
Constructora San José – Caldera CSJC, S.A.	Costa Rica	4,168	4,634	50.00	Deloitte
Constructora San José-San Ramón SJSR, S.A.	Costa Rica	77	67	33.00	

CONSOLIDATED FINANCIAL STATEMENTS

Company	Address	Net carring value of the portfolio 2010	Net carring value of the portfolio 2009	% effective ownership	Auditor
Constructores del Zapotillo, S.A. de C.V.	Mexico	726	—	50.00	
Desarrollo Cuajimalpa, S.A. de C.V.	Mexico	2,023	1,770	25.00	
Desarrollos y Promociones Costa Cálida, S.A.	Saturno, 1 – Pozuelo de Alarcón (Madrid)	263	266	35.75	
Elaboración de Cajones Pretensados, S.L.	Avda. General Perón, 36 – Madrid	2	2	50.00	
FCC Construction Kipszer Ktf	Hungary	(3)	(112)	50.00	PricewaterhouseCoopers
FCC Elliot construction Limited	Ireland	2,381	1,035	50.00	Deloitte
Gesi-9, S.A.	Sorolla, 27 – Alcalá de Guadaira (Sevilla)	13,008	13,008	74.90	Antonio Moreno Campillo
Alpine Group:	Austria	15,251	15,154		
ABO Asphalt-Bau Oeynhausen GmbH	Austria	—	—	26.09	
AE Stadtland GmbH	Germany	—	—	13.42	Deloitte
AMW Asphaltwerk GmbH	Austria	—	—	19.13	
Asphaltmischwerk Betriebs GmbH & Co KG	Austria	—	—	17.39	
Asphaltmischwerk Greinsfurth GmbH & Co OHG	Austria	—	—	21.74	
Asphaltmischwerk Leopoldau-Teerag-Asdag-Mayreder Bau GmbH	Austria	—	—	43.48	
Asphaltmischwerk Leopoldau-Teerag-Asdag-Mayreder Bau GmbH & Co KG	Austria	—	—	17.39	
Asphaltmischwerk Steyregg GmbH & Co KG	Austria	—	—	17.39	
Asphaltwerk Sierning GmbH	Austria	—	—	34.79	
AWT Asphaltwerk GmbH	Austria	—	—	28.70	
AWW Asphaltmischwerk Wölbiling GmbH	Austria	—	—	43.48	
Bonaventura Strassenerhaltungs GmbH	Austria	—	—	21.74	Deloitte
Bonaventura Strassenerhaltungs GmbH	Austria	—	—	38.53	Deloitte
Dolomit-Beton Lieferbetonwerk GmbH	Austria	—	—	41.75	
Draubeton GmbH	Austria	—	—	30.44	
FMA Asphaltwerk GmbH & Co KG	Austria	—	—	8.70	
Hemmelmair Frästechnik GmbH	Austria	—	—	21.74	
Kieswerk-Betriebs GmbH & Co KG	Austria	—	—	19.57	
Lieferasphaltgesellschaft JAUNTAL GmbH	Austria	—	—	20.87	
MSO Mischanlagen Süd-Ost Betriebs GmbH und Co KG	Austria	—	—	9.57	
Paltentaler Beton Erzeugungs GmbH	Austria	—	—	20.87	
Porr Alpine Austriarail GmbH	Austria	—	—	43.48	
PPE Malzenice s.r.o.	Slovakia	—	—	43.48	Ing. Anna Mamajova
Rastätten Betriebs GmbH	Austria	—	—	43.48	GrantThorton
RBA Recycling und Betonanlagen GmbH & Co Nfg KG	Austria	—	—	22.18	
RFM Asphaltmischwerk GmbH & Co KG	Austria	—	—	28.99	
Schaberreiter GmbH	Austria	—	—	9.57	
Silasfalt s.r.o.	Czech Republic	—	—	43.48	Deloitte

CONSOLIDATED FINANCIAL STATEMENTS

Company	Address	Net carring value of the portfolio 2010	Net carring value of the portfolio 2009	% effective ownership	Auditor
Straka Bau GMBH	Austria	—	—	44.35	
Transportbeton und Asphalt GmbH	Austria	—	—	43.48	
Transportbeton und Asphalt GmbH & Co KG	Austria	—	—	43.48	
Waldviertler Lieferasphalt GmbH & Co KG	Austria	—	—	43.48	
Ziegelwerk Frental Eder GmbH	Germany	—	—	32.22	Deloitte
Cedinsa Concesionaria Group	Tarragona, 141 – Barcelona	27,124	24,735	27.20	Deloitte
Foment de Construccions i Consulting Group	Andorra	12	12	33.30	
Ibisan Sociedad Concesionaria, S.A.	Porto Pi, 8 – Palma de Mallorca (Baleares)	7,315	7,986	50.00	Deloitte
Las Palmeras de Garrucha, S.L. – in liquidition -	Mayor, 19 – Garrucha (Almería)	1,081	1,178	20.00	
M50 (D&C) Limited	Ireland	(4,586)	(87)	42.50	Deloitte
Marina de Laredo, S.A.	Pasaje de Puntida, 1 – Santander (Cantabria)	1,192	692	50.00	
MDM-Teide, S.A.	Panama	1,129	1,024	50.00	P&A Palacios y Asociados Certified Public Accountants
Metro de Málaga, S.A.	Martínez, 11 – Málaga	10,258	9,198	10.00	Ernst & Young
N6 (Construction) Limited	Ireland	(21,235)	(8,504)	42.50	Deloitte
Nihg Limited	Ireland	—	—	39.00	Deloitte
Nihg South West Health Partnership Limited	Ireland	(16,653)	—	39.00	Deloitte
Nova Bocana Barcelona, S.A.	Avda. Josep Tarradellas, 123 – Barcelona	9,121	9,323	25.00	Deloitte
Nova Bocana Business, S.A.	Avda. Josep Tarradellas, 123 – Barcelona	992	992	25.00	
Omszki-Tó Part Ingatlanfejlesztö És Befektetö Kft	Hungary	(39)	(17)	20.00	
Operaciones y Servicios para la Industria de la Construcción, S.A. de C.V.	Mexico	(22)	16	50.00	Deloitte
Port Premià, S.A. – in liquidation -	Balmes, 36 – Barcelona	(555)	(555)	39.72	
Promvias XXI, S.A.	Vía Augusta, 255 Local 4 – Barcelona	(293)	(175)	25.00	
Proyecto Front Marítim, S.L.	Paseo de Gracia, 120 – Barcelona	(5,556)	(5,045)	50.00	
Teide Gestión del Sur, S.L.	José Luis Casso, 68 – Sevilla	4,474	4,842	49.94	
Teide-MDM Quadrat, S.A.	Panama	197	174	50.00	P&A Palacios y Asociados Certified Public Accountants
Terminal Polivalente de Huelva, S.A.	La Marina, 29 – Huelva	(263)	(263)	31.50	
Torres Porta Fira, S.A.	Mestre Nicolau, 19 – Barcelona	8,529	8,632	40.00	BDO
Tramvia Metropolità, S.A.	Córcega, 270 – Barcelona	4,528	4,108	22.44	KPMG
Tramvia Metropolità del Besós, S.A.	Córcega, 270 – Barcelona	3,786	4,358	22.53	KPMG
Urbs Iudex et Causidicus, S.A.	Tarragona, 161 – Barcelona	(2,247)	(925)	29.00	Deloitte
Urbs Iustitia Commodo Opera, S.A.	Avda. Carrilet, 3, planta 11º, Ciutat de la Justícia de Barcelona i l'Hospitalet de Llobregat – l'Hospitalet de Llobregat (Barcelona)	2,417	—	35.00	
Vivero del Río Razón, S.L.	Camino del Guardatillo – Valdeavellano de Tera (Soria)	1	1	48.00	

CONSOLIDATED FINANCIAL STATEMENTS

Company	Address	Net carring value of the portfolio 2010	2009	% effective ownership	Auditor
Western Carpathians Motorway Investors Company GmbH	Austria	13	12	48.70	
Zilinská Dialnica s.r.o.	Slovakia	(299)	10	48.70	KPMG
CEMENT					
Aplicaciones Minerales, S.A.	Camino Fuente Herrero – Cueva Cardiel (Burgos)	563	618	33.15	
Áridos Unidos, S.A.	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	13	13	26.77	
Canteras y Hormigones Quintana, S.A.	Ctra. Santander-Bilbao Km. 184 – Barcena de Cicero (Cantabria)	4,416	4,838	18.85	Enrique Campos & Auditores
Canteras y Hormigones VRE, S.A.	Arieta, 13 – Estella (Navarra)	1,223	1,634	35.73	KPMG
Comercial de Prefabricados Lemona, S.A.	Barrio Inzunza, 1 – Lemona (Vizcaya)	19	19	67.04	
Exponor, S.A. – in liquidation -	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	—	1	38.92	
Hormigones Calahorra, S.A.	Brebicio, 25 – Calahorra (La Rioja)	111	152	35.72	
Hormigones Castro, S.A.	Ctra. Irún-La Coruña Km. 153 – Islares – (Cantabria)	374	347	25.14	
Hormigones del Baztán, S.L.	Suspeltxiki, 25 – Vera de Bidasoa (Navarra)	1,016	1,051	35.73	
Hormigones Delfín, S.A.	Venta Blanca – Peralta (Navarra)	856	939	35.73	
Hormigones en Masa de Valtierra, S.A.	Ctra. Cadreita Km. 0 - Valtierra (Navarra)	1,602	1,776	35.73	
Hormigones Galizano, S.A.	Ctra. Irún-La Coruña Km. 184 – Gama (Cantabria)	242	310	31.42	
Hormigones Reinares, S.A.	Praje Murillo de Calahorra, s/n – Calahorra (La Rioja)	854	1,164	35.73	KPMG
Hormigones y Áridos del Pirineo Aragonés, S.A.	Ctra. Biescas – Sabiñanigo (Huesca)	6,719	6,683	35.73	KPMG
Lázaro Echevarría, S.A.	Isidoro Melero – Alsasua (Navarra)	9,924	10,083	20.01	KPMG
Navarra de Transportes, S.A.	Ctra. Pamplona-Vitoria Km. 52 – Olazagutia (Navarra)	1,130	1,126	23.82	KPMG
Neuciclaje, S.A.	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	499	440	23.05	
Novhorvi, S.A.	Portal de Gamarra, 25 – Vitoria Gasteiz (Álava)	212	198	17.87	Iñurrieta
Portcemen, S.A.	Muelle Contradique Sur-Puerto Barcelona – Barcelona	925	774	13.13	
Quinsa Prefabricados de Hormigón, S.L. Unipersonal	Ctra. S. Sebastián-Coruña Km. 184 – Barcena de Cicero (Cantabria)	(15)	32	18.85	
Silos y Morteros, S.L.	Ctra. de Pamplona Km. 1 – Logroño (La Rioja)	210	190	23.82	Expertos Auditores
Terminal Cimentier de Gabes-Gie	Tunisia	104	50	15.41	Ernst & Young
Terrenos Molins	Llobregat – Molins de Rei (Barcelona)	4	5	13.14	
Transportes Cántabros de Cemento Portland, S.L.	Ctra. S. Sebastián-Coruña Km. 184 – Barcena de Cicero – (Cantabria)	42	77	18.85	
Vescem-LID, S.L.	Valencia, 245 – Barcelona	64	31	13.13	
TOTAL VALUE OF COMPANIES CARRIED BY THE EQUITY METHOD (ASSOCIATES)		**210,992**	**208,000**		

CONSOLIDATED FINANCIAL STATEMENTS

APPENDIX IV CHANGES TO THE SCOPE OF CONSOLIDATION

ADDITIONS	Address
Fully consolidated	
.A.S.A. TS PROSTEJOV S.R.O. (*)	Czech Republic
ALPINE ENERGIE CESKO SPOL. S.R.O.	Czech Republic
ALPINE GREEN ENERGY ITALY SRL	Italy
APEX/FCC LLC.	USA
CARTAGUA, AGUAS DO CARTAXO, S.A.	Portugal
EKOSTONE ÁRIDOS SIDERÚRGICOS, S.L.	Trinidad, 9 – Getxo (Vizcaya)
GUZMÁN ENERGÍA, S.L. UNIPERSONAL	Portada, 11 – Palma del Río (Córdoba)
FCC INDUSTRIALE SRL	Italy
FTS 2010 SOCIETA CONSORTILE A RESPONSABILITA LIMITATA	Italy
IMPULSORA DE PROYECTOS PROSERME, S.A. DE C.V.	Mexico
INGENIEURBÜRO FÜR ENERGIE – UND HAUSTECHNIK ANDREAS DUBA GMBH	Germany
OKTAL PLUS D.O.O.	Croatia
SOLAR PARK SERENA SRL	Italy
TRATAMIENTO ESCOMBROS ALMOGUERA, S.L.	José Abascal, 59 - Madrid
Consoliated by the equity method	
JOINT VENTURES	
ACE CAET XXI CONSTRUÇOES	Portugal
ACE RIBEIRADIO-ERMIDA	Portugal
CONSTRUCTORA DURANGO-MAZATLAN, S.A. DE C.V.(*)	Mexico
COSTA BRAVA ABASTAMENT AQUALIA-SOREA, A.I.E.	Sector Carlit, s/n – Empuriabrava (Girona)
SERVICIOS EMPRESARIALES DURANGO-MAZATLAN, S.A. DE C.V.(*)	Mexico
SIGENERA, S.L.	Orzán, 124 – La Coruña
SOCIEDAD CONCESIONARIA TRANVÍA DE MURCIA, S.A. (*)	Olof Palmer, s/n – Murcia
ASSOCIATES	
ABASTAMENT EN ALTA COSTA BRAVA EMPRESA MIXTA, S.A.	Plaza Josep Pla Casadevall, 4 3º 1º – Girona
ADMINISTRACIÓN Y SERVICIOS GRUPO ZAPOTILLO, S.A. DE C.V.	Mexico
AGUAS DE PRIEGO, S.L.	Plaza de la Constitución, 3 – Priego de Córdoba (Córdoba)
CONCESIONARIA ATENCIÓN PRIMARIA, S.A.	Plaza Es Fortí, 4 – Palma de Mallorca

ADDITIONS	Address
CONSTRUCTORA DE INFRAESTRUCTURAS DE AGUAS DE POTOSÍ, S.A. DE C.V.	Mexico
CONSTRUCTORES DEL ZAPOTILLO, S.A. DE C.V.	Mexico
EMPRESA MUNICIPAL DE AGUAS DE JODAR, S.A.	Plaza Espana, 1 – Jodar (Jaén)
ORASQUALIA CONSTRUCTION, S.A.E.	Egypt
URBS IUSTITIA COMMODO OPERA, S.A.	Avda. Carrilet, 3, planta 11º, Ciutat de la Justícia de Barcelona i l'Hospitalet de Llobregat – l'Hospitalet de Llobregat (Barcelona)

REMOVALS	Address
Fully consolidated	
3 G NETZWERK ERRICHTUNGS GMBH & CO KG (6)	Austria
AGREGATS UNILAND, S.A.R.L. (2)	France
ALPINE BAU TROSTBERG GMBH (7)	Germany
ARAGONESA DE SERVICIOS I.T.V., S.A. (2)	Federico Salmón, 13 – Madrid
AUXILIAR DE PIPELINES, S.A. (10)	Paseo del Club Deportivo, 1 – Pozuelo de Alarcón (Madrid)
CASA PARK MOULAY YOUSSEF, S.A.R.L. (2)	Morocco
CASA PARK, S.A. (2)	Morocco
CEMENTRADE, S.A. UNIPERSONAL (3)	Josefina de la Maza, 4 P.E. Piasca – Santander (Cantabria)
CONCESIONARIA ZONA 5, S.A. (2)	Argentina
CONSTRUCTORA DURANGO-MAZATLAN, S.A. DE C.V.(*)	Mexico
DENEO ENERGÍA E INFRAESTRUCTURAS, S.A. (9)	José Agustín Goytisolo, 33 Nave B1 – Hospitalet de Llobretar (Barcelona)
ELCEN BRAS SERVICIOS Y PROYECTOS, S.A. (9)	Acanto, 22 - Madrid
EURMAN, S.A.	Valentín Beato, 24-26 - Madrid
GENERAL DE SERVICIOS I.T.V., S.A. (2)	Federico Salmón, 13 – Madrid
GESTIÓN ESPECIALIZADA EN INSTALACIONES, S.A. (9)	Valentín Beato, 24 - Madrid
GIZA ENVIRONMENTAL SERVICES, S.A.E. (1)	Egypt
GULFLAND CEMENT LLC. (4)	USA
I.T.V., S.A. (2)	Argentina
LURTARRI, S.L. (1)	Alameda de Urquijo, 10 – Bilbao (Vizcaya)
RECISUELOS, S.A. UNIPERSONAL (2)	Alameda de Urquijo, 10 – Bilbao (Vizcaya)

CONSOLIDATED FINANCIAL STATEMENTS

REMOVALS	Address
SERVICIOS EMPRESARIALES DURANGO-MAZATLAN, S.A. DE C.V.(*)	Mexico
SISTEMAS ENERGÉTICOS EL CARRASCAL, S.A. UNIPERSONAL (5)	Avenida San Francisco Javier, 15 – Sevilla
SISTEMAS ENERGÉTICOS EL CHAPARRAL, S.A. UNIPERSONAL (5)	Avenida San Francisco Javier, 15 – Sevilla
SISTEMAS ENERGÉTICOS LA CERRADILLA, S.A. UNIPERSONAL (5)	Avenida San Francisco Javier, 15 – Sevilla
SISTEMAS ENERGÉTICOS LAMATA, S.A. UNIPERSONAL (5)	Avenida San Francisco Javier, 15 – Sevilla
SISTEMAS ENERGÉTICOS MONTES DEL CONJURO, S.A. UNIPERSONAL (5)	Avenida San Francisco Javier, 15 – Sevilla
SOCIEDAD CONCESIONARIA TRANVÍA DE MURCIA, S.A. (*)	Olof Palmer, s/n – Murcia
UNILAND MARÍTIMA, S.L. UNIPERSONAL (8)	Córcega, 299 - Barcelona
VTV VERIFICACIONES TÉCNICAS VEHICULARES DE ARGENTINA, S.A. (2)	Argentina
VERAUTO LA PLATA, S.A. (2)	Argentina
Consolidated by the equity method	
JOINTE VENTURES	
ACE FCC CONSTRUCCION E EDIFER (1)	Portugal
ASSOCIATES	
.A.S.A. TS PROSTEJOV S.R.O. (*)	Czech Republic
ARAGONESA DE RECUPERACIONES MEDIOAMBIENTALES XXI, S.A.(1)	Ctra. Castellón Km. 58 - Zaragoza
EXPONOR, S.A. –EN LIQUIDATION- (1)	Alameda de Urquijo, 10 – Bilbao (Vizcaya)
I.T.V. CÓRDOBA, S.A. (2)	Argentina
VALENCIANA DE SERVICIOS I.T.V., S.A. (2)	P.I. El Oliveral – Ribarroja de Turia (Valencia)

(*) Change in consolidation method due to purcahse or sale of interests.
(1) Wound up
(2) Sold
(3) Merger
(4) Dissolved
(5) Merger by absorption of Olivento, S.L. Unipersonal
(6) Merger by absorption of 3 G Netzwerk Errichtungs GMBH
(7) Merger by absorption of Alpine Bau Deutschland AG
(8) Dissolved and liquidated by absorption of Uniland Cementera, S.A.
(9) Absorbed by FCC Servicios Industriales y Energéticos, S.A.
(10) Absorbed by Ibérica de Servicios y Obras, S.A.

CONSOLIDATED FINANCIAL STATEMENTS

APPENDIX V JOINT VENTURES AND OTHER CONTRACTS MANAGED JOINTLY WITH THIRD PARTIES OUTSIDE THE GROUP

	Consolidation percentage at 31.12.2010
ENVIRONMENTAL SERVICES	
FCCSA-SECOPSA UTE I	50.00
PASAIA UTE	70.00
PUERTO UTE	50.00
UTE A GUARDA	50.00
UTE A GUARDA SANEAMIENTO	50.00
UTE ABASTECIMIENTO EXTREMADURA	20.00
UTE ABASTECIMIENTO ZARAGOZA	70.00
UTE ABSA – PERICA	60.00
UTE ABSA – PERICA I	60.00
UTE ACTUACIÓN 11 TERUEL	50.00
UTE AEROPUERTO II	50.00
UTE AEROPUERTO V	50.00
UTE AEROPUERTO VI	50.00
UTE AEROPUERTO GALERIAS	50.00
UTE AEROPUERTO GALERIAS II	50.00
UTE AESA – FCC	50.00
UTE AGUAS ALCALÁ	37.50
UTE AGUAS DEL DORAMÁS	50.00
UTE AIGÜES ELS POBLETS	95.00
UTE ALMEDA	51.00
UTE AMPLIACIÓ LIXIVITATS	40.00
UTE AMPLIACIÓN IDAM SANT ANTONI	50.00
UTE AMPLIACIÓN ITAM DELTA DE LA TORDERA	66.67
UTE ANSA – ALFUS	20.00
UTE AQUALIA – FCC – MYASA	94.00
UTE ARGI GUEÑES	70.00
UTE BILBOKO SANEAMENDU	50.00
UTE BILBOKO SANEAMENDU BI	50.00
UTE BIOCOMPOST DE ÁLAVA	50.00
UTE BOADILLA	50.00
UTE CÁDIZ	50.00
UTE CANA PUTXA	20.00
UTE CAP DJINET	50.00

	Consolidation percentage at 31.12.2010
UTE CARMA	50.00
UTE CARPA – FCC PAMPLONA	50.00
UTE CASTELLANA – PO	50.00
UTE CASTELLAR DEL VALLÈS	50.00
UTE CASTELLAR POLÍGONOS	50.00
UTE CEMENTERIOS PERIFÉRICOS II	50.00
UTE CENTRO DEPORTIVO VILLENA	80.00
UTE CHIPIONA	50.00
UTE CIUTAT VELLA	50.00
UTE COLECTOR MAGRANERS	50.00
UTE COLEGIOS SANT QUIRZE	50.00
UTE CONDUCCIÓN A EL VISO Y DEPÓSITOS	70.00
UTE CTR. DE L'ALT EMPORDÀ	45.00
UTE CTR – VALLÈS	20.00
UTE DEPURACIÓN PONIENTE ALMERIENSE	75.00
UTE DOS AGUAS	35.00
UTE ECOPARQUE CACERES	50.00
UTE ECOURENSE	50.00
UTE EDAR A GUARDA	50.00
UTE EDAR ÁVILA	55.00
UTE EDAR BAEZA	50.00
UTE EDAR CULEBRO EQUIPOS	50.00
UTE EDAR DE KRISPIJANA	70.00
UTE EKOFERRO	85.00
UTE ENERGÍA SOLAR ONDA	25.00
UTE EPTISA – AISA (ZIMNICEA)	50.00
UTE EPTISA – ENTEMANSER	48.50
UTE ETAP LAS ERAS	50.00
UTE ETAP ORBIGO	50.00
UTE EXPLOTACIÓN ITAM TORDERA	50.00
UTE EXPLOTACIÓN PISCINAS VIGO	50.00
UTE EXPLOTACIÓN PRESAS DEL SEGURA	60.00
UTE F.L.F. LA PLANA	47.00
UTE FCC – ANPE	80.00

CONSOLIDATED FINANCIAL STATEMENTS

	Consolidation percentage at 31.12.2010
UTE FCC – ERS LOS PALACIOS	50.00
UTE FCC – HIJOS DE MORENO, S.A.	50.00
UTE FCC – PAS SALAMANCA	70.00
UTE FCC – PERICA	60.00
UTE FCC – SUFI MAJADAHONDA	50.00
UTE FCC – SUFI PESA	50.00
UTE FCC – SYF PLAYAS	40.00
UTE FCC – TEGNER	50.00
UTE FCCMA – NECA	51.00
UTE FCCMA – RUBATEC STO. MOLLET	50.00
UTE FCCSA – GIRSA	89.80
UTE FCCSA – VIVERS CENTRE VERD, S.A.	50.00
UTE FS BADAJOZ	79.00
UTE FS MUNGEST	33.15
UTE FS MUNGEST II	51.00
UTE FS PARLA	72.00
UTE FS PARLA II	72.00
UTE GALERÍAS III	50.00
UTE GESTIÓ INTEGRAL DE RUNES DEL PAPIOL	40.00
UTE GESTIÓN FANGOS MENORCA	55.00
UTE GESTIÓN INSTALACIÓN III	34.99
UTE GESTIÓN LODOS CYII	20.00
UTE GESTIÓN SERVICIOS DEPORTES CATARROJA	90.50
UTE GIREF	20.00
UTE GIRONA SELECTIVES	50.00
UTE GIRSA – FCC	59.20
UTE HIDRANTES	50.00
UTE IBIZA – PORTMANY EPC	32.00
UTE IDAM IBIZA	50.00
UTE IDAM IBIZA II	50.00
UTE IDAM IBIZA III	50.00
UTE IDAM SANT ANTONI	50.00
UTE IDAM SANT ANTONI II	50.00
UTE INFILCO	50.00
UTE INTAGUA	50.00
UTE JARDINES MOGÁN	51.00
UTE JARDINES SANTA COLOMA	50.00

	Consolidation percentage at 31.12.2010
UTE JUNDIZ	51.00
UTE KABIEZESKO KIROLDEGIA	60.00
UTE KAIAGARBI	51.00
UTE KAIXARRANKA	60.00
UTE LA LLOMA DEL BIRLET	80.00
UTE LEA – ARTIBAI	60.00
UTE LEGIO VII	50.00
UTE LIMPIEZA COLEGIOS PÚBLICOS DE ALCORA	50.00
UTE LIMPIEZA COLEGIOS PÚBLICOS DE BURRIANA	50.00
UTE LIMPIEZA COLEGIOS PÚBLICOS DE CASTELLÓN	50.00
UTE LIMPIEZA BENICASSIM	35.00
UTE LIMPIEZA SANTA COLOMA	50.00
UTE LIMPIEZA Y RSU LEZO	55.00
UTE LÍNEA 2 FASE 2 FMB	50.00
UTE LOCALES JUSTICIA LOTE II	50.00
UTE LOCALES JUSTICIA LOTE V	50.00
UTE LOGROÑO LIMPIO	50.00
UTE LOURO	65.00
UTE LV Y RSU ARUCAS	70.00
UTE MANTENIMIENTO COLEGIOS BILBAO	60.00
UTE MANTENIMIENTO COLEGIOS II	60.00
UTE MANTENIMIENTO DE EDIFICIOS	60.00
UTE MEJORA ABASTECIMIENTO SESEÑA	50.00
UTE MOLLERUSSA	60.00
UTE MONTCADA	50.00
UTE MOSTAGANEM	50.00
UTE MUSKIZ III	70.00
UTE NAVE JUNDIZ	51.00
UTE OBRA AMPLIACIÓN IDAM SAN ANTONIO	50.00
UTE OBRA EDAR IBIZA	50.00
UTE OBRAS AGUAS ALCALÁ	55.00
UTE ONDA EXPLOTACIÓN	33.33
UTE OYM CAP DJINET	50.00
UTE OYM MOSTAGANEM	50.00
UTE PAMPLONA	80.00
UTE PARQUES SINGULARES MÓSTOLES	50.00
UTE PISCINA CUBIERTA BENICARLÓ	65.00

CONSOLIDATED FINANCIAL STATEMENTS

	Consolidation percentage at 31.12.2010
UTE PISCINA CUBIERTA MUNICIPAL ALBATERA	93.00
UTE PISCINA CUBIERTA MUNICIPAL L'ELIANA	99.50
UTE PISCINA CUBIERTA CLUB DEPORTIVO ALBORAYA	99.00
UTE PISCINA CUBIERTA MANISES	99.50
UTE PISCINA CUBIERTA PAIPORTA	90.00
UTE PISCINA POLIDEPORTIVO PAIPORTA	65.00
UTE PLAN RESIDUOS	47.50
UTE PLANTA RSI TUDELA	60.00
UTE PLANTA TRATAMIENTO VALLADOLID	60.00
UTE PLAYAS	50.00
UTE PLAYAS GUIPUZKOA	55.00
UTE PONIENTE ALMERIENSE	50.00
UTE PORTUGARBI	51.00
UTE PORTUGARBI – BI	51.00
UTE POSU – FCC VILLALBA	50.00
UTE POTABILIZADORA ELS POBLETS	70.00
UTE PUERTO II	70.00
UTE QUINTO CONTENEDOR	50.00
UTE R.S. PONIENTE ALMERIENSE	50.00
UTE RBU VILLA-REAL	47.00
UTE RESIDENCIA	50.00
UTE RESTAURACIÓN GARRAF	27.50
UTE RSU TOLOSALDEA	60.00
UTE S.U. BILBAO	70.00
UTE SALTO DEL NEGRO	50.00
UTE SANEAMIENTO URBANO CASTELLÓN	65.00
UTE SANT LLORENÇ	50.00
UTE SANT QUIRZE	50.00
UTE SANT QUIRZE DEL VALLÉS	50.00
UTE SANTA COLOMA DE GRAMANET	61.00
UTE SANTURTZIKO GARBIKETA	60.00
UTE SASIETA	75.00
UTE SAV – FCC TRATAMIENTOS	35.00
UTE SEAFSA LANZAROTE	60.00
UTE SELECTIVA SAN MARCOS	65.00
UTE SELECTIVA UROLA KOSTA	60.00
UTE SELLADO VERTEDERO LOGROÑO	50.00

	Consolidation percentage at 31.12.2010
UTE SERVICIOS EXPO	60.00
UTE TANATORIO DE PATERNA	50.00
UTE TIRVA FCC – FCCMA RUBÍ	51.00
UTE TORRIBERA III	50.00
UTE TORRIBERA IV	50.00
UTE TORRIBERA RSU	50.00
UTE TOSSA DE MAR	13.00
UTE TRANSPORTE SAN MARCOS	80.00
UTE TRANSPORTE DEBABARRENA TXINGUDI	60.00
UTE TREMP	51.00
UTE TXINGUDI	75.00
UTE TXINGUDIKO GARBIKETA	73.00
UTE UROLA ERDIA	60.00
UTE URRETXU Y ZUMARRAGA	65.00
UTE VERTEDERO ARTIGAS	50.00
UTE VERTEDERO GARDALEGUI II	70.00
UTE VERTRESA	10.00
UTE VIGO RECICLA	70.00
UTE VILOMARA	33.33
UTE VINAROZ	50.00
UTE VIVIENDAS MARGEN DERECHA	60.00
UTE WTC – ZARAGOZA	51.00
UTE ZARAGOZA DELICIAS	51.00
UTE ZARAUZKO GARBIKETA	60.00
UTE ZONZAMAS FASE II	30.00
UTE ZURITA	50.00
VERSIA	
CLEAR CHANNEL – CEMUSA UTE	50.00
CYCSA – ISOLUX INGENIERÍA UTE	50.00
CYS – IKUSI – GMV UTE	43.50
EYSSA-AUPLASA ALICANTE UTE	65.00
SISTEMAS TRANVÍA DE MURCIA UTE	32.00
TRAMBESÓS UTE	33.00
TÚNELES DE BARAJAS UTE	50.00
UTE BYPASS SUR	50.00
UTE C-17 SERVEI	50.00
UTE CC CLOT ARAGÓ	60.00

CONSOLIDATED FINANCIAL STATEMENTS

	Consolidation percentage at 31.12.2010
UTE CN III	45.00
UTE EIX LLOBREGAT	50.00
UTE EUROHANDLING	50.00
UTE EUROHANDLING BARCELONA	50.00
UTE EUROHANDLING MÁLAGA	50.00
UTE FCC ACISA AUDING	45.00
UTE MENDIZULOA	30.00
UTE SCC SICE	50.00
UTE S.G.V.V.	50.00
UTE TRAMBAIX	33.00
CONSTRUCTION	
ARGE A4	50.00
ARGE ACHRAIN	50.00
ARGE ALPTRANSIT BRENNER	50.00
ARGE ARLBERG	45.00
ARGE ATAC	50.00
ARGE BEG H4 STANS	50.00
ARGE BEG LOS O1	50.00
ARGE BETON BHF. ST. PÖLTEN	45.00
ARGE BETON DOPPL 2	50.00
ARGE BETON NEUBAU	40.00
ARGE BETONBAU ÖBB YBBS AMSTETTEN	50.00
ARGE BETR. GEB. HEIDKOF	50.00
ARGE CONTIWEG	60.00
ARGE EGGETUNNEL	50.00
ARGE ERDB. A8 PICHL - MEGG	50.00
ARGE ERDB. MATZLEINSDORF	50.00
ARGE ERDBAU AMSTETTEN BL3	60.00
ARGE ERDBAU BHF ST. PÖLTEN	33.33
ARGE ERDBAU DOPPL II	50.00
ARGE ERDBAU NEUBAU	50.00
ARGE EURO 2008 AUSB. STAD. INNSBRUCK	33.33
ARGE EURO 2008 AUSB. STAD. KLAGENFURT	55.00
ARGE EURO 2008 AUSB. STAD. SALZBURG	51.00
ARGE GALERIEN KÜHTAI	25.00
ARGE GEBÖS NORDBAHNHOF	33.34
ARGE GK RECHTE ALTSTADT 2	50.00

	Consolidation percentage at 31.12.2010
ARGE GOTTHARD TUNNEL	66.66
ARGE HABERKORN ULMER	50.00
ARGE HEIDKOPFTUNNEL	33.34
ARGE HOCHBAU HBF ST. PÖLTEN	25.35
ARGE HWS MACHLAND	50.00
ARGE INGENIEURBAU PPP OSTREGION	50.00
ARGE JURIDICUM	50.00
ARGE KATSCHBERG	30.96
ARGE KDD	33.34
ARGE KH RIED BR 2 + 3	23.78
ARGE KH RIED BR 4/4A	33.33
ARGE KINGSCROSS	50.00
ARGE KLOSTERNEUBURG	28.10
ARGE KOPS	80.00
ARGE KRANKENHAUS BR A + F	50.00
ARGE LAINZERTUNNEL 31	50.00
ARGE LICHTENFELS	33.34
ARGE MISCHGUT PPP OSTREGION	50.00
ARGE MVA ZISTERSDORF	50.00
ARGE NBS LOS B	33.34
ARGE NUSSDORF – ZAGLING	50.00
ARGE PARKDECK STOCKERAU	33.00
ARGE PRO MENTE WELS	50.00
ARGE RASTSTÄTTE PPP OSTREGION	50.00
ARGE SCHMIEDETECHNIK – ERW	33.33
ARGE SCHWEDEN	50.00
ARGE SENIORENWOHNHEIM KREMS	66.66
ARGE SINGAPURE 855	50.00
ARGE SPERRE BAECHENTAL	15.00
ARGE STRENGEN	70.00
ARGE TERMINAL TOWER LINZ	50.00
ARGE THERAPIEZENTRUM BAD HALL	82.70
ARGE TSCHAMBREU	66.66
ARGE TULLNERFELD 4.1	66.66
ARGE TUNNEL – U. ING. BAU. LEIPZIG LOS B	5.70
ARGE TURBOLADERWERK	50.00
ARGE TWL LEHEN – LIEFERING	40.00

CONSOLIDATED FINANCIAL STATEMENTS

	Consolidation percentage at 31.12.2010
ARGE UMFAHRUNG BRIXEN B13	48.80
ARGE UW YBBSFELD	50.00
ARGE VEZ	50.00
ARGE VKA TERNITZ	1.00
ARGE WIESING H4 – 3	75.00
ERD – UN STRASSENB. PPP	19.00
ASTALDI – FCC J.V.	50.00
FCC ELLIOT CONSTRUCTION PARTNERSHIP	50.00
J.V. ARAD-TIMISOARA FCC-ASTALDI	50.00
J.V. CENTURE OTOPENI OVERPASS	89.80
J.V ESTENSION OF LINE 2 TO ANTOHOUPOLI	50.01
J.V. FCC-ASTALDI	50.00
J.V. FCC CO-MCM	95.00
J.V. METRO DEHLI C1	19.00
UTE 180 VIVIENDAS PARCELA 22, LEGANÉS	60.00
UTE 2º FASE EIQUE DE LA ESFINGE	35.00
UTE 57 VIVIENDAS PC-6 CERRO DE REYES	90.00
UTE ACCESO NORTE A VIGO NUEVA ESTACIÓN	50.00
UTE ACCESO ZAMORA	65.00
UTE ACCESOS A LA ESTACIÓN DE LA SAGRERA	37.50
UTE ACON. Y PEATON. SAN BARTOLOMÉ TIRAJANA	70.00
UTE ACONDICIONAMIENTO BASE ALMUSSAFES	50.00
UTE ACTUACIONES AEROPUERTO DE LOGROÑO	80.00
UTE ADAMUZ	33.33
UTE AEROMÉDICA CANARIA – FCCCO	5.00
UTE AEROPUERTO DE CASTELLÓN	50.00
UTE AL – DEL CUENCA	50.00
UTE AL – DEL POLIVALENTES	50.00
UTE AL – DEL SANTIAGO	50.00
UTE AL – DEL VILLARRUBIA	50.00
UTE AL – DEL XÁTIVA	50.00
UTE ALARCÓN	55.00
UTE ALBACETE – ALMANSA	50.00
UTE ALBUERA	50.00
UTE ALCAR	45.00
UTE ALMENDRALEJO II	50.00
UTE ALQUERÍA	50.00

	Consolidation percentage at 31.12.2010
UTE ALUMBRADO BARRIO SAN FCO. JAVIER	80.00
UTE AMOREBIETA	66.66
UTE AMPLIACIÓN AP-6 TRAMO 2	50.00
UTE AMPLIACIÓN EDAR GIRONA	67.00
UTE AMP. PLAT COSTERA REC. GUINIGUADA	50.00
UTE AMPLIACIÓN PUERTO DE CASTELLÓN	50.00
UTE AMPLIACIÓN SAIH	50.00
UTE AMPLIACIÓN SUPERFICIE M. LEVANTE PTO. V	60.00
UTE ANAGA	33.33
UTE APARCAMIENTO TERM. ACT. AEROPUERTO G.C.	70.00
UTE ARENAL	16.17
UTE ARINAGA III	50.00
UTE ARMILLA INSTALACIONES	50.00
UTE ARRIXACA GASES	26.00
UTE ARROYO DE LA ENCOMIENDA	50.00
UTE ARROYO DEL FRESNO	50.00
UTE AUCOSTA CONSERVACIÓN	50.00
UTE AUDITORIO DE BURGOS	65.00
UTE AUTOPISTA CARTAGENA – VERA	50.00
UTE AUTOVÍA COSTA BRAVA	65.00
UTE AUTOVÍA DE LA SAGRA	50.00
UTE AUTOVÍA EL BATAN – CORIA	50.00
UTE AUTOVÍA PAMPLONA – LOGROÑO T2, 3, 4	70.79
UTE AVE GIRONA	40.00
UTE AVE MASIDE	67.00
UTE AVE MONTBLANC	75.00
UTE AVE TERUEL	50.00
UTE AVE TÚNEL DE SERRANO	42.00
UTE ÁVILA 6	35.00
UTE AZOKA	45.88
UTE AZUCENAS	75.00
UTE AZUD BAJO EMBALSE ALARCÓN	50.00
UTE AZUD DEL EBRO 2º FASE	70.00
UTE BALLONTI ARDANZA	9.80
UTE BARBADOS	50.00
UTE BENTA AUNDI	50.00
UTE BERGARA ANTZUOLA	50.00

CONSOLIDATED FINANCIAL STATEMENTS

	Consolidation percentage at 31.12.2010
UTE BIBLIOTECA DE NAVARRA	65.00
UTE BIMENES	70.00
UTE BIMENES III	70.00
UTE BIZKAIA ENPARANTZA	24.50
UTE BOETTICHER	50.00
UTE BOETTICHER ELECTRICIDAD	50.00
UTE BOQUILLA SUR TÚNEL VIGO – DAS MACEIRAS	50.00
UTE BULEVAR PINTO RESINA	50.00
UTE BUÑEL – CORTES	80.00
UTE C&F JAMAICA	50.00
UTE C.A.R.E. CÓRDOBA	75.00
UTE CÁCERES II	50.00
UTE CAMPO GIBRALTAR	80.00
UTE CAMPO DE GIBRALTAR	50.00
UTE CAMPUS CLIMA	50.00
UTE CAN TUNIS	70.00
UTE CANAL DE NAVARRA	60.00
UTE CANALES DEL JÚCAR	60.00
UTE CANONADA SANT JUST	60.00
UTE CÁRCEL MARCOS PAZ	35.00
UTE CARCHUNA – CASTELL	75.00
UTE CARDEDEU	40.00
UTE CARIÑENA	50.00
UTE CARRETERA HORNACHOS – LLERA	65.00
UTE CARRETERA IBIZA – SAN ANTONIO	50.00
UTE CASON II	50.00
UTE CASTELLÓ D'AMPÚRIES	50.00
UTE CASTIÑEIRIÑO	65.00
UTE CATENARIA – CERRO NEGRO	50.00
UTE CATLANTICO	25.00
UTE CECOEX	20.00
UTE CENTRAL – BEURKO	19.60
UTE CENTRAL – BEURKO FASE II	12.25
UTE CENTRO COMERCIAL ARANJUEZ	50.00
UTE CENTRO COMERCIAL ARANJUEZ PLAZA F. II	50.00
UTE CENTRO COMERCIAL LA GRELA	50.00
UTE CENTRO COMERCIAL MESOIRO	50.00

	Consolidation percentage at 31.12.2010
UTE CENTRO CONTINGENCIAS GAVÀ	70.00
UTE CERRO GORDO	75.00
UTE CIBELES	50.00
UTE CIBELES ELECTRICIDAD	50.00
UTE CINE AVENIDA	50.00
UTE CIRCUITO	70.00
UTE CIRCUITO F-1 VALENCIA	38.00
UTE CIUDAD DE LAS COMUNICACIONES	50.00
UTE CIUDAD DEPORTIVA VALDEBEBAS	50.00
UTE CIUDAD DEPORTIVA VALDEBEBAS II	50.00
UTE CIUTAT DE LA JUSTÍCIA	30.00
UTE CLIMA "LA FE"	38.00
UTE CLIMA DENIA	65.00
UTE CLIMA PARQUE EMP. "FORESTA"	50.00
UTE CLIMATIZACIÓN ALCÁZAR DE SAN JUAN	60.00
UTE CLIMATIZACIÓN CIBELES	50.00
UTE CLIMATIZACIÓN CIUDAD DE TELEFÓNICA	50.00
UTE CLIMATIZACIÓN SON DURETA	42.00
UTE CLIMATIZACIÓN W.T.C.	50.00
UTE CLUB NÁUTICO CASTELLÓN	50.00
UTE COALVI – CONVENSA	25.00
UTE COBRA CPD REPSOL	50.00
UTE COBRA – ESPELSA TRANVÍA	50.00
UTE COIMA, S.A. – T.P. D ARMENGOLS C.P.	15.28
UTE COLADA	63.00
UTE COLECTOR ABOÑO	80.00
UTE COLECTOR NAVIA	80.00
UTE COLECTOR PARLA	50.00
UTE CONAVILA II	50.00
UTE CONDUCCIÓN DEL JÚCAR TRAMO VI	70.00
UTE CONEXIÓN DISTRIBUIDOR SUR	60.00
UTE CONEXIONES EL CAÑAVERAL	33.33
UTE CONSEJERÍA AGRICULTURA	85.00
UTE CONSTRUCCIÓN HOSPITAL SURESTE	50.00
UTE CONSTRUCCIÓN HOSPITAL TORREJÓN	66.70
UTE CONSTRUCCIÓN TRANVÍA ZARAGOZA	50.00
UTE CONSTRUCTORA ATENCIÓN PRIMARIA	33.00

CONSOLIDATED FINANCIAL STATEMENTS

	Consolidation percentage at 31.12.2010
UTE COORDINACIÓN	34.00
UTE COPERO	70.00
UTE CORNELLÀ WTC	36.00
UTE CORREDOR	55.00
UTE CORTE INGLÉS EIBAR	50.00
UTE COSTA DEL SOL	50.00
UTE COSTERA NORTE 1º	70.00
UTE CP NORTE I	50.00
UTE CREAA	50.00
UTE CARRETERAS ACCESO PUERTO CASTELLÓN	50.00
UTE CUATRO CAMINOS	50.00
UTE CUÑA VERDE	93.00
UTE CYM – ESPELSA INSTALACIONES	50.00
UTE DÁRSENA SUR II DEL PUERTO DE CASTELLÓN	50.00
UTE DE SUMINISTROS PUENTE RÍO OZAMA	50.00
UTE DENIA SALUD	65.00
UTE DEPÓSITO COMBUSTIBLE PUERTO GIJÓN	80.00
UTE DESALADORA BAJO ALMANZORA	60.00
UTE DESARROLLO PUERTO DE AVILES FASE I	80.00
UTE DESDOBLAMIENTO CV – 309 EN SAGUNTO	50.00
UTE DESDOBLAMIENTO DE LA AS-17 I	70.00
UTE DESDOBLAMIENTO EX-100 BADAJOZ	50.00
UTE DESVÍOS II	60.00
UTE DESVÍOS LÉRIDA-BARCELONA	50.00
UTE DIQUE DE LA ESFINGE 2º FASE	70.00
UTE DIQUE ESTE	35.00
UTE DIQUE ESTE FASE II	50.00
UTE DIQUE ESTE DÁRSENA SUR PUERTO DE CASTELLÓN	50.00
UTE DIQUE TORRES	27.00
UTE DIQUE TORRES II	27.00
UTE DIQUE TORRES 3	27.00
UTE DISTRIBUCIÓN L-2 Y VARIAS	50.00
UTE DOZÓN	29.60
UTE DRAGADO CANAL ENTRADA Y DÁRSENA SUR	50.00
UTE DRAGADO MEJORA ACCESO DÁRSENA SUR	50.00
UTE DRAGADO MUELLE COMERCIAL VILAGARCÍA	50.00
UTE EBRACONS	68.00

	Consolidation percentage at 31.12.2010
UTE EDAM OESTE	70.00
UTE EDAR CULEBRO	50.00
UTE EDAR CULEBRO OBRA CIVIL	50.00
UTE EDAR LOIOLA	89.80
UTE EDAR NAVIA	80.00
UTE EDAR PATERNA	85.00
UTE EDIFICIO 4 WTC	56.25
UTE EDIFICIO 6-7-8 WTC	36.00
UTE EDIFICIO DE LAS CORTES	65.00
UTE EDIFICIO IDI 5 TERCERA FASE CPI	75.00
UTE EDIFICIO IMETISA	70.00
UTE EDIFICIO TERMINAL	40.00
UTE EDIFICIOS TÉCNICOS CIUDEN	80.00
UTE EIX BERGUEDÀ	34.00
UTE EIX DEL LLOBREGAT	34.00
UTE EL CONDADO	40.00
UTE ELECTRICIDAD BY PASS SUR CALLE 30	33.33
UTE ELECTRICIDAD CIBEK	50.00
UTE ELECTRICIDAD CIUDAD COMUNICACIONES	50.00
UTE ELECTRICIDAD SON DURETA	50.00
UTE ELECTRIFICACIÓN BURGOS	33.33
UTE ELECTRIFICACIÓN CUATRO VIENTOS	50.00
UTE ELECTRIFICACIÓN GRANOLLERS	20.00
UTE ELECTRIFICACIÓN TRANVÍA DE MURCIA	55.00
UTE EMISARIO MOMPAS	89.80
UTE ENCAUZAMIENTO BARRANCO DE FRAGA	60.00
UTE ERRENTERIA	24.50
UTE ESCLUSA SEVILLA	70.00
UTE ESCUELA DE ARTES Y DISEÑOS	70.00
UTE ESPELSA – CYMI INSTALACIONES NORTE	50.00
UTE ESPELSA – OCESA	75.00
UTE ESTABILIZACIÓ VIDRERES	50.00
UTE ESTABILIZADO VIC-RIPOLL	50.00
UTE ESTACIÓN AVE ZARAGOZA	50.00
UTE ESTACIÓN CORNELLÁ RIERA	50.00
UTE ESTACIÓN FGV MERCADO – ALICANTE	60.00
UTE ESTACIÓN LUCERO ALICANTE	33.33

CONSOLIDATED FINANCIAL STATEMENTS

	Consolidation percentage at 31.12.2010
UTE ESTACIÓN METRO SERRERÍA	50.00
UTE ESTACIONS AEROPORT L9	49.00
UTE ESTACIONS LÍNEA 9	33.00
UTE ESTEPONA	25.00
UTE F.I.F. GNL FB 301/2	35.96
UTE F.I.F. GNL TK-3.002/3	39.06
UTE F.I.F. LNG TK – 3001	34.00
UTE F.I.F. TANQUE FB – 241 GNL	38.00
UTE F.I.F. TANQUES GNL	34.00
UTE FASE II HOSPITAL DE MÉRIDA	50.00
UTE FASE II PABELLÓN REYNO DE NAVARRA	50.00
UTE FCC – SCENIC LIGHT	80.00
UTE FCC – TECYSU	80.00
UTE FGV ALICANTE TRAMO 2	60.00
UTE FGV VARIANTE TRAMO FINCA ADOC	55.00
UTE FIRA P-5	65.00
UTE FUENTE LUCHA	77.00
UTE GANGUREN	11.03
UTE GASODUCTO MAGREB – EUROPA	50.00
UTE GAVELEC	50.00
UTE GC – 1 PUERTO DE RICO – MOGÁN	40.00
UTE GEDERIAGA	24.50
UTE GIJÓN – VILLAVICIOSA	50.00
UTE GIRONA NORTE	70.00
UTE GIRONA NORTE II	70.00
UTE GOIAN	70.00
UTE GOIERRIALDEA	55.00
UTE GOIERRIALDEA 2010	55.00
UTE GRAN VÍA HOSPITALET	50.00
UTE GRAN VÍA NORTE	50.00
UTE GRAN VÍA SURESTE	33.33
UTE GRAU DE LA SABATA	90.00
UTE GUADARRAMA 3	33.33
UTE GUADARRAMA 4	33.33
UTE GUAREÑA I	50.00
UTE GUICYCSA TORDESILLAS	60.00
UTE HABILITACIÓN ED. C. COMUNICACIONES	50.00

	Consolidation percentage at 31.12.2010
UTE HORCHE	65.00
UTE HORKASITAS	24.50
UTE HOSPITAL ALCÁZAR	60.00
UTE HOSPITAL CAMPUS DE LA SALUD	80.00
UTE HOSPITAL DE CARTAGENA	70.00
UTE HOSPITAL DE SALAMANCA	40.00
UTE HOSPITAL DEL SUR	80.00
UTE HOSPITAL FCC – VVO	80.00
UTE HOSPITAL MARQUÉS VALDECILLA FASE III	33.33
UTE HOSPITAL NAVALMORAL	50.00
UTE HOSPITAL NORTE TENERIFE	80.00
UTE HOSPITAL SON DURETA	33.00
UTE HOSPITAL UNIVERSITARIO DE MURCIA	50.00
UTE HUELVA NORTE II	55.00
UTE HUELVA SUDESTE	40.00
UTE HUESNA CONSTRUCCIÓN	33.33
UTE IBAI EDER	24.50
UTE IBARRETA	24.50
UTE IFEVI	50.00
UTE INSTALACIONES C – 17 VIC – RIPOLL	33.30
UTE INSTALACIONES METRO MÁLAGA	54.00
UTE INSTALACIONES PLATAFORMA SUR	50.00
UTE IRO	80.00
UTE JAÉN – MANCHA REAL	80.00
UTE JEREZ FERROVIARIA	80.00
UTE JEREZ – LA BARCA	80.00
JUTE JONCADELLA	34.00
UTE JUAN GRANDE	50.00
UTE L9 HOSPITALET	50.00
UTE LA ALDEA	35.00
UTE LA CARPETANIA	50.00
UTE LA LOTETA	80.00
UTE LADERA ENCISO	50.00
UTE LAKUA 796	24.50
UTE LAS ROSAS I – 7	33.33
UTE LASGARRE	50.00
UTE LAUDIO	24.50

CONSOLIDATED FINANCIAL STATEMENTS

	Consolidation percentage at 31.12.2010
UTE LINEA 1 TRANVÍA DE MURCIA	50.00
UTE LÍNEA 2	50.00
UTE LÍNEA 5	40.00
UTE LÍNEA 9	33.00
UTE LLAGOSTERA	50.00
UTE LUKO	45.00
UTE M-407	50.00
UTE M-30 TÚNEL SUR	50.00
UTE M-407 GESTION	50.00
UTE MÁLAGA COCHERAS	50.00
UTE MALLABIA	14.70
UTE MANTENIMENT RONDES II	70.00
UTE MANTENIMIENTO VÍA ARANJUEZ	50.00
UTE MANTENIMIENTO VÍA SEVILLA	50.00
UTE MANZANAL	50.00
UTE MATADERO	57.50
UTE MATERNIDAD	50.00
UTE MEDINACELI	22.40
UTE METRO MÁLAGA	36.00
UTE MONTAJE VIA MOLLET – GIRONA	50.00
UTE MONTAJE VIA O IRIXO – SANTIAGO	50.00
UTE MONTAJE VIA SIETE AGUAS - VALENCIA	50.00
UTE MONT-RAS	50.00
UTE MONTSERRAT	35.00
UTE MONTSERRAT 2025	50.00
UTE MORA	30.00
UTE MORALEDA	66.00
UTE MOTRIL	75.00
UTE MUELLE BOUZAS	70.00
UTE MUELLE COMERCIAL VILAGARCÍA	70.00
UTE MUELLES COMERCIALES	60.00
UTE MUELLE MUNGUIA	13.72
UTE N.O.M.	63.00
UTE NACIMIENTO	54.00
UTE NANCLARES	95.00
UTE NOU PONT DE FUSTA	50.00
UTE NOVOA SANTOS	60.00

	Consolidation percentage at 31.12.2010
UTE NUDO DE MOLLET	50.00
UTE NUEVA SEDE JUDICIAL LAS PALMAS G.C.	70.00
UTE NUEVO ESTADIO VCF	49.00
UTE NUEVO HOSPITAL DE CÁCERES	33.33
UTE NUEVO PUERTO DE IGOUMENITZA	50.00
UTE NUEVO TRAZADO CARRETERA TF-812	85.00
UTE OFICINAS HOSPITALET	50.00
UTE OLAVETRAN	14.70
UTE OLOT MONTAGUT	45.00
UTE OPERACIÓN TRANVÍA DE MURCIA	50.00
UTE ORDIZIA	90.00
UTE ORENSE – MELÓN	50.00
UTE OSEBE	50.00
UTE PABELLÓN REYNO DE NAVARRA	50.00
UTE PADRÓN	50.00
UTE PAGO DE EN MEDIO	80.00
UTE PALACIO DE LOS DEPORTES	50.00
UTE PALAMÓS-PALAFRUGELL	50.00
UTE PALAU	50.00
UTE PANADELLA	50.00
UTE PARADOR DE EL SALER	75.00
UTE PARANINFO ZARAGOZA	60.00
UTE PARQUE MÁLAGA	60.00
UTE PARQUE MAYORDOMÍA	50.00
UTE PARQUE TECNOLÓGICO	60.00
UTE PASEO PARQUE RIBALTA CASTELLÓN	65.00
UTE PAU LAS TABLAS	50.00
UTE PAU MONTE CARMELO	50.00
UTE PAVONES VIVIENDAS	50.00
UTE PERI AR.8 LA MADRAZA	99.00
UTE PIEDRAFITA	66.67
UTE PINO MONTANO P 5	50.00
UTE PLANTA BARAJAS MELO	50.00
UTE PLANTA DE RESIDUOS	50.00
UTE PLASENCIA	50.00
UTE PLATAFORMA SATÉLITE	26.00
UTE PLATAFORMA TRANSPORTE UJI DE CASTELL	65.00

CONSOLIDATED FINANCIAL STATEMENTS

	Consolidation percentage at 31.12.2010
UTE PLATAFORMA TTE.PUB. TRAMO I COLUMBRETES	55.00
UTE PLISAN	70.00
UTE POBLA TORNESA	50.00
UTE POLIDEPORTIVO MIERES	70.00
UTE POLÍGONO BOBES	50.00
UTE POLÍGONO DE TANOS	50.00
UTE POLÍGONO LLOREDA	70.00
UTE POLÍGONO VICÁLVARO	80.00
UTE PONT DEL CANDI	75.00
UTE PORT DE LLANÇÀ	60.00
UTE PREFABRICADOS POLA	50.00
UTE PRESA ENCISO	50.00
UTE PRESAS ITOIZ	33.00
UTE PRESAS EBRO	50.00
UTE PRESAS JÚCAR	53.00
UTE PREVENCIÓN DE INCENDIOS NORESTE	50.00
UTE PROLONGACIÓN DIQUE REINA SOFÍA	40.00
UTE PROSER – ARDANUY	70.00
UTE PROSER – GEOCONTROL	60.00
UTE PROSER – GEOCONTROL II	62.00
UTE PROSER – I.P.D.	65.00
UTE PROSER – NARVAL	60.00
UTE PROSER – NORCONTROL	50.00
UTE PROSER – NORCONTROL II	50.00
UTE PROSER – PAYMACOTAS IV	50.00
UTE PROSER – UG 21	70.00
UTE PROSER – LA ROCHE TF – 5 III	50.00
UTE PROSER – BATLLE I ROIG	50.00
UTE PROSIBE II	50.00
UTE PROSIBE III	50.00
UTE PSIR CASTRO URDIALES	50.00
UTE PT ADRIÁTICO	30.00
UTE PUENTE RÍO OZAMA (DFC-COCIMAR)	35.00
UTE PUENTE DE LA SERNA	65.00
UTE PUENTE DE PONFERRADA	55.00
UTE PUENTE DEL REY	33.33
UTE PUENTE Ma – 1110	33.00

	Consolidation percentage at 31.12.2010
UTE PUENTE PISUERGA	50.00
UTE PUENTE SERRERÍA	60.00
UTE PUERTO DE GRANADILLA	40.00
UTE PUERTO DE LAREDO	50.00
UTE PUERTO DEL ROSARIO	90.00
UTE PUIG-REIG	50.00
UTE RADIALES	35.00
UTE RAMPAS ERMUA	50.00
UTE RANILLA CONSTRUCCIÓN	85.00
UTE RECINTOS FERIALES	50.00
UTE RECUPERACIÓN DEL GUINIGUADA	50.00
UTE REFORMA HOSPITAL V SALUD (TOLEDO)	60.00
UTE RELLENOS PETROLEROS PUERTO GIJÓN	80.00
UTE REVLON	60.00
UTE RIALB	65.00
UTE RIALB II	65.00
UTE RIAÑO SAMA II	70.00
UTE RIBERAS DEL EBRO U-12	80.00
UTE RINCÓN DE LA VICTORIA	50.00
UTE RÍO LLOBREGAT	55.00
UTE ROCKÓDROMO	50.00
UTE ROCKÓDROMO 2	40.00
UTE ROCKÓDROMO FASE 3	40.00
UTE ROCKÓDROMO PC 3	45.00
UTE RONDA HISPANIDAD	45.00
UTE RUTA NACIONAL HAITÍ	55.00
UTE S.A.I.H. CHJ	50.00
UTE S.A.I.H. SUR	40.00
UTE S.A.I.H. VALENCIA	50.00
UTE SAGRA TORRIJOS	50.00
UTE SAGUNTO	60.00
UTE SAGUNTO PARCELA M17-3	50.00
UTE SAIPEM - FCC BALEARES DOS	50.00
UTE SAIPEM - FCC BALEARES UNO	11.41
UTE SAJA	50.00
UTE SAN PEDRO	24.50
UTE SAN VICENTE	43.00

CONSOLIDATED FINANCIAL STATEMENTS

	Consolidation percentage at 31.12.2010
UTE SANEAMIENTO ARCO SUR	56.50
UTE SANTA BRÍGIDA	25.00
UTE SANTA COLOMA DE FARNERS	50.00
UTE SANTIAGO – PADRÓN	50.00
UTE SANTO DOMINGO	70.00
UTE SECTOR II ZARAGOZA	65.00
UTE SEGUNDA FASE DELICIAS ZARAGOZA	50.00
UTE SELLA	50.00
UTE SEMINARIO P3-2	99.00
UTE SERVEIS AFECTATS CASTELLÓ D'AMPÚRIES	50.00
UTE SEVILLA SUR	65.00
UTE SIETE AGUAS – BUÑOL	66.66
UTE SISTEMA INTEGRAL ALICANTI SUR	66.67
UTE SOMOSAGUAS	50.00
UTE SOTIELLO	50.00
UTE SOTO DE HENARES	70.00
UTE SSAA AP – 7	50.00
UTE STA Mª DEL CAMÍ	45.00
UTE STADIUM	70.00
UTE SUBESTACIÓN PAJARES	50.00
UTE SUBESTACIÓN SERANTES	50.00
UTE TALLERES METRO	80.00
UTE TARRAGONA LITORAL	70.00
UTE TARRAGONA SUR	70.00
UTE TECAIR ROCKÓDROMO	50.00
UTE TELENEO	50.00
UTE TEMPLO Y C. ECUM. EL SALVADOR F1	65.00
UTE TERMINAL BARAJAS T-4	50.00
UTE TERMINAL DE BARAJAS	22.50
UTE TERMINAL GRANELES PUERTO CASTELLÓN	60.00
UTE TERMINAL SUR MUELLE LEÓN Y CASTILLO	35.00
UTE TERMOSOLAR GUZMÁN	67.50
UTE TF-5 2ª FASE	70.00
UTE TINDAYA	50.00
UTE TORO ZAMORA	70.00
UTE TORQUEMADA	50.00
UTE TORRE 1 FCC DRAGADOS	60.00

	Consolidation percentage at 31.12.2010
UTE TORRE DON JIMENO	50.00
UTE TORREBLANCA	50.00
UTE TORRIJOS	80.00
UTE TRAGSA – FCC A.P.	50.00
UTE TRAIDA AGUAS PARC SAGUNT	50.00
UTE TRAMBESÒS	50.00
UTE TRAMMET	50.00
UTE TRAMO DE NUEVA CONSTRUCCIÓN JÚCAR-VINALOPO	70.00
UTE TRAMVIA DIAGONAL	25.00
UTE TRANVÍA DE PARLA	50.00
UTE TRANVÍA L-2 PARQUE ALICANTE	55.00
UTE TRANVÍA LUCEROS-MERCADO ALICANTE	60.00
UTE TRASVASE JÚCAR VINALOPÓ	50.00
UTE TREN TRAM I	50.00
UTE TRES CANTOS GESTIÓN	50.00
UTE TRIANGLE LÍNEA 9	33.00
UTE TÚNEL AEROPORT	33.00
UTE TÚNEL AEROPORT II	33.00
UTE TÚNEL C.E.L.A.	50.00
UTE TÚNEL AVE CHAMARTÍN – ATOCHA	42.00
UTE TÚNEL DE BRACONS	75.00
UTE TÚNEL DE PAJARES 1	50.00
UTE TÚNEL FIRA	33.00
UTE TÚNEL PROVISIONAL ESTACIÓN ATOCHA	42.00
UTE TÚNEL SANT JUST	60.00
UTE TÚNEL TERRASSA	36.00
UTE TUNELADORA METRO	33.00
UTE TÚNELES DE GUADARRAMA	33.33
UTE TÚNELES DE SORBES	67.00
UTE TÚNELES DELICIAS	65.00
UTE UE 1 ARROYO DEL FRESNO	50.00
UTE UE 2 ARROYO DEL FRESNO	50.00
UTE UE 2 VALLECAS	25.00
UTE UE 5 VALLECAS	33.33
UTE UE 6 VALLECAS	33.33
UTE UNIVERSIDAD DE MÁLAGA	65.00
UTE UNIVERSIDAD DE TUDELA	60.00

CONSOLIDATED FINANCIAL STATEMENTS

	Consolidation percentage at 31.12.2010
UTE UNQUERA – PENDUELES	80.00
UTE URBANIZACIÓN PARC SAGUNT	50.00
UTE URBANIZACIÓN PARQUE DEL AGUA	60.00
UTE URBANIZACIÓN SOMOSAGUAS	50.00
UTE VAGUADA MADRID – 2	50.00
UTE VALDEVIVIENDAS II	33.33
UTE VALLE INFERIOR	80.00
UTE VARIANTE DE MONZÓN	70.00
UTE VARIANTE INCA	70.00
UTE VARIANTE MACHA REAL	67.00
UTE VEGAS ALTAS	40.00
UTE VELA BCN	33.33
UTE VELÓDROMO	60.00
UTE VERTEDERO CASTAÑEDA	62.50
UTE VÍAS COLECTORAS LA CARPETANIA	50.00
UTE VIC - RIPOLL	34.00
UTE VIDRERES	34.00
UTE VIES SANT BOI	50.00
UTE VIGO-DAS MACEIRAS	50.00
UTE VILLAR – PLASENCIA	70.00
UTE VULLPALLERES	65.00
UTE WTC ELECTRICIDAD	50.00
UTE XILE – COLLBLANC	50.00
UTE YELTES	75.00
UTE YESA	33.33
UTE ZELAI	50.00
UTE ZONAS VERDES ENSANCHE DE VALLECAS	33.33
UTE ZUBALBURU XXI	16.66
CEMENT	
UTE A-27 VALLS-MONTBLANC	26.26
UTE AVE GIRONA	26.26
UTE BCN SUD	7.88
UTE GROUPEMENT EUROBETON	23.12
UTE LAV SAGRERA	17.51
UTE NUEVA ÁREA TERMINAL	26.26
UTE OLÉRDOLA	31.52
UTE ULLÁ	26.26

MANAGEMENT REPORT

CONSOLIDATED GROUP

MANAGEMENT

MANAGEMENT REPORT

01. HIGHLIGHTS

FCC Construction obtains more than 3,100 million euro in railway contracts

In the international area, in October a consortium including FCC was awarded the contract to build Line 1 of the Panama City Metro, valued at more than 1,000 million euro. In May, a consortium led by FCC was awarded the contract to build a railway line in northern Algeria, valued at 935 million euro. The execution period is 54 months. In December, Alpine in consortium obtained a contract from Crossrail to build tunnels in London for 250 million pounds. The company also obtained a contract in February for the construction of a city railway tunnel in Karlsruhe (Germany) for 310 million euro.

In Spain the group continues in the expansion of high speed railway construction after obtaining in November a conract valued at 129 million euro to connect the Mediterranean Corridor with the Madrid-France line. The company was awarded with two projects in September worth 122 million euro for different sections of the Madrid-Lisbon line and the North-Northwest railway line in Palencia. Previously, the group obtained a contract in Guipúzcoa for a section of the new railway network in the Basque Region, valued at more than 106 million euro, and construction of railway station accesses in Sagrera, Barcelona, valued at 223 million euro.

Aqualia expands its backlog to almost 13,000 million euro, 5% more than previous year.

Aqualia, Spain's leading integral water management company reached a new record backlog due to various contracts awarded in 2010 which total more than 1,000 million euro in future revenues. It obtained two integral water management contracts in Portugal, one for 35 years in Cartaxo worth more than 277 million euro and another in Fundao for 30 years, valued at over 190 million euro. In December, the company obtained its first contract in Chile, worth 17 million euro, to build a desalination plant.

In Spain, Aqualia obtained new contracts in Andalucía, for over 426 million euro, and in Castilla y León and Castilla-La Mancha, valued at 127 million euro.

FCC strengthens its presence in municipal solid waste (MSW) management

FCC Services will manage the collection of municipal solid waste, street cleaning, recycling centres, and beach cleaning in Castellón de la Plana under a 15-year contract for 210 million euro. Additionally its UK subsidiary, Waste Recycling Group (WRG), was awarded with a contract to manage municipal solid waste collection in Thurrock and subsequent treatment in Energy from Waste (EfW) plants

FCC Energía signs a development agreement with Mitsui group

In November, FCC and Japanese company Mitsui & Co, Ltd signed an agreement for the joint development of solar thermal energy projects in Spain. The agreement will begin with the start-up of a 50 MW plant in Córdoba.

FCC agrees to the sale of non-core assets worth 300 million euro

The company's policy for the active management of non-core assets led to the sale of its vehicle-testing business and underground car parks, neither of which coincide with its strategic growth areas (infrastructure, environmental services and energy). In June, FCC reached an agreement to sell 31 underground car parks (4 of which are under construction) for 120 million euro. In December, the company reached an agreement to sell its vehicle testing business for 180 million euro; the deal was formalised in the final days of 2010.

FCC extends syndicated loan worth 1,287 million euro to 2014

In September 2010, FCC reached an agreement with 14 financial institutions from Spain and other countries to extend the Group's largest syndicated loan (1,287 million euro). The maturity date was extended from May 2011 to spring 2014. The agreement extends the loan maturity by three years and implies the recognition by the market of the Group's solvency.

MANAGEMENT REPORT

02. EXECUTIVE SUMMARY

- Net attributable profit amounted to 301.3 million euro, 1.8% higher than in 2009.
- EBITDA reached 1,434.6 million euro, and the EBITDA margin improved 0.1 percentage points to 11.8%, attributable to improvements in operating efficiency
- EBITDA in Services and Energy increased 11.3% and represents 60.0% of the total
- The backlog expanded 2.2% to 35.309 billion euro; projects outside Spain increased 7.0%
- Revenues from outside Spain accounted for 45.9% of the total
- The group maintained its solvency, with debt on par with 2009 levels

Earnings in 2010 reflect the positive performance of the more recurring businesses such as Services and Energy, where EBITDA expanded a notable 11.3%, broadly offsetting the impact of the decline in activity in Spain in the Construction and Cement areas and contributing to a net profit attributable to the parent company of 301.3 million euro.

Despite the difficult scenario, the EBITDA margin improved to 11.8%, due in large part to the efficiency measures adopted and to the focus on activities with greater added value, enhancing the Group's competitive profile going forward. In this sense, it worths to be mentioned that the three strategy growth areas (environmental services, energy and construction) increased their weight in EBITDA, accounting for more than 75% of the figure in 2010.

The sharp growth in order flow outside Spain in 2010 is visible in the increase in the international backlog: 7% with respect to December 2009. This provides an approch to the consecution of the goal of increasing the Group's international operations, which accounted for 45.9% of total revenues in 2010.

KEY FIGURES

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Net sales	12,114.2	12,699.6	-4.6%
EBITDA	1,434.6	1,484.9	-3.4%
EBIT DA margin	11.8%	11.7%	0.1 p.p.
EBIT	773.7	789.5	-2.0%
EBIT margin	6.4%	6.2%	0.2 p.p.
Earnings before taxes (EBT) from continuing activities	393.6	439.0	-10.3%
Income attributable to equity holders of parent company	301.3	296.0	1.8%
Operating cash flow from operating activities	1,011.1	1,602.1	-36.9%
Investing cash flow from investment activities	(576.6)	(843.1)	-31.6%
(million euro)	Dec. 10	Dec. 09	Chg. (%)
Equity (excl. minority interests)	2,562.9	2,444.9	4.8%
Financial Net Debt	(7,748.7)	(7,655.2)	1.2%
Backlog	35,309.0	34,547.5	2.2%

MANAGEMENT REPORT

03. SUMMARY BY BUSINESS AREA

Area	Dec. 10	Dec. 09	Chg. (%)	% of 2010 total	% of 2009 total
(million euro)					
REVENUES					
Environmental services	3,672.2	3,601.7	2.0%	30.3%	28.4%
Construction	6,693.6	7,201.2	-7.0%	55.3%	56.7%
Cement	886.7	1,035.4	-14.4%	7.3%	8.2%
Versia	846.3	820.0	3.2%	7.0%	6.5%
Energy	86.3	81.9	5.4%	0.7%	0.6%
Others*	(70.9)	(40.6)	74.7%	-0.6%	-0.3%
Total	**12,114.2**	**12,699.6**	**-4.6%**	**100.0%**	**100.0%**
REVENUES IN SPAIN					
Environmental services	2,361.0	2,346.3	0.6%	36.0%	33.2%
Construction	3,022.3	3,386.6	-10.8%	46.1%	47.9%
Cement	592.6	740.2	-19.9%	9.0%	10.5%
Versia	564.7	559.6	0.9%	8.6%	7.9%
Energy	82.6	81.9	0.9%	1.3%	1.2%
Others*	(71.0)	(40.5)	75.2%	-1.1%	-0.6%
Total	**6,552.2**	**7,074.1**	**-7.4%**	**100.0%**	**100.0%**
INTERNATIONAL REVENUES					
Environmental services	1,311.3	1,255.4	4.5%	23.6%	22.3%
Construction	3,671.3	3,814.6	-3.8%	66.0%	67.8%
Cement	294.1	295.2	-0.4%	5.3%	5.2%
Versia	281.7	260.4	8.2%	5.1%	4.6%
Energy	3.6	0.0	N.S.	0.1%	0.0%
Others*	0.0	(0.1)	N.S.	N.S.	N.S.
Total	**5,562.0**	**5,625.5**	**-1.1%**	**100.0%**	**100.0%**

Área	Dic. 10	Dic. 09	Var. (%)	% s/ 10 total	% s/ 09 total
(million euro)					
EBITDA					
Environmental services	657.7	610.1	7.8%	45.8%	41.1%
Construction	355.5	406.1	-12.5%	24.8%	27.3%
Cement	219.7	289.0	-24.0%	15.3%	19.5%
Versia	139.0	98.9	40.5%	9.7%	6.7%
Energy	65.5	65.8	-0.5%	4.6%	4.4%
Others*	(2.8)	15.0	-118.7%	-0.2%	1.0%
Total	**1,434.6**	**1,484.9**	**-3.4%**	**100.0%**	**100.0%**
EBIT					
Environmental services	323.5	297.4	8.8%	41.8%	37.7%
Construction	241.6	282.1	-14.4%	31.2%	35.7%
Cement	67.0	128.6	-47.9%	8.7%	16.3%
Versia	192.9	6.5	N.S.	24.9%	0.8%
Energy	19.7	23.2	-15.1%	2.5%	2.9%
Others*	(71.0)	51.7	-237.3%	-9.2%	6.6%
Total	**773.7**	**789.5**	**-2.0%**	**100.0%**	**100.0%**
NET DEBT					
Environmental services	4,352.6	4,192.4	3.8%	56.2%	54.8%
Construction	519.6	413.7	25.6%	6.7%	5.4%
Cement	1,287.5	1,419.3	-9.3%	16.6%	18.5%
Versia	290.8	459.4	-36.7%	3.8%	6.0%
Energy	924.0	905.4	2.1%	11.9%	11.8%
Others*	374.2	265.0	41.2%	4.8%	3.5%
Total	**7,748.7**	**7,655.2**	**1.2%**	**100.0%**	**100.0%**
BACKLOG					
Environmental services	25,325.0	23,691.2	6.9%	71.7%	68.6%
Construction	9,984.0	10,856.3	-8.0%	28.3%	31.4%
Total	**35,309.0**	**34,547.5**	**2.2%**	**100.0%**	**100.0%**

* Others includes Central Services and Torre Picasso

MANAGEMENT REPORT

Change in accounting criteria in Versia contracts.

In 2010 fiscal year and according to IAS 8, for comparison purposes with 2009, FCC has changed the accounting policy regarding the operating licences of those contracts which require the operator to make specific minimum payments, primarily in the urban furniture business performed by Versia.

The new approach led FCC to book the present value of the committed flow of minimum payments as an intangible asset, representing the operating right, with the counterparty in a liability representing payment obligations incurred. The application of this criteria led the company to book an expense regarding the amortisation of intangible assets and a financial expense for the discounted liabilities. The impact of this modification on FCC Group's equity and earnings in the restated 2009 accounts is visible in the following table

(million euro)	2009 Restated	2009	Chg. (M€)
Intangible assets	5,009.3	4,462.3	546.9
Deferred tax assets	604.0	599.2	4.8
Other assets	16,199.2	16,199.2	—
Total assets	**21,812.5**	**21,260.7**	**551.8**
Equity attributable to equity holders of the parent company before earnings	2,148.9	2,176.6	(27.9)
Earnings attributable to the parent company	296.0	307.2	(11.2)
Other non-current financial liabilities	741.0	182.1	558.9
Other current financial liabilities	190.3	158.5	31.8
Other liabilities	18,436.3	18,436.3	—
Total liabilities	**21,812.5**	**21,260.7**	**551.8**

04. INCOME STATEMENT

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Turnover	12,114.2	12,699.6	-4.6%
EBITDA	1,434.6	1,484.9	-3.4%
EBITDA margin	11.8%	11.7%	0.1 p.p.
Depreciation and amortisation	(732.1)	(752.4)	-2.7%
Other operating income	71.3	57.0	25.1%
EBIT	773.7	789.5	-2.0%
EBIT margin	6.4%	6.2%	0.2 p.p.
Financial income	(382.3)	(311.5)	22.7%
Equity-accounted companies	16.8	18.4	-8.7%
Other financial results	(14.6)	(57.3)	-74.5%
Earnings before taxes (EBT) from continuing activities	393.6	439.0	-10.3%
Corporate income tax expense	(80.0)	(115.2)	-30.6%
Minority interest	(12.3)	(27.8)	-55.8%
Income attributable to equity holders of the parent company	301.3	296.0	1.8%

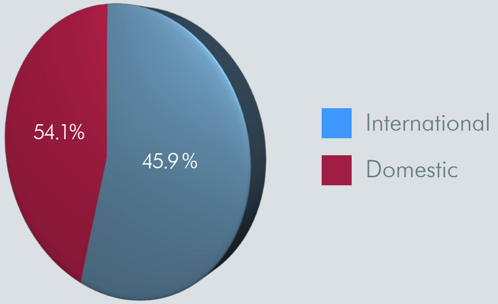
4.1 Turnover

Consolidated revenues amounted to 12,114.2 million euro in 2010, down a 4,6% less than the previous year. This performance reflects a combination of sustained growth in the Environmental Services, Urban Services and Energy divisions in 2010 together with a slight weakness in the Construction and Cement areas, which is more visible in Spain than in international markets.

By geografic segments, revenues in domestic market declined by 7.4%, while revenues outside Spain (which account for 45.9% of the Group total) fell by just 1.1%.

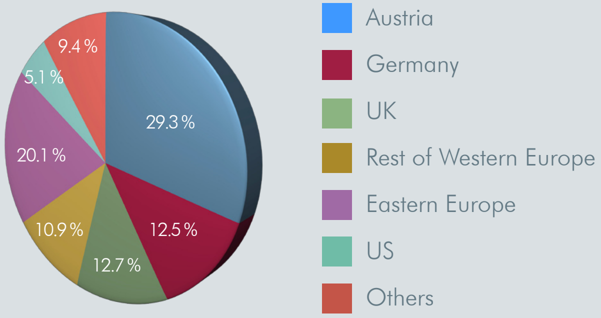
MANAGEMENT REPORT

% Revenues by Region



Europe (other than Spain), where FCC has a strong presence in infrastructure and environmental services, accounts for 85.5% of total foreign revenues. The "Others" caption of the following chart reflects the group's selective activity in the fast-growing economies of Latin America, North Africa and Southeast Asia (China, India and Singapore).

International Revenue Breakdown

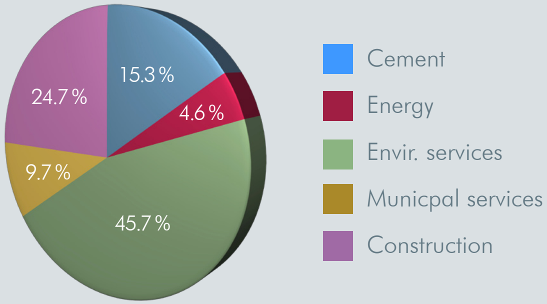


4.2 EBITDA

EBITDA amounted to 1,434.6 million euro in the year, i.e. a 3.4% decline compared with 2009, but the EBITDA margin improved by 0.1 percentage points to 11.8%.

EBITDA in the most recurring businesses, Services and Energy, expanded by 11.3% and accounts for 60% of the consolidated total, while the Construction and Cement divisions were affected by a decline in activity in the domestic market.

EBITDA* by business area



4.3 EBIT

During 2010 a provision for amortisation of fixed assets has been charged in 732,1 million euro, a 2.7% less than in 2009. This figure includes 87.6 million euro corresponding to the amortisation of the higher value assigned to several assets when consolidated in FCC Group.

"Other operating income", amounting to 71.3 million euro, includes gains on the sale of subsidiaries and fixed assets. In 2010, the company sold its vehicle testing business and 19 underground car parks; this contrasts with 2009, when this item amounted to 57 million euro, primarily reflecting the sale of FCC Global Insurance Services. The divestment of the underground car park business is expected to be completed with the sale of another 7 in 2011

EBIT in 2010 totalled 773.7 million euro, i.e. down 2.0% with respect to 2009

MANAGEMENT REPORT

4.4 Earnings before taxes from continuing activities (EBT)

EBT amounted to 393.6 million euro in the period, down 10.3% compared with the previous year, after including the following items in EBIT:

4.4.1 Financial income

A net financial expense and other financial results amounting to 396.9 million euro, up 7.6% higher than 2009.

4.4.2 Equity-accounted affiliates. Participation in the results of equity consolidated companies.

The participation in the result of equity method consolidated companies provided 16.8 million euros in comparison with the 18.4 million euros in 2009. This item in 2009 included the result of the sale of companies in the Construction area totalling 24.5 million euro, primarily related to the transfer of companies to Global Vía (owned 50% by FCC). Excluding these results recorded in 2009, associated companies improved by 16.4 million euro, due basically to the improvement of net profit from Realia in 2010.

4.5 Profit attributable to equity holders of the parent company

Net attributable profit amounted to 301.3 million euro in 2010, i.e. 1.8% higher than in 2009.

4.5.1 Corporate income tax expense

The corporate income tax expense amounted to 80 million euro, and the tax rate (adjusted for the contribution from equity-accounted affiliates) was 21.2%. The reduction in the tax cost is the result of the application in 2010 of tax credits for foreign investments

4.5.2 Minority interest

Income attributable to minority interests fell by 15.5 million euro in the year to 12.3 million euro, due primarily to a decline in earnings in the Cement area.

5. BALANCE SHEET

(million euro)	Dec. 10	Dec. 09	Chg. (M€)
Intangible assets	5,063.7	5,009.3	54.4
Property, plant and equipment	6,092.8	6,221.6	(128.8)
Equity-accounted affiliates (income from associated companies)	1,222.9	1,145.8	77.1
Non-current financial assets	415.8	404.0	11.8
Deferred tax assets and other non-current assets	598.6	604.0	(5.4)
Non-current assets	**13,393.7**	**13,384.7**	**9.0**
Inventories	1,138.4	1,103.3	35.1
Trade and other accounts receivable	5,542.6	5,439.2	103.4
Other current financial assets	225.8	231.0	(5.2)
Cash and cash equivalents	1,678.7	1,654.5	24.2
Current assets	**8,585.4**	**8,427.9**	**157.5**
TOTAL ASSETS	**21,979.1**	**21,812.5**	**166.6**
Equity attributable to equity holders of parent company	2,562.9	2,444.9	118.0
Minority interest	643.4	652.7	(9.3)
Equity	**3,206.3**	**3,097.6**	**108.7**
Subsidies	104.7	85.7	19.0
Non-current provisions	1,047.8	906.5	141.3
Long-term interest-bearing debt	7,877.4	8,211.5	(334.2)
Other non-current financial liabilities	751.6	741.0	10.7
Deferred tax liabilities and other non-current liabilities	1,181.0	1,234.2	(53.2)
Non-current liabilities	**10,962.5**	**11,178.9**	**(216.4)**
Current provisions	143.2	110.8	32.4
Short-term interest-bearing debt	1,775.8	1,329.1	446.7
Other current financial liabilities	212.4	190.3	22.1
Trade and other accounts payable	5,678.8	5,905.9	(227.1)
Current liabilities	**7,810.3**	**7,536.0**	**274.3**
TOTAL LIABILITIES	**21,979.1**	**21,812.5**	**166.6**

MANAGEMENT REPORT

5.1 Equity-accounted affiliates (Investment in associated companies)

The investment in associated companies accounted for by equity method (1,222.9 million euro) comprises mainly the following:

1) 484.2 million euro corresponding to the 50% stake in Global Vía (GVI - infrastructure concessions).

2) 145.3 million euro related to the 30% stake in Realia (real estate).

3) 86.3 million euro attributable to concession companies not contributed to Global Vía.

4) 44.1 million euro corresponding to the 50% stake in the Proactiva group (Environmental Services).

The carrying value of FCC's shares in infrastructure concessions amounted to 613.5 million euro at the end of 2010. That figure includes the value attributable to FCC for its 50% stake in GVI (484.2 million euro) and the value of its shares in other concession companies, both accounted for by equity method (86.3 million euro) and fully consolidated (43.0 million euro)

The book value of stakes in transport infrastructure concessions is gradually being adjusted to the earnings they generate. As they are in an early stage of activity (construction and ramp-up), their contribution is negative, which temporarily decreases the value of the investment but which will reverse during the course of their long average lifetime (more than 30 years)

5.2 Equity

Equity attributable to the parent company amounted to 2,562.9 million euro at the end of 2010, an increase of 118 million euro with respect to 2009 year-end. This increase is primarily attributable to the allocation of consolidated income for the year (301.3 million euro) adjusted for dividends distribution during 2010 (201.2 million euro). The rest is due to the combined effect of the purchase of own shares, exchange rate fluctuations, and changes in the fair value of interest rate hedges.

5.3 Net interest-bearing debt

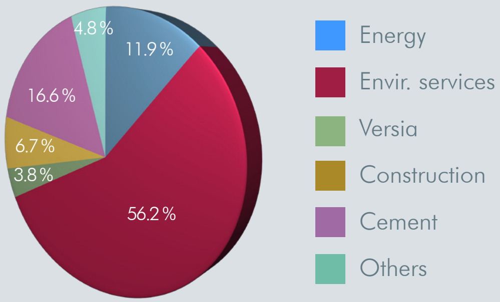
(million euro)	Dec. 10	Dec. 09	Chg. (M€)
Bank debt	8,524.8	8,517.4	7.4
With recourse	6,083.7	5,970.4	113.3
Without recourse	2,441.1	2,547.0	(105.9)
Debt instruments and other loans	680.6	563.3	117.3
Accounts payable due to financial leases	154.1	171.6	(17.5)
Derivatives and other financial liabilities	293.6	288.3	5.3
Gross interest-bearing debt	**9,653.1**	**9,540.6**	**112.5**
Cash and other financial assets	(1,904.4)	(1,885.4)	(19.0)
With recourse	(1,689.9)	(1,701.8)	11.9
Non recourse	(214.5)	(183.6)	(30.9)
Net interest-bearing debt	**7,748.7**	**7,655.2**	**93.5**
With recourse	4,988.2	4,773.4	214.8
Non recourse	2,760.5	2,881.8	(121.3)

At the end of December 2010, net interest-bearing debt amounted to 7,748.7 million euro, i.e. just 1.2% higher than at the end of December 2009. Free cash flow from operations after net investments and interest payments totalled 137.5 million euro. A total of 201.2 million euro were distributed in dividends in the year, and net investment in equity instruments totalled 64.8 million euro. Apart from anything else exchange rate adjustments and the change in value of derivatives reduced the debt by 35.0 million euro.

The breakdown of debt by business area reflects their nature, cash flow, and asset volume. Services and Energy together account for 71.9% of net debt, connected to the generation of regulated long-term public utility contracts. Cement, a business which accounts for a large proportion of fixed assets on the balance sheet and is strongly free cash-flow generative, accounts for 16.6% of total net debt. Construction accounts for 6.7%, and the Corporate area for 4.8%.

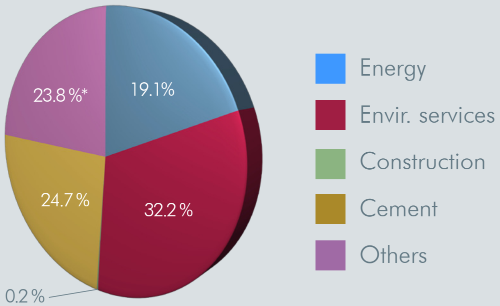
MANAGEMENT REPORT

Net debt by Area



Moreover, 2,760.5 million euro of net debt (35.6% of the total) are without recourse.

Net debt without recourse, by Area



* Others includes convertible bonds of FCC, S.A.

5.4 Other current and non-current financial liabilities

The balance of other current and non-current financial liabilities amounted to 964.0 million euro and includes other financial liabilities not classified financial debt, such as those linked to suppliers of property, plant and equipment (operation permits for urban furniture at Versia), pledges and guarantees received, interim dividends and derived from put options.

06. CASH FLOW

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Funds from operations	1,501.5	1,562.6	-3.9%
(Increase)/decrease in working capital	(447.9)	138.9	-422.5%
Other items (taxes, dividends, etc.)	(42.5)	(99.4)	-57.2%
Operating cash flow	1,011.1	1,602.1	-36.9%
Investing cash flow	(576.6)	(843.1)	-31.6%
Cash flow from business operations	434.5	759.0	-42.8%
Financing cash flow	(587.3)	(862.2)	-31.9%
Other cash flow (exchange differences, change in consolidation scope, etc.)	59.2	(658.9)	91.0%
(Increase)/decrease in net interest-bearing debt	(93.6)	(762.1)	-87.7%

6.1 Operating cash flow

Funds from operations in 2010 amounted to 1,501.5 million euro, slightly less than the previous year. Operating cash flow totalled 1,011.1 million euro in 2010, 36.9% less than in 2009 due mainly to the performance of working capital, which increased in the Construction and Environmental Services areas in Spain. Both areas were affected by financial adjustments at certain clients in the year. This investment in working capital should tend to reverse in the coming years, in line with financial consolidation of certain clients in the aforementioned areas.

The variation in working capital in the period, by business area, is as follows:

(million euro)	2010
Construction	(362.3)
Environmental services	(155.2)
Versia	18.3
Cement	53.3
Energy and adjustments	(2.0)
Total (Increase)/ decrease in working capital	**(447.9)**

MANAGEMENT REPORT

The seasonality of this component of operating cash flow was notable, as it expanded during most of the year and declined considerably in the last quarter. Compared with the third quarter, during october-december period working capital declined by 529 million euro reaching 447.9 million euros as of last december.

6.2 Investing cash flow

Net investments amounted to 576.6 million euro in 2010, i.e. 31.6% less than in 2009, which included 215.4 million euro in equity for the acquisition of 14 wind farms by the Energy area.

This item also includes divestments in 2010, such as the sale of the vehicle inspection business for 180.0 million euro and of 19 underground car parks for 72.2 million euro, both included in Versia.

As growing investments it worths to be mentioned, 175 million euro in various transport infrastructure concessions in different stages of development in the Construction area, and 42.5 million euro in the construction of one of the two solar thermal energy plants in the Energy area's project pipeline.

6.3 Financing cash flow

Cash outflow due to financing transactions was 587.3 million euro. In addition to debt servicing, this item includes 201.2 million euro in dividend payments to shareholders of Group companies, and 64.8 million euro for the net variation of equity instruments.

6.4 Other cash flow

This item, amounting to 59.2 million euro, mainly reflects adjustments in 2010 for the foreign exchange effect over the foreign exchange debt, and by changes in the value of financial instruments (derivatives)

In 2009, this item included the financial debt on the wind assets acquired in January 2009, amounting to 569 million euro.

07. BUSINESS PERFORMANCE

7.1 Environmental services

7.1.1 Earnings

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Revenues	3,672.2	3,601.7	2.0%
Spain	2,361.0	2,346.3	0.6%
International	1,311.3	1,255.4	4.5%
EBITDA	657.7	610.1	7.8%
EBITDA margin	17.9%	16.9%	1.0 p.p.
EBIT	323.5	297.4	8.8%
EBIT margin	8.8%	8.3%	0.6 p.p.

The evolution of FCC Group's main activity, focused on Environmental Services and Water, registered a moderate growth in sales and a notable increase in operating profitability. The Industrial waste area continued to recover. In total, revenues expanded by 2% in the year, to 3,672.2 million euro.

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Domestic Revenues	2,361.0	2,346.3	0.6%
Environment	1,501.1	1,489.0	0.8%
Water	694.8	710.8	-2.3%
Industrial Waste	165.1	146.5	12.7%
International Revenues	1,311.3	1,255.4	4.5%
Environment	1,022.2	1,002.1	2.0%
Water	173.2	161.2	7.4%
Industrial Waste	115.9	92.0	26.0%

MANAGEMENT REPORT

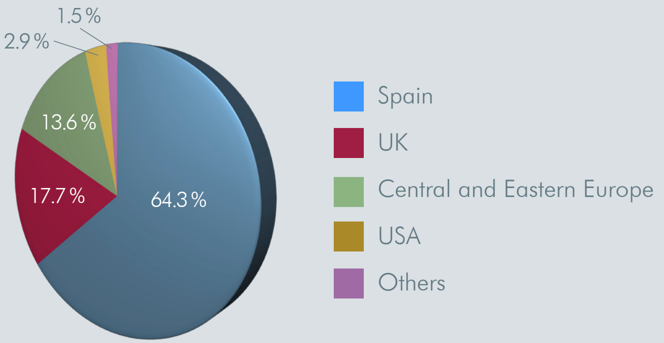
Together with the moderated but positive behaviour of the activity in Spain it should be added the strong development of the international business which shows a 4.5 % increase of revenues.

In Spain, the Environmental Services area was stable (with a 0.8% increase), focused on municipal waste management, and Water revenues declined slightly (due to a lower execution volume of water infrastructure, although the integral water distribution business performed well). FCC's Industrial Waste area in Spain continues to recover strongly, due to the rising price of materials (particularly paper and cardboard) and the stabilisation of demand.

The Environmental Services division in Spain extended its municipal services contract in Barcelona and some new contracts entered into service, such as pneumatic waste collection in Pamplona and waste management and street cleaning in Telde and Orense

International revenues expanded by 2% in the Environmental Services area, due to contributions from new contracts in Central Europe and to the commissioning of the integral waste treatment plant in Zistersdorf (Austria) in the second half of 2009. Besides revenues from the Water area increased 7.4%, supported by the ramp-up of new concessions in Italy and the Czech Republic and the execution of desalination projects in Algeria. Lastly, Industrial Waste shows an excelent behaviour due to the recovery by the oil and hydrocarbon treatment business in the US, together with contributions from new treatment and recovery plants in Portugal.

Revenue breakdown by area



This division's international activity reached a record high in 2010: 35.7% of total revenues. The main foreign markets were: the UK (municipal solid waste treatment and abatement); Central and Eastern Europe, primarily the Czech Republic and Austria (municipal solid waste and end-to-end water management); and the US (industrial waste).

EBITDA amounted to 657.7 million euro, and the EBITDA margin was 17.9%, compared with 16,9% the previous year. All activities contributed to this improvement in operations, particularly the international industrial waste and environment businesses, due to a more favourable price situation and the contribution from value-added waste treatment activities.

The division's backlog also performed well both in Spain and other countries, and had expanded by 6.9% at 31 December 2010. The international backlog expanded by 13.2%, which boosted the overall backlog to 25.325 billion euro. Therefore, the average backlog hedge period rises nearly 7 years.

Backlog breakdown by region

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Spain	17,324.7	16,623.2	4.2%
International	8,000.3	7,068.0	13.2%
Total	**25,325.0**	**23,691.2**	**6.9%**

7.1.2 Proactiva

Proactiva, the leading municipal waste and integral water management company in Latin America, operates in the main countries of that region (Brazil, Argentina, Chile, Mexico, Colombia, etc.). The group is owned 50% by FCC and is consolidated under equity method, in line with FCC accounting policy.

Overall revenues in 2010 amounted to 419.8 million euro, 4.3% more than in 2009, despite the negative impact of the exchange rate in Venezuela. EBITDA amounted to 78.5 million euro, and the EBITDA margin rose to 18.7%. Net interest-bearing debt amounted to 77.3 million euro at 31 December.

MANAGEMENT REPORT

7.1.3 Cash flow

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Funds from operations	695.6	649.0	7.2%
(Increase) / decrease in working capital	(155.2)	43.4	-457.6%
Other items (taxes, dividends, etc.)	(50.8)	(9.7)	423.7%
Operating cash flow	489.6	682.7	-28.3%
Investing cash flow	(356.2)	(406.3)	-12.3%
Cash flow from business operations	133.4	276.4	-51.7%
Financing cash flow	(232.4)	(267.4)	-13.1%
Other cash flow (exchange differences, change in consolidation scope, etc.)	(61.3)	(132.5)	-53.7%
(Increase) / decrease in financial net debt	(160.3)	(123.5)	29.8%
(million euro)	Dec. 10	Dec. 09	Chg. (M€)
Financial net debt	4,352.6	4,192.4	160.2
Recourse	3,464.4	3,289.2	175.2
Non recourse	888.2	903.2	(15.0)

Funds from operations increased by 7.2% to 695.6 million euro. Working capital increased by 155.2 million euro, after a 47.5 million euro decline in the fourth quarter, with the result that operating cash flow totalled 489.6 million euro.

Net capital expenditure, which declined by 356.2 million euro, was used mainly for the maintenance purposes, although 17.7 million euro were invested in new contracts by a number of Group companies.

After counting financing cash flow, the division's net debt amounted to 4,352.6 million euro at 31 December 2010, an increase of 160.2 million euro year-on-year, of which 60.5 million euro are due to variations in exchange rates and fair value changes in interest rate hedges.

7.2 Construction

7.2.1 Earningss

(million of euros)	Dec. 10	Dec. 09	Chg. (%)
Revenues	6,693.6	7,201.2	-7.0%
Spain	3,022.3	3,386.6	-10.8%
International	3,671.3	3,814.6	-3.8%
EBITDA	355.5	406.1	-12.5%
EBITDA margin	5.3%	5.6%	-0.3 p.p.
EBIT	241.6	282.1	-14.4%
EBIT margin	3.6%	3.9%	-0.3 p.p.

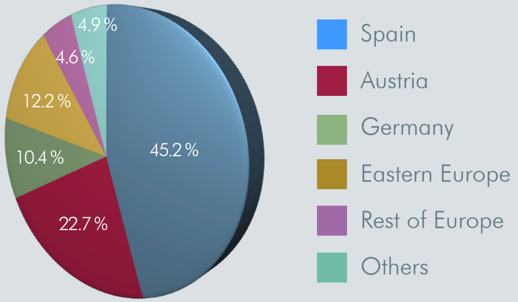
The Construction area obtained 6,693.6 million euro in revenues in 2010. The reduction in activity in the year was due to the combination of a sharper decline in Spain (-10.8%) than in other local markets such as Austria, included in the International area, whose revenues fell by 3.8% overall.

The International area predominates in this division, accounting for 3,671.3 million euro in revenues in 2010 (54.8% of the total). Additionally, order flow in the second half of 2010, when major contracts were obtained that have not yet been interested and were not included in the backlog at year-end, suggest that the international area will increase steadily as a proportion of the total; it already represents a major part of revenues, due to a combination of markets where the Group has an established local presence (e.g. Austria, Germany, and some countries of Eastern Europe and the EU) and new countries such as Algeria, Canada, Panama and the UK.

The decline in revenues in Spain is due to adjusting the pace of execution to customers' ability to invest and obtain finance. Nevertheless, business was dynamic, and a considerable volume of value-added contracts (e.g. railway infrastructure) were obtained during the year, which enables us to maintain our operating margins and strong competitive position despite demand contraction

MANAGEMENT REPORT

Revenue breakdown by region



The international area accounted for almost 55% of revenues and proved to be very stable in the Central European countries of the euro area, which accounted for 64.5% of the international area (via locally established subsidiaries). FCC has notable position in Austria (41.4% of international revenues) and Germany (18.9%). Other notable contributors among the EU's emerging countries are Poland (5%), Romania (5%) and Bulgaria (3.4%). As for other regions, Latin America accounted for 5.5% and Asia (China, India and Singapore) for 2.7%.

By activity sements, civil engineering, which is more selective and has greater added value, accounted for 71.3% of revenues and 75.9% of the total backlog at 31 December 2010.

Revenue breakdown by project type

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Civil engineering	4,769.9	4,936.6	-3.4%
Non-residential building	1,467.1	1,603.2	-8.5%
Residential building	456.6	661.4	-31.0%
Total	**6,693.6**	**7,201.2**	**-7.0%**

The considerable exposure to large civil engineering projects coupled with optimisation of procurement costs enabled the division to attain an EBITDA margin of 5.3%, compared with 5.6% in 2009.

The backlog stood at 9,984 million euro at 2010 year-end. The International area, which accounts for the bulk of revenues, did not decline as much as Spain.

Nevertheless, it is important to note that the backlog at 31 December 2010 does not include a number of major international contracts that have not yet commenced and amount to over 1 billion euro, mainly in Panama and Algeria. Accordingly, the international backlog can be expected to increase in 2011.

Backlog breakdown by region

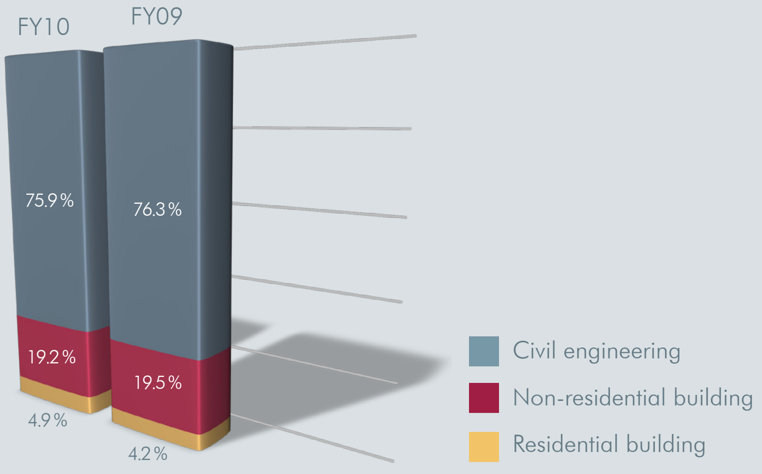
(million euro)	Dec. 10	Dec. 09	Chg. (%)
Spain	5,512.0	6,280.0	-12.2%
International	4,472.0	4,577.0	-2.3%
Total	**9,984.0**	**10,856.4**	**-8.0%**

Backlog breakdown by project type

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Civil engineering	7,576.5	8,278.2	-8.5%
Non-residential building	1,919.9	2,114.7	-9.2%
Residential building	487.6	463.5	5.2%
Total	**9,984.0**	**10,856.4**	**-8.0%**

MANAGEMENT REPORT

Backlog breakdown by project type



7.2.2 Alpine

Alpine, which heads this area in domestic markets in Central Europe (Austria, Germany and other significant countries in the Eastern EU), attained 3,201.1 million euro in revenues, i.e. 87.2% of the international area's total.

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Revenues	3,201.1	3,364.9	-4.9%
EBITDA	97.6	138.7	-29.6%
EBITDA margin	3.0%	4.1%	-1.1 p.p.
EBIT	44.2	65.9	-32.9%
EBIT margin	1.4%	2.0%	-0.6 p.p.

The decline in activity during the year is the result of the temporary deceleration in demand in the main regions where the division operates (principally Austria and Germany, which together account for 69.2% of total revenues). Nevertheless, performance in the year reveals a steady recovery in revenues that promises to continue, based on improvements in fundamentals at the main customers and in the main regions of interest.

The backlog at year-end amounted to 3,323 million euro, very similar to the figure at 2009 year-end.

7.2.3 Cash flow

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Funds from operations	380.2	431.4	-11.9%
(Increase) / decrease in working capital	(362.3)	(206.9)	75.1%
Other items (taxes, dividends, etc.)	19.4	(78.0)	124.9%
Operating cash flow	37.3	146.5	-74.5%
Investing cash flow	(288.5)	263.3	-209.6%
Cash flow from business operations	(251.2)	409.8	-161.3%
Financing cash flow	62.1	(239.8)	-125.9%
Other cash flow (exchange differences, change in consolidation scope, etc.)	83.2	84.1	-1.1%
(Increase) / decrease in net interest-bearing debt	(105.9)	254.1	-141.7%
(million euro)	**Dec. 10**	**Dec. 09**	**Chg. (M€)**
Net interest-bearing debt	519.6	413.7	105.9
With recourse	513.6	407.6	106.0
Without recourse	6.0	6.1	(0.1)

Funds from operations amounted to 380.2 million euro; combined with the 362.3 million euro increase in working capital, this resulted in 37.3 million euro of operating cash flow. Working capital continued to improve in the fourth quarter, as it had in the previous quarters, falling by 398 million euro between October and December.

Net investing cash flow amounted to 288.5 million euro in the period, contrasting with a positive balance of 263.3 million euro in 2009. This was the result of two facts in both years. On one hand in 2010, the division invested 175 million euro in capital and funding for a number of infrastructure concessions that are at various stages of development, including notably the Murcia tramway, the Cuenca highway, and Barcelona Metro line 9. In contrast, during 2009 the division recognised the transfer of GVI's shares amounting to 507.9 million euro to the FCC Group parent company, a transaction that had no impact at consolidated Group level.

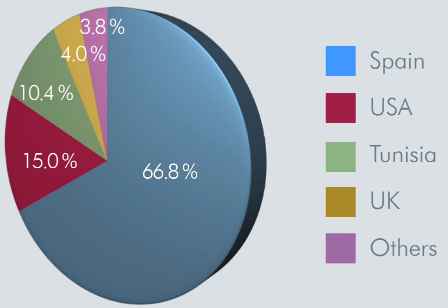
MANAGEMENT REPORT

7.3 Cement

7.3.1 Results

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Revenues	886.7	1,035.4	-14.4%
Spain	592.6	740.2	-19.9%
International	294.1	295.2	-0.4%
EBITDA	219.7	289.0	-24.0%
EBITDA margin	24.8%	27.9%	-3.1 p.p.
EBIT	67.0	128.6	-47.9%
EBIT margin	7.6%	12.4%	-4.9 p.p.

Revenue breakdown by region



Cement revenues amounted to 886.7 million euro in 2010. Sales in Spain fell more sharply in the first half of 2010, while the situation stabilised in the second half. Revenue performance in Spain overall was the combination of an 11.5% contraction in volume and the knock-on effect of a smaller adjustment in prices in the second half of 2009.

In 2010, international revenues performed very similarly to 2009, falling by just 0.4% to 294.1 million euro. There was a slight improvement in the US, though it came later than expected, leading to a -1.4% variation in sales; the recovery that began in the second half of 2010 should gain in strength in 2011, in terms of both prices and volumes, in line with the expectations of economic recovery. Tunisia maintained the sustained growth trend, with revenues rising 3.5%. Finally, exports increased by 0.5% overall, focused mainly on the UK, which accounted for 4% of total revenues.

EBITDA amounted to 219.7 million euro, and the EBITDA margin was 24.8%, reflecting the decline in sales in Spain. Overall, efficiency and operating cost saving measures broadly mitigated the impact of lower business volume in 2010

The area continues to increase the rate of energy-from-waste (EfW) production through higher use of alternative fuels at Spanish plants. The level of substitution attained in 2010 ranged from 11% to 32% and the goal of a 30% average is being maintained for 2013, which will significantly reduce CO2 emissions and fossil fuel consumption savings.

MANAGEMENT REPORT

7.3.2 Cash flow

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Funds from operations	225.9	298.9	-24.4%
(Increase) / decrease in working capital	53.3	96.4	-44.7%
Other items (taxes, dividends, etc.)	(28.3)	(35.0)	-19.1%
Operating cash flow	250.9	360.3	-30.4%
Investing cash flow	(13.1)	79.2	-116.5%
Cash flow from business operations	237.8	439.5	-45.9%
Financing cash flow	(114.9)	(101.2)	13.5%
Other cash flow (exchange differences, change in consolidation scope, etc.)	8.9	4.7	89.4%
(Increase) / decrease in net interest-bearing debt	131.8	343.0	-61.6%
(million euro)	Dic. 10	Dic. 09	Var. (M€)
Net interest-bearing debt	1,287.5	1,419.3	-131.8
With recourse	606.5	660.6	-54.1
Without recourse	681.0	758.7	-77.7

Funds from operations amounted to 225.9 million euro, coupled with a 53.3 million euro reduction in working capital, resulted in 250.9 million euro of operating cash flow.

The slower pace of activity was matched by a curtailment of capital expenditure to maintenance needs, amounting to 34.4 million euro. Several divestment of financial assets not associated with operations amounting to 21.3 million euro led to net investing cash flow of only 13.1 million euro in 2010, contrasting with 79.2 million euro in 2009 (which included 170.9 million euro to acquire 8.3% of Corporación Uniland).

After deducting debt-servicing costs and despite the impact of the economic cycle on operating cash flow, the division reduced net interest-bearing debt by 9.3% (i.e. 131.8 million euro) to 1,287.5 million euro at 31 December 2010.

7.4 Versia

7.4.1 Earnings

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Revenues	846.3	820.0	3.2%
Spain	564.7	559.6	0.9%
International	281.7	260.4	8.2%
EBITDA	139.0	98.9	40.5%
EBITDA margin	16.4%	12.1%	4.3 p.p.
EBIT	192.9	6.5	N.S.
EBIT margin	22.8%	0.8%	22.0 p.p.

Revenues from Urban Services (Versia) rose 3.2% to 846.3 million euro; in particular, revenue from the Urban Furniture business increased by 19.7%. As for the two businesses with the greatest revenue, Airport Services (Handling) and logistics experienced a steady recovery in demand (+7.2%), while Logistics managed to progressively stabilise, resulting in a 1.6% reduction in revenues in 2010 as a whole, compared with the 10.6% decline in 2009.

In 2010, it was decided to divest a number of Versia's business units that are not part of the FCC Group's strategic growth areas. In the last week of December 2010, it sold the vehicle inspection business and some underground car parks; consequently, for reasons of materiality, their entire contribution to revenues in 2010 is included. It is important to note that FCC will continue to operate in the on-street parking business. The vehicle inspection business and the 19 underground car parks that were sold generated combined revenues of 66 million euro in 2010.

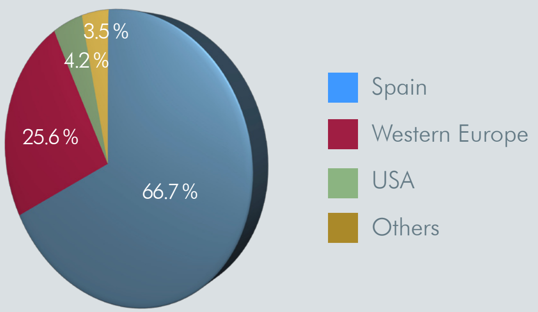
MANAGEMENT REPORT

Breakdown of revenues by business (million euro)	Dec. 10	Dec. 09	Chg. (%)
Logistics	284.9	289.6	-1.6%
Handling	244.4	228.1	7.2%
Urban Furniture	129.4	108.1	19.7%
Car Parks	76.8	77.2	-0.6%
Vehicle Testing	55.8	51.7	7.9%
Others*	55.1	65.3	-15.6%
Total	**846.3**	**820.0**	**3.2%**

*Incl. SVAT and Maintenance-Systems

By geografical area, international revenues account for 33.3% of the total. The international presence is particularly important in Handling (69.6% of revenues) and Urban Furniture (54.4%).

Revenue breakdown by region



EBITDA amounted to 139.0 million euro, a 40.5% increase with respect to the previous year, consolidating the trend observed since the beginning of this year. As a result, the EBITDA margin increased from 12,1% to 16.4%. This impressive recovery in the margin is attributable to the Urban Furniture and Handling businesses. The rebound by Urban Furniture is due to revived demand for advertising space and to optimisation of operating expenses. Handling managed to contain operating expenses while air traffic increased, and performed a number of special winter maintenance operations at a number of airports in December 2010.

There was a change in the accounting method in 2010 which affects the comparison with 2009: Urban Furniture concessions are now recognised as intangible assets for the value of the payments to be made, with a corresponding contra-item in liabilities. Consequently, the annual expense is recognised as period amortisation along with a financial expense due to discounting the liability; previously, this was recognised as an operating expense. The change in accounting method has no impact on the area's cash flow or debt

7.4.2 Cash flow

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Funds from operations	146.4	108.0	35.6%
(Increase) / decrease in working capital	18.3	17.5	4.6%
Other items (taxes, dividends, etc.)	(8.5)	12.8	-166.4%
Operating cash flow	156.2	138.3	12.9%
Investing cash flow	31.9	(67.1)	147.5%
Cash flow from business operations	188.1	71.2	164.2%
Financing cash flow	(110.8)	(14.7)	653.7%
Other cash flow (exchange differences, change in consolidation scope, etc.)	91.3	(6.5)	-1.504.6%
(Increase) / decrease in net interest-bearing debt	168.6	50.0	237.2%
(million euro)	**Dec. 10**	**Dec. 09**	**Chg. (M€)**
Net interest-bearing debt	290.8	459.4	-168.6
With recourse	290.8	459.4	-168.6
Without recourse	0.0	0.0	0.0

The increase in revenues and margins is reflected in the 35.6% growth in funds from operations to 146.4 million euro in 2010. The reduction in working capital enabled operating cash flow to reach 156,2 million euros, 12,9% higher than in 2009.

MANAGEMENT REPORT

Investing cash flow reflects the impact of the sale in December 2010 of the vehicle inspection business (for 180 million euro) and a number of underground car parks (for 72.7 million euro). The remainder are expected to be sold in 2011.

The main component of the finance cash flow is the 91.2 million euro in dividends paid to the Group parent company.

Good operating performance plus the aforementioned divestments enabled this division to reduce debt considerably: by 36.7% with respect to 2009 year-end, to 290.8 million euro.

7.5 Energy

7.5.1 Results

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Revenues	86.3	81.9	5.4%
Spain	82.6	81.9	0.9%
International	3.6	0.0	N.S.
EBITDA	65.5	65.8	-0.5%
EBITDA margin	75.9%	80.3%	-4.4 p.p.
EBIT	19.7	23.2	-15.1%
EBIT margin	22.8%	28.3%	-5.5 p.p.

The Energy area increased revenues by 5.4% to 86.3 million euro. This increase is attributable to wind power: a combination of higher production volume and a slight increase in prices. Solar photovoltaic revenues decline slightly since the guaranteed fixed tariff was kept stable and insolation was lower than last year.

Thus, wind energy accounted for 83.9% of sales, with a load factor of 24.2% (22.4% in 2009). The remaining 16.1% of revenues came from photovoltaic solar energy, where the average load factor was 16.5%.

The decline in the margin to 75.9% was the result of wind survey and bidding costs, and new project commissioning costs (particularly two new solar thermal plants).

7.5.2 Cash flow

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Funds from operations	58.4	65.8	-11.2%
(Increase) / decrease in working capital	(7.8)	11.8	-166.1%
Other items (taxes, dividends, etc.)	2.0	(5.9)	133.9%
Operating cash flow	52.6	71.7	-26.6%
Investing cash flow	(50.8)	(208.0)	75.6%
Cash flow from business operations	1.8	(136.3)	101.3%
Financing cash flow	(2.4)	(29.7)	-91.9%
Other cash flow (change in consolidation scope, etc.)	(18.0)	(586.1)	-96.9%
(million euro)	Dec. 10	Dec. 09	Chg. (M€)
Net interest-bearing debt	924.0	905.4	18.6
With recourse	396.5	355.1	41.4
Without recourse	527.5	550.3	-22.8

Funds from operations amounted to 58.4 million euro in 2010, compared with 65.8 million euro the year before, because of expenditure on new projects development and assets. Since working capital increased by 7.8 million euro, operating cash flow amounted to 52.6 million euro.

The 50.8-million-euro cash flow in investments is made up mainly of investments in solar thermal power plant development, while in 2009 it included changes in other cash flows due to changes in the perimeter of consolidation plus the impact of 784 million euro applied to acquire 14 wind farms.

Indebtedness was maintained on a par with 2009, and the slight increase was due to commissioning the aforementioned investments.

7.6 Torre Picasso

7.6.1 Results

(million euro)	Dec. 10	Dec. 09	Chg. (%)
Revenues	25.4	26.1	-2.9%
EBITDA	21.9	22.7	-3.5%
EBITDA margin	86.3%	86.9%	-0.5 p.p.
EBIT	17.9	18.9	-4.9%
EBIT margin	70.7%	72.2%	-1.5 p.p.

Torre Picasso's revenues declined slightly, by 0.7 million euro, with respect to 2009 as a result of the slight adjustment in rents that were revised in the period. Offices, which account for the bulk of the building, maintained occupancy close to 99%.

08. ACQUISITION OF TREASURY SHARES

At the end of 2010, Fomento de Construcciones y Contratas, S.A. held 3,182,582 shares of treasury stock representing 2.50% of the share capital valued at EUR 89,130 thousand.

In any case, at year-end, Asesoría Financiera y de Gestión, S.A. (Afigesa), a wholly-owned subsidiary of Fomento de Construcciones y Contratas, S.A. possessed 9,432,369 shares of Fomento de Construcciones y Contratas, S.A., which represented 7.4% of the registered share capital with a net carrying value of EUR 194,766 thousand.

According to article 148, part 4 of the revised text of the Spanish Companies Act, the changes in the number of shares held during the year are detailed below.

	FCC, S.A.	Asesoria financiera y de Gestión, S.A.	FCC Group
At 31 December 2009	3,182,582	6,131,961	9,314,543
Purchases or additions	—	3,302,013	3,302,013
Sales or disposals	—	(1,605)	(1,605)
At 31 December 2010	3,182,582	9,432,369	12,614,951

09. RESEARCH AND DEVELOPMENT

The FCC Group is an active participant in research, development and technological innovation activities. The Group's R&D+i activities extend to those aspects which are directly or indirectly related to the Group's business activities.

In the **Services** area, and more specifically **environmental services**, work continued on a number of research products that had begun years before. For example, in the field of waste elimination, progress was made in the development of alternative fuels obtained from waste which are now being used in a number of processing plants (Salamanca, Vitoria); in the machinery sector, work continued on the development of a new collecting-compacting vehicle with a low forward cab, dual side loading and dual elevator, with independent press operation for the collection of recyclable waste.

However new projects were also undertaken in different fields of research. As far as new machinery was concerned, work continued on three projects related to urban sanitation vehicles:

- Design and creation of a new 5.2 tn self-propelled chassis with a maximum width of 2 metre for hard-to-reach places, with a side loading mechanism for up to 3 containers, electrically propelled by an asynchronous AC engine current and special batteries.

The following projects were undertaken in the area of waste treatment:

- Bio+ Project: Although originally scheduled to begin in 2009, work did not actually begin on this project until 2010, which strives to optimize the eco-efficiency of the urban waste treatment process through the development of a model that makes it possible to monitor the different biomethanisation technologies on an industrial scale in addition to conducting a pilot test on thermal hydrolysis prior to anaerobic digestion.
- Project for the development of liquid fuel using a procedure that transforms waste containing organic carbon for applications in waste treatment plants. The waste is transformed using a low pressure catalytic conversion to obtain four types of liquid fuel (biodiesel, kerosene, naphtha and fuel oil) and a combustible gas similar to biogas.

MANAGEMENT REPORT

In the **Water** sector in 2010, in keeping with the Company's strategic plans, the research and development to obtain sustainable technologies focused on the following objectives:

- Quality (drinking water supply, re-use of wastewater, desalination and metering)
- Sustainability (reduced energy usage, use of sludge as a resource and alternative treatments)
- Comprehensive management (management systems, collection of resources and communications)

The most notable developments in the pursuit of these objectives were as follows:

- Work in progress
  - Technology for a membrane reactor (MBR) in Vigo. In collaboration with the University of Santiago de Compostela, 3R and the "Centro Superior de Investigaciones Científicas" (CSIC).
  - Hybrid Bacilus System (HYBACS)/Moving Bed Biofilm Reactor (MBBR) technology for nutrient elimination (Ávila). In collaboration with Bluewater Bio.
  - Anaerobic Ammonium Oxidation technology (ANAMMOX) in Vigo. In collaboration with the Universities of Vigo and Santiago de Compostela.
  - Advanced Sludge Digestion (Loiola - San Sebastián). In collaboration with the "Centro de Estudios e Investigaciones Técnicas de Guipúzcoa" (CEIT) and Aguas del Añarbe.
  - Microalgae pilot plant (Arcos de la Frontera). In collaboration with the University of Cádiz, Iberdrola and Bio-Oil.
  - Sustainable sludge recovery (Salamanca). In collaboration with the Centro de Estudios e Investigaciones Técnicas de Guipúzcoa (CEIT) and the Universities of Valladolid and Salamanca.
  - Balanced Score Card (BSC) solution for customer management (Madrid).
  - Billing-CRM (Customer Relationship Management) solution in Madrid.
- UNE 166.002:2006 Certification (Unification of Spanish Standards). After successfully being audited by AENOR (Asociación Española de Normalización y Certificación), in the month of December Aqualia received certification for its "Project Management System of R+D+i".
- Aqualia R+D+i Forum. In the month of November, Aqualia's Marketing and Communications Department organised this event to review the company's activities in the field of technological innovation and increase the level of communications with different public and private agents in relation to these activities. This forum was attended by representatives of Canal de Isabel II, Empresa Metropolitana de Abastecimiento y Saneamiento de Aguas de Sevilla (EMASESA), Asociación Tecnológica para el Tratamiento del Agua (ATTA), Universidad de Valladolid, Instituto Madrileño de Estudios Avanzados (IMDEA), and ITT (leading manufacturer of submersible pumps) as well as the Director of FCC's Innovation Management and members of Aqualia's R+D+i Work Group.

New projects

In 2010, work got underway on two large-scale technological innovation projects focusing on the use of microalgae in wastewater treatment processes:

"Algae to Biofuel" Project presented to the European Union's Framework Programme 7 (FP7).

"Cenit Vida" Project presented as part of the National Strategic Consortia in Technical Research of the Centre for Industrial and Technical Development (CITC).

Two new R+D+i projects also got underway in the field of **industrial waste**:

The first one is the "Marine-Fuel Research Project" in collaboration with the Azti-Tecnalia Technology Centre which will focus on conducting experimental tests with alternative fuels obtained from recycled oil for use by fishing fleets.

The other project which is being carried out in collaboration with the Technological Research Centre of the Innovarcilla Foundation seeks to determine the viability of reusing different types of waste in ceramic paste.

Versia continued to work on the **urban furniture** projects that had begun in previous years before:

TEC-MUSA (Technologies for Sustainable and Accessible Urban Mobility) has undertaken the development of a series of technologies for incorporation into passenger and cargo vehicles in city settings with low or no emissions and advanced conditions of accessibility and communication with clients through a multidisciplinary consortium of businesses, association and research groups. In 2010, the following milestones were achieved in accordance with the plan submitted to the Ministry of Science and Innovation:

MANAGEMENT REPORT

- Formation of the work groups for each one of the sub-projects.
- Preparation of technical reports.
- Justification, audit and presentation to the Ministry the expenses incurred in 2009.
- Receipt of the grant for 2009.
- Detailed definition of the plans for each one of the sub-projects.
- Analysis of needs and definition of specifications.

The Ministry announced the end of the Singular and Strategic Projects which means that the project will cease to be subsidized before it has concluded, although an extension has been granted to March 2011 to complete the tasks budgeted in 2010.

EPISOL (Electric vehicles powered by fuel cell and solar energy): project to develop a light urban vehicle featuring hybrid electric propulsion which, in the first phase, will be equipped with a heat engine and, in a subsequent phase, will have a highly-efficient and low-cost fuel cell, using solar power in both cases. Each model of the vehicle has a system that enables it to be connected to the electricity mains in order to recharge the battery. Thus, at the start of each journey the batteries are fully charged and the demands placed on the heat engine and/or fuel cell are greatly reduced.

The project is broken down into the following phases:

- PHASE 1. Bi-hybrid vehicles, standard configuration with MEP engine (gasoline combustion engine) + solar power: the thermal engine activates a generator that charges the batteries which supply power to the electric engine in charge of transmitting power to the drive shaft. Solar panels are included as an additional energy source and regenerative brake.
- PHASE 2. Tri-hybrid vehicle, standard configuration: in this model, the vehicle has a thermal engine (MEP) and a generator plus a hydrogen fuel cell that keeps the batteries charged, meaning that the thermal engine needs to be started less frequently. This model also includes the solar panels as an additional energy source and the regenerative brake.
- PHASE 3. Tri-hybrid vehicle, standard configuration: in this model, the MEP engine is replaced with a H2 (hydrogen) combustion engine. The rest of the components and functions remain the same as in phase 2.
- PHASE 4. Bi-hybrid vehicle, standard configuration: in the final version of this vehicle, the H2 combustion engine is eliminated and the fuel cell is replaced with a more powerful one. The fuel cell provides power to the batteries and the electric traction engine. This model also includes the solar panels as an additional energy source and the regenerative brake.

In 2010 CEMUSA continued to collaborate with UIAR (University Institute for Automotive Research at the Universidad Politécnica de Madrid), conducting optimisation tests of the tri-hybrid energy management system and gathering data on actual usage conditions, obtaining satisfactory results on the approval tests which are currently awaiting administrative approval. This work has been certified as an R+D project.

The prototype was presented at the International Ecological Automobile and Sustainable Mobility Show.

Forthcoming objectives include increasing battery capacity and moving forward with the subsequent phases defined in the project plan.

C-CYCLES: Development of an unattended bicycle hire system. The system functions with smart cards and features payment by credit card. Internet connection. The project responds to the need for sustainable urban mobility promoting multi-modal transport. The following milestones were achieved in 2010:

- Conclusion of the basis development of the system:
  - Management programme and database
  - Control units for derbi and terminal. Software and communications
- Solar-powered light station
- Beginning of pilot testing

Pilot testing will be completed in 2011 at which time the final plans will be launched. Work is ongoing on other features: power bikes, solar energy.

LED ILLUMINATION PROJECTS: The LED illumination projects which aim to reduce energy consumption and, therefore, greenhouse gas emissions. Parallel to the LED illumination projects, studies are being performed relating to the reduction of light pollution. Having achieved the first objective of using just 28% of the energy of fluorescent lighting, we are now working to reduce that usage to 16%.

PHOTOVOLTAIC SOLAR ENERGY PROJECTS: Development of a photovoltaic solar power system that includes the development of a solar photovoltaic system which, together with illumination using LEDs, will allow greenhouse gas emissions to be reduced to zero and in certain cases to reduce network connection costs. The following works were completed in 2010:

- Poste bus prototypes and development of bus stop hoardings with semi-translucent solar panels and electronics

MANAGEMENT REPORT

- Conclusion of NY bus hoarding project
- Development of light station for solar bikes.

Research continues into flexible cells with the idea of making the system more efficient.

DIGITAL ADVERTISING PROJECTS: The aim is to implement a digital advertising system incorporating LCD screens and the technology required for them to be viewed properly outdoors. Must be equipped with an effective heat evacuation system. The following work was done in 2010:

- Installation and commissioning of LCD screens for a project to digitalise the rear and sides of 8 newsstands in NYC.
- Definition of a project to digitalise the rear and crowns of newsstands on Las Ramblas in Barcelona using LED screens.

The following projects were carried out in 2010 in the Logistics sector:

VOICE PICKING: New voice recognition technology for order preparation. The development phase is over. The technology has been tested with satisfactory results and is now being used.

PLV: A computer tool for covering the new market channel of promotional materials for pharmaceutical laboratories. The tool was successfully implemented in 2010.

CONTROL PANEL: Development of a software tool for extracting statistical data which improves the management and productivity of the Consumer Unit. The tool was 80% operation in 2010 and is expected to be fully operational in the first half of 2011.

APPOINTMENT SCHEDULING: A customised software programme developed to manage the new customs activity, "Customs Inspection Point". The tool is intended to support Customs Officials in the container inspection process. It has been fully operational since July 2010.

In the **Conservation and Systems**, the Company focused its efforts on the development of the AVANZA technology platform, to which a number of services were added for the shadow toll highways and tunnels projects. The most important milestones achieved in relation to the AVANZA software included:

- Multi-tunnel user interface.
- Advanced integrated DAI services
- Integration of dynamic weighing subsystem.
- Video verification software.
- Advanced incident management.
- Advanced management of the tunnel operation manual.

In field equipment, both functional features and electronics have been improved.

The **Airport Handling** sector focused on the development of the Groundstar tool to optimise process planning and control in the aeronautics sector which will replaced the current "handlnet" system. This new system is much more versatile, can communicate with other systems and adds resources management tools which the previous system did not have.

It includes the following modules:

- Flight programming manager (Seasonal FIP)
- Human resources planning
- Shift management
- Billing modules that includes the CRM module (contracts, control of services rendered and billing) and SAP interface

In 2010, plans were devised to implement the same project in Belgium.

For the year 2011 there are plans to begin the implementation in the first half of 2011 and a second phase that will begin in October 2011 and end in May 2012.

During the first phase, the current system, Handnet, will be replaced and the rest of the modules will be implemented in the second phase.

FCC Construcción, S.A. and its subsidiaries, aware of just how important activities of this kind are to maintaining a competitive edge in the market and to continuously improving the quality of their work, have implemented policies that actively promote research, development and technological innovation.

In this sense, FCC Construcción, S.A. participates in the European Construction Technology Platform, the E2B Association (Energy Efficient Buildings), the ENCORD Group (European network of construction companies which promotes research and development efforts) and the Spanish Construction Technology Platform. The aim of these organisations is to bring research centres, universities and industry together to work side-by-side on research, development and technological innovation projects.

Noteworthy among the projects carried out in 2010 are the following:

ARFRISOL, for the development of bioclimatic architecture and solar energy.

OLIN, which studies the qualities and treatment of embankment and subgrade materials for the construction of sustainable linear works.

URBAN TUNNELS, a project that researches new methodologies for analysing, designing and building tunnels in urban areas.

CLEAM, which focuses on clean, efficient and environmentally-friendly construction.

EXPLOSIVES, which investigates the conditions for designing and building terminal parking garages at risk of terrorist attack.

DAMAGES TO BRIDGES, which conducts low-cost dynamic tests for maintaining bridges subjected to uncontrolled environmental loads using wireless sensors.

CEMESFERAS, which researches vitreous spherical microparticles with cementing properties.

BALI, which focuses on acoustically efficient and health buildings.

RS which researches sustainable building renovation.

DEPOSITS, which is designing a system for the storage of bitumen modified with unused tyres for plants that make hot asphalt mix.

ECORASA, which researches new ways to reuse construction and demolition debris on the same construction site as filling material for sewer trenches.

VITRASO, which diagnoses the sound transmission paths in construction.

In 2010, the management of the **Cementos Portland Valderrivas** Group continued to promote the research of new products with enhanced added value and/or new markets. As a result, eight new cements have been developed with highly competitive advantages such as shorter hardening times, resistance to adverse external conditions, lower impact of the production process on the the environment and the ability to neutralise certain pollutants.

In 2010, the Group's R+D+i Department received public grants for eight research projects, most focusing on the development of new materials. The number of projects which competed for and received public financing broke was record-setting for CPV in terms of both, the quantity and quality of the financing obtained.

The benchmarking for cement factories which began in 2009 continued in 2010 with the analysis of technical and management aspects which need to be monitored continuously by the company in order to make improvements.

Corporate Engineering and the Operations Department have brought about significant fuel savings in most of the cement factories by replacing petcoke with fuels derived from waste.

The Innovation Management Department was created in 2010 with the mission of coordinating the innovation function within the **FCC Group** and optimising the public funding available for this.

Agreements have been signed with a number of public and private research centres to reinforce FCC's commitment to innovation.

In 2010, AENOR certified the FCC Group's activities according to UNE 166002.

10. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

Financial risk refers to changes in the value of financial instruments contracted by the Group due to political, market and other factors, and the effect of such changes on the consolidated balance sheet. The FCC Group's risk management philosophy is consistent with its business strategy, as it strives for maximum solvency and efficiency at all times. In that regard, the Group has set out stringent financial risk management and control criteria for identifying, measuring, analysing and controlling the risks faced in the course of FCC's operations. This risk policy is correctly integrated into the Group's organisational structure. In keeping with the risk control policy, hedging transactions arranged by the FCC Group are not speculative but, rather, aim to cover the transaction risks.

In order to adopt the optimal position for the Group's interests, it implements an active risk management policy; it constantly monitors the market and adopts positions depending mainly on the asset being financed. Given the nature of the Group's activities, closely linked to inflation, its financial policy consists of ensuring that both its current financial assets, which to a large extent provide natural hedging for its current financial liabilities, and the Group's debt are partially tied to floating interest rates. Even so, the FCC Group performed interest rate hedging transactions, ending the year

MANAGEMENT REPORT

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

As a result of the FCC Group's positioning in international markets, it is exposed to exchange rate risks in its net foreign currency positions with respect to both the euro and other foreign currencies when the investment and financing of an activity cannot be arranged in the same currency. The FCC Group's general policy is to mitigate, as far as possible, the adverse effect on its financial statements of exposure to foreign currencies, with regard to both transactional and purely equity-related changes. The FCC Group therefore manages the effect that foreign exchange risk can have on both the balance sheet and the income statement.

The Group actively manages its foreign exchange risk by arranging financial transactions in the same currency as that in which the related asset is denominated. In that regard, the Group strives always to finance its activities in the local currency as this creates a natural hedge between cash flows and financing. However, this is occasionally not possible where the currency of the country of origin of the investment is weak and long-term financing cannot be obtained in that currency. In these cases, financing is obtained either in the currency of the consolidated Group or in the most closely-related foreign currency.

The FCC Group operates in various markets in order to obtain the financing it needs, thereby mitigating liquidity risk. Despite the adverse situation reigning in the financial markets throughout 2010, the FCC Group has remained extremely well positioned and has anticipated any potential adversity by paying close attention to trends in those factors that may help to resolve liquidity shortfalls in the future and to the various sources of financing and their characteristics.

11. OUTLOOK FOR 2011

Set forth below are the prospects for 2011 for the various lines of business composing the FCC Group. The construction and services backlog at 2010 year-end, which amounted to EUR 35,309 million, guarantees the continuation of a high level of activity over the coming years.

Generally speaking, the **Services** area will see almost all of its economic and financial variables affected in 2011 by the general economic crisis, particularly in Spain. On the contrary, the outlook for the International area calls for a significant upturn starting in 2012.

Strict cost reduction policies continued in 2010 and will continue in future periods.

In the **Environmental** sector, despite the current stagnation, the group expects a level of activity in 2011 similar to that seen in 2010 which will allow it to maintain its current market share with investments levels that are expected to be similar to those of the previous year.

The main objective is to maintain the most significant contracts already in place, which will entail certain renewals and extensions in an attempt to grow in the field of solid urban waste treatment and elimination.

As mentioned above, in the **International** arena, business is expected to pick up starting in 2012.

In the United Kingdom – where the Group has been operating in the waste collection and urban sanitation sector through Focsa Services UK since 1989 – with the acquisition of WRG in 2006 the Group has become one of the leading operators in the sector. Significant growth is expected in new, complementary activities, particularly PFIs (Private Financing Initiatives). The portfolio of contracts of this kind is expected to growth throughout 2011.

The Allington incinerator is in the process of resolving certain technical problems which will improve the plant's performance and bring it to full operating capacity in 2011.

MANAGEMENT REPORT

In the **Industrial Waste** sector, the downward trend of recovery material prices continues albeit with a certain improvement in the volumes processed. Therefore, the positive evolution seen in the final months of 2010 is expected to continue and to become even more significant at the end of 2011 or early 2012.

An important contract got underway in Spain in 2010 which involves the decontimination of soil in at the Flix reservoir in Tarragona. Noteworthy on the international front is the remediation of contaminated soil in Siracusa (Italy). All of this has resulted in significant growth in this sector compared to the year before.

The group's presence in the US in the business of waste derived from the gas and oil industry is expected to grow in 2011 through the companies FCC Environmental, International Petroleum Corp. and Apex. Work will also begin in 2011 on a new project for refining used oil in oil-based lubricants.

In Italy, the work that began in the month of December to decontaminate polluted soil in Syracuse will continue next year.

In Portugal, more than 80,000 tn of contaminated soil will be cleaned up through the subsidiary Ecodeal thanks to a recently awarded contract.

In Spain, work will commence on four new projects:

- Treatment of unused tyres on the Canary Islands
- Recovery of foundry waste and conversion into iron and steelwork aggregate for Arcelor Mittal in Guipúzcoa
- Conclusion of the construction and operation of a new controlled dump for non-hazardous industrial waste in Cantabria through the subsidiary Iacan
- Finally, towards the 4th quarter of the year, implementation of a plant in Cataluña for waste recovery plant and conversion into alternative fuel for the Corporación Uniland cement company.

In the **Water Sector**, Aqualia continues to be the leading full-service water operator in the Spanish market. At the same time, Aqualia has continued to reinforce its international presence through a geographical diversification strategy that was first implemented four years ago.

In 2011, given the generalised economic crisis in Spain, household water consumption is expected to remain flat while industrial consumption and new business will see a decline. On the other hand, the company's presence in consolidated regions of the international market has and will continue to allow it to minimise the impact of the Spanish crisis by getting a foothold in new markets as they gradually open up and allows companies with expertise to resolve their historical problems with the management of this resource.

Throughout 2010, the Company was awarded a number of lucrative international contracts, including one for the construction of an aqueduct and water supply system in San Luís de Potosí (Mexico) and another for the construction and operation of a treatment plant with a capacity of 250,000m3/day in Cairo (Egypt). Another notable international achievement was the agreement reached with the European Bank for Reconstruction and Development (EBRD) to form a joint investment vehicle with Aqualia in order to bid on projects related to the water cycle in countries falling within the catchment area of the EBRD and to jointly evaluated potential investments in the companies that currently manage the water systems in those countries.

In the domestic market, the company has been awarded a number of new contracts and renewed or extended others with different municipalities; moreover, in keeping with its diversification policy, the company has begun providing related services to athletic facilities such as: Reception and customer care services, cleaning, maintenance, consulting and management of indoor swimming pools in Vendrell, (Tarragona) and management of sporting activities with the construction of the Water and Health Centre in San Lorenzo de El Escorial (Madrid). The Company has also entered into or renewed service agreements with irrigation associations such as: Contract for the supply of irrigation water and maintenance of irrigation facilities for the Vingalis Irrigation Association (Tarragona) and renewal of the operation, conservation and maintenance agreement with the Garrigues Irrigation Association (Lérida).

MANAGEMENT REPORT

In the international market, the Company was awarded two new contracts in Portugal: A water supply, sanitation and water treatment contract in Cartaxo and a water supply and sanitation contract in Fundao. Aqualia Infraestructuras was a awarded a contract to modernise the filtering system at the Los Berros water treatment plant in Cutzamala (Mexico) and a contract to build Candelaria water treatment plant in Chile.

At the beginning of 2011, the order book for the Service Area totalled EUR 25,325 million which is equivalent to almost seven years of production.

For 2011, **Versia** foresees a slight decline in earnings as a result of the sale in December 2010 of the companies pertaining to the Vehicle Inspection business and the assets associated with the underground parking business in, both part of the asset rotation policy defined by the FCC Group. This decline in earnings will be attenuated to a large extent by expected increases in: **Urban Furniture** in both the domestic and international markets thanks to the recovery taking place in the sector and the increases in advertising spaces installed in New York; and in the **Conservation and Systems** sector thanks primarily to new sewer maintenance contracts.

Profit margins will suffer the effects of the sale of the assets mentioned above, since the profit margins they contributed were higher than average for the Area, despite a significant increase in the profits generated in the **Urban Furniture** area due to increase sales and in the **Logistics** area due to the cost-containment policies implemented in recent years and new lines of business.

In the **Construction** area, the turnover in 2011 from domestic business will be lower than in 2010 due to the stagnation of residential construction caused by the real estate crisis and budget restrictions in the public sector that will affect civil engineering work.

To offset the weakness of the domestic markets, companies are focusing heavily on international business, as a result of which the revenues obtained from international business are expected to be higher in 2011 than they were in 2010.

The company's international business is handled primarily through the Alpine group of companies based in Austria which operates in numerous Central and Eastern European countries and is supplemented with the American market business which is handled through investee companies operating primarily in Central America and Mexico.

The order book in the construction area at the beginning of 2011 was EUR 9,984 million.

In the **Cement** area, the world economy is clearly in the recovery stages, albeit with different geographical areas and countries recovering at different rates, following the economic crisis that began at the end of 2008. As far as the situation and specific problems of western economies and emerging countries are concerned, it is believed that the US could take a bit longer to achieve stable growth, but because of the flexibility of its economy it is likely to once again play a leading role in the recovery of world economic growth.

Europe in general and the European Union in particular are also in the process of consolidating their economic growth, albeit with sharper differences between countries. The problems with sovereign debt and their implications for the stability of the euro are going to condition and limit these economies' ability to grow.

Overall, the evolution of the world economy in general and that of the European Union in particular will enable the Spanish economy to grow more than originally expected due to the strong performance of foreign demand.

With this outlook for 2011, the sales forecast for the Cement area will depend to a large extent on the economic recovery in the United Stated and Spain. Both the North American and Spanish cement markets are at historical minimums, although the deceleration process began to see some relief towards the end of last year. Renewed market stability will result in a stabilisation of prices, with upward pressure due to rising costs. These forecasts are in line with what both Oficemen and the Portland Cement Association (PCA) of the United States are saying.

MANAGEMENT REPORT

Once the political situation in Tunisia is stabilized the good results obtained in 2010 can be maintained.

As a continuation of the Plan 100+, which saw stated objectives achieved a year in advance, the Area will now launch the 2011 Excellence Plan focused in increasing EBITDA and generating cash. To do so, the area will continue the policy of reducing recurring costs but with greater emphasis on new sources of corporate revenue with the development of new types of cements with higher margins, among other initiatives. Investments in the different business areas will remain at 2010 levels, with priority being placed on the investments in energy recovery technology (CO2-energy costs) and occupational safety.

Following the acquisitions in 2008 and 2009 in the photovoltaic (20 MW in production), wind (420.7 MW in production) and thermosolar (49.9 MW under construction) areas, in 2010 FCC Energía continued to implement the FCC Group's strategic plan through 2010 (Plan 10), which has materialised as follows:

- Construction and operation of a 49.9 MW thermosolar power plant in the province of Córdoba which is scheduled to be completed in the first quarter of 2011.
- Award of 99 MW in the wind power public tender sponsored by the Autonomous Community of Cataluña which is currently in the initial stages.
- Award of 48 MW in the wind power public tender sponsored by the Autonomous Community of Galicia which is currently in the initial stages.
- Presentation of proposal for "zone C" 155 MW in the wind power public tender sponsored by the Autonomous Community Aragón; currently awaiting final decision.

In 2011, the immediate objectives of FCC Energía are:

- Presentation of offers for zones D and E in the wind power public tender in Aragón, competing for 79.2 and 100 MW of power, respectively.
- As part of Phase E of the aforementioned public tender, the company is also seeking authorisation to install 9.30 MW of power at the Valdeconejos plant owned by S.E. ABADÍA.
- Beginning of energy efficiency activities.
- Continuation of the activities to develop the MWs awarded in the Cataluña and Galicia public tenders in addition to any MWs awarded in Aragón.

It is the intention of FCC Energía to analyse opportunities for growth in the renewable energy sector as they arise, either by taking part in new projects or by presenting bids for new power contracts in Spain, Eastern European EU member countries and the United States. All of these geographical areas have two common denominators: they offer the legal safeguards necessary to commit to medium term investments and their governments have expressed a political will to promote the development of renewal energies.

AUDIT REPORT

AUDIT REPORT

Deloitte.

Deloitte, S.L.
Plaza Pablo Ruiz Picasso, 1
Torre Picasso
28020 Madrid
España

Tel.: +34 915 14 50 00
Fax: +34 915 14 51 80
www.deloitte.es

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails.

<u>AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS</u>

To the Shareholders of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.:

1. We have audited the consolidated financial statements of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND SUBSIDIARIES, which comprise the consolidated balance sheet at 31 December 2010 and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended. As indicated in Note 2 to the accompanying consolidated financial statements, the Directors are responsible for the preparation of the Group's consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group. Our responsibility is to express an opinion on the consolidated financial statements taken as a whole based on our audit work performed in accordance with the audit regulations in force in Spain, which require examination, by means of selective tests, of the evidence supporting the consolidated financial statements and evaluation of whether their presentation, the accounting principles and policies applied and the estimates made comply with the applicable regulatory financial reporting framework. Our work did not include an examination of the 2010 financial statements of certain subsidiaries and associates, whose assets, sales and net results, in absolute terms, represent 21%, 28% and 35%, respectively, of the related consolidated totals. The financial statements of these companies were audited by other auditors (see Appendices I, II and III to the notes to the consolidated financial statements). Our opinion as expressed in this report on the consolidated financial statements of Fomento de Construcciones y Contratas, S.A. and Subsidiaries is based, with respect to these companies, on the reports of the other auditors.

2. In our opinion, based on our audit and on the reports of the other auditors mentioned in the preceding paragraph, the accompanying consolidated financial statements for 2010 present fairly, in all material respects, the consolidated equity and consolidated financial position of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND SUBSIDIARIES at 31 December 2010, and the consolidated results of their operations and their consolidated cash flows for the year then ended, in conformity with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group.

3. The accompanying consolidated directors' report for 2010 contains the explanations which the Directors of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. consider appropriate about the Group's situation, the evolution of its business and other matters, but is not an integral part of the consolidated financial statements. We have checked that the accounting information in the consolidated directors' report is consistent with that contained in the consolidated financial statements for 2010. Our work as auditors was confined to checking the consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND SUBSIDIARIES.

DELOITTE, S.L.
Registered in ROAC under no. S0692

Miguel Laserna Niño
28 February 2011

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

FINANCIAL STATEMENTS

FOMENTO DE CONSTRUCCIONES Y CONTRATAS S.A.

FINANCE

FINANCIAL STATEMENTS

BALANCE SHEET FOR THE YEAR ENDED AT 31 DECEMBER 2010 (in thousands of euros)

Fomento de Construcciones y Contratas, S.A.

ASSETS	31-12-2010		31-12-2009	
NON-CURRENT ASSETS		**5,169,058**		**4,285,179**
Intangible assets (Note 5)		32,390		26,604
Concessions	7,367		7,468	
Software	13,426		11,358	
Other intangible assets	11,597		7,778	
Property, plant and equipment (Note 6)		552,922		537,512
Land and buildings	85,481		69,656	
Plant and other Property, Plant and Equipment	414,658		405,950	
Property, Plant and Equipment under construction and advanced payments	52,783		61,906	
Investment Property (Note 7)		226,964		230,512
Non-Current investment in group companies and associates (Notes 10.a and 21.b)		4,184,580		3,342,122
Equity instruments	2,247,074		1,993,416	
Loans to companies	1,937,506		1,348,706	
Non-Current financial investments (Note 9.a)		76,012		76,250
Equity instruments	9,268		7,328	
Loans to third parties	27,609		24,974	
Derivatives (Note 12)	15,024		37,048	
Other financial assets	24,111		6,900	
Deferred tax assets (Note 18)		92,873		68,296
Deferred borrowing cost relating to concession financing		3,317		3,883

FINANCIAL STATEMENTS

At 31 DECEMBER 2010 (in thousands of euros)

ASSETS		31-12-2010		31-12-2009
CURRENT ASSETS		**2,102,598**		**2,614,542**
Inventories		22,570		6,146
Finished goods	16,281		—	
Raw materials and other supplies	5,794		5,803	
Advance payments to suppliers	495		343	
Trade and other receivables		727,274		756,797
Trade receivables for sales and services (Note 11)	652,289		645,416	
Receivables from group and associated companies (Note 21.b)	57,743		71,465	
Sundry accounts receivables	11,520		7,831	
Employee receivables	945		1,471	
Current tax assets (Note 18)	747		23,530	
Other accounts receivable from public Authorities (Note 18)	4,030		7,084	
Current investments in group companies and associates		1,168,062		1,772,712
Loans to companies (Note 10.b and 21.b)	1,137,417		1,767,533	
Other financial assets	30,645		5,179	
Current financial investments (Note 9.b)		12,018		30,866
Loans to companies	6,622		20,510	
Debt securities	2,887		5,643	
Other financial assets	2,509		4,713	
Current advance payments and accrued income		2,584		1,827
Cash and cash equivalents		170,090		46,194
TOTAL ASSETS		**7,271,656**		**6,899,721**

The accompanying Notes 1 to 23 an Appendices I to IV are integred part of the financial statement and, together with the latter, make up the statutory financial statements for 2010.

FINANCIAL STATEMENTS

At 31 DECEMBER 2010 (in thousands of euros)

EQUITY AND LIABILITIES	31-12-2010		31-12-2009	
EQUITY (Note 13)		**1,272,436**		**1,253,585**
Shareholders' equity		1,295,249		1,272,707
Share capital		127,303		127,303
Registered share capital	127,303		127,303	
Share premium		242,133		242,133
Reserves		867,741		790,355
Legal and bylaw reserves	26,114		26,114	
Other reserves	841,627		764,241	
Treasury shares		(89,130)		(89,130)
Profit for the year		200,034		254,878
Interim dividend		(88,746)		(88,746)
Other equity instruments		35,914		35,914
Valuation adjustments		(25,072)		(21,724)
Available-for-sale financial assets	7,932		5,991	
Hedges (Note12)	(33,004)		(27,715)	
Grants, donations and legacies received		2,259		2,602
NON-CURRENT LIABILITIES		**4,469,114**		**4,552,262**
Non-current provisions (Note 15)		314,455		207,927
Provisions for third party liabilities	118,994		119,428	
Other provisions	195,461		88,499	
Non-current payables (Note 16)		4,027,085		4,215,095
Debt instruments and other marketable securities	422,204		421,213	
Bank borrowings	3,470,167		3,683,390	
Obligations under finance leases	27,936		27,491	
Derivatives (Note 12)	99,293		75,897	
Other financial liabilities	7,485		7,104	
Deferred tax liabilities (Note 18)		127,574		129,240

FINANCIAL STATEMENTS

At 31 DECEMBER 2010 (in thousands of euros)

EQUITY AND LIABILITIES	31-12-2010		31-12-2009	
CURRENT LIABILITIES		**1,530,106**		**1,093,874**
Current provisions		1,517		1,316
Non-currnet payables (Note 16)		610,420		283,646
Debt instruments and other marketable securities	4,888			
Bank borrowings	456,425		135,310	
Obligations under finance leases	38,697		36,412	
Other financial liabilities	110,410		111,924	
Current payables to group companies and associates (Note 10.c and 21.b)		498,357		464,564
Trade and other payables (Note 23.c)		419,529		343,977
Payables to suppliers	89,571		107,928	
Payable to group and associated companies (Note 21.b)	17,388		15,540	
Sundry accounts payable	89,150		109,154	
Accrued wages and salaries	43,305		35,398	
Current tax liabilities (Note 18)	80,042		—	
Other accounts payable to public authorities (Note 18)	40,198		45,005	
Advance payments from customers (Note 11)	59,875		30,952	
Current accruals and deferred income		283		371
TOTAL EQUITY AND LIABILITIES		**7,271,656**		**6,899,721**

The accompanying Notes 1 to 23 an Appendices I to IV are integred part of the financial statement and, together with the latter, make up the statutory financial statements for 2010.

FINANCIAL STATEMENTS

INCOME STATEMENT FOR THE YEAR ENDED AT 31 DECEMBER 2010
(in thousands of euros)

	31-12-2010	31-12-2009
CONTINUING OPERATIONS		
Revenue (Note 20)	1,680,978	1,557,944
Sales and services	1,325,333	1,296,802
Income from investments in group companies and associates (Notes 20 and 21.a)	256,984	176,448
Financial income from marketable securities and other financial instruments in group companies and associates (Notes 10, 20 and 21.a)	98,661	84,694
In house work on non-current assets	2,126	1,914
Supplies	(197,720)	(197,633)
Cost of goods purchased	(2,163)	(1,039)
Cost of raw materials and other consumables materials	(101,688)	(100,666)
Work performed by other companies	(93,869)	(95,928)
Other operating income	74,143	77,528
Non-core and other current operating income	71,990	75,769
Income related to operating grants	2,153	1,759
Staff costs	(823,240)	(788,543)
Wages, salaries and other similar costs	(624,912)	(600,232)
Employee benefit cost	(198,328)	(188,311)
Other operating expenses	(240,096)	(192,027)
External services	(158,521)	(167,804)
Other taxes than income tax	(7,321)	(7,742)
Loss on impairment and changes in allowances for trade receivables	(685)	(1,924)
Other current operating expenses (Note 20)	(73,569)	(14,557)
Depreciation amortisation charge (Notes 5, 6 and 7)	(89,594)	(83,912)
Allocation to the income statement of grants related to non-financial, non-current assets and other grants (Note 13.h)	512	355
Excessive provisions (Note 15)	1,380	23,120
Impairment and gain/(loss) on disposals of non-current assets	946	(1,616)
Gains or on disposals losses	946	(1,616)

FINANCIAL STATEMENTS

	31-12-2010	31-12-2009
OPERATING PROFIT/(LOSS)	**409,435**	**397,130**
Financial income	2,519	6,286
From marketable securities and other third party financial instruments	2,519	6,286
Financial cost	(160,962)	(117,040)
On debts to group companies and associates (Note 21.a)	(7,255)	(8,794)
On debts to third parties	(149,705)	(103,946)
Interest cost related to provisions	(4,002)	(4,300)
Change in fair value of financial instruments (Note 12)	(30,500)	9,421
Held - for trading financial assets/liabilities and other	(30,500)	9,421
Foreign exchange differences	(5,993)	(7,268)
Impairment and gains or losses on disposals of financial instruments	(3,454)	(8,025)
Impairment and other losses (Note 9.a)	3,658	(19,282)
Gain/(loss) on disposals (Note 10.a)	(7,112)	11,257
FINANCIAL LOSS	**(198,390)**	**(116,626)**
PROFIT BEFORE INCOME TAXATION	**211,045**	**280,504**
INCOME TAX (Note 18)	**(11,011)**	**(25,626)**
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	**200,034**	**254,878**
PROFIT/(LOSS) FOR THE YEAR	**200,034**	**254,878**

The accompanying Notes 1 to 23 an Appendices I to IV are integred part of the financial statement and, together with the latter, make up the statutory financial statements for 2010.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED AT 31 DECEMBER 2010

(in thousands of euros)

A) Statement of comprehensive income

	31-12-2010	31-12-2009
Profit/(loss)	**200,034**	**254,878**
Income and expense taken directly to equity		
Arising from available-for-sale financial assets	1,940	—
Arising from cash-flow hedges	(34,977)	(13,976)
Grants, donations and legacies received	40	—
Tax on items taken directly to equity	10,486	4,193
Income and expense recognised directly in equity	**(22,511)**	**(9,783)**
Transfers to the income statement		
Arising from cash-flow hedges	27,422	20,856
Grants, donations and received legacies	(512)	(355)
Tax effect	(8,090)	(6,161)
Total transfers to the profit or loss account	**18,820**	**14,340**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**196,343**	**259,435**

FINANCIAL STATEMENTS

B) Statement of changes in equity

	Share capital (Note 13.a)	Share premium (Note 13.b)	Reserves (Note 13.c and d)	Treasury shares (Note 13.e)	Profit/(loss) for year	Interim dividend (Note 3)	Other equity instruments (Note 13 f)	Valuation adjustments (Notes 9.a and 13.g)	Grants (Note 13.h)	Equity
Equity at 31 December 2008	127,303	242,133	644,817		342,906	(99,933)		(26,540)	2,861	1,233,547
Total income/(expense) for the year					254,878			4,816	(259)	259,435
Transaction with shareholders and owners			145,538	(89,130)	(342,906)	11,187				(275,311)
Dividends paid			145,538		(342,906)	11,187				(186,181)
Treasury share transaction (net)				(89,130)						(89,130)
Other changes in equity							35,914			35,914
Convertible bond issue							35,914			35,914
Equity at 31 December 2009	127,303	242,133	790,355	(89,130)	254,878	(88,746)	35,914	(21,724)	2,602	1,253,585
Total comprehensive income/(expense)					200,034			(3,348)	(343)	196,343
Transactions with shareholders and owners			77,386		(254,878)					(177,492)
Dividends paid			77,386		(254,878)					(177,492)
Equity at 31 December 2010	127,303	242,133	867,741	(89,130)	200,034	(88,746)	35,914	(25,072)	2,259	1,272,436

The accompanying Notes 1 to 23 an Appendices I to IV are integred part of the financial statement and, together with the latter, make up the statutory financial statements for 2010.

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED AT 31 DECEMBER 2010
(in thousands of euros)

	31-12-2010		31-12-2009	
Profit/(loss) for the year before taxation		211,045		280,504
Adjustments for		10,041		(61,959)
Depreciation and amortisation (Notes 5, 6 and 7)	89,594		83,912	
Value adjustments for impairment	(3,664)		19,282	
Changes in provisions (Note 15)	79,161		(2,616)	
Recognition of grants on the income statement	(512)		(355)	
Gains/(losses) on derecognition and disposal of non-current assets	(940)		1,616	
Gains/(losses) on derecognition and disposal of financial instruments (Note 10)	7,112		(11,257)	
Finance income (Note 20)	(358,164)		(267,428)	
Finance expense	160,961		117,040	
Foreign exchange differences	5,993		7,268	
Change in fair value of financial instruments (Note 12)	30,500		(9,421)	
Changes in working capital		(28,246)		(35,115)
Inventories	(200)			989
Debtors and other accounts receivable	(20,357)			(51,449)
Other current assets	(757)			(27)
Trade and other accounts payable	(4,639)			27,149
Other current liabilities	(2,293)			(11,777)
Other cash flows from operating activities		195,026		140,819
Interests paid	(109,301)			(111,397)
Dividends received	233,960			177,506
Interest received	64,966			86,602
Income tax recovered (paid)	8,611			(11,892)
Other amounts received (paid)	(3,210)			—
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		**387,866**		**324,249**

FINANCIAL STATEMENTS

		31-12-2010		31-12-2009
Payments due to investment		(425,856)		(1,462,242)
Group companies and associates (Note 10.a)	(296,390)		(1,275,522)	
Intangible assets (Note 5)	(6,521)		(4,109)	
Property, plant and equipment (Note 6)	(102,510)		(168,070)	
Investment property (Note 7)	(1,287)		(2,223)	
Other financial assets	(19,148)		(12,318)	
Proceeds from disposal of		216,763		93,160
Group and associated companies (Note 10.b)	205,199		22,079	
Intangible assets (Note 5)	210		5	
Property, plant and equipment (Note 6)	2,933		12,424	
Other financial assets	8,421		58,652	
TOTAL CASH FLOWS FROM INVESTING ACTIVITIES		**(209,093)**		**(1,369,082)**
Proceeds and payments related to equity instruments		40		(53,216)
Issue of equity instruments	—		35,914	
Purchase of treasury shares	—		(89,130)	
Grants, donations and legacies received	40		—	
Proceeds and payments related to financial liability instruments (Note 16)		122,576		1,261,764
Issue of:				
Debt instruments and other marketable securities	—		421,213	
Bank borrowings	747,142		1,203,825	
Borrowings from Group companies and associates	29,360		192	
Other borrowings	2,910		—	
Repayment of:				
Bank borrowings	(653,695)		(255,702)	
Amounts owed to Group companies and associates	(2,931)		(102,664)	
Other borrowings	(210)		(5,100)	
Dividends and returns on other equity instruments		(177,493)		(195,090)
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES		**(54,877)**		**1,013,458**
NET INCREASE/(DECREASE) IN CASH OR CASH EQUIVALENTS		**123,896**		**(31,375)**
Cash or cash equivalents at beginning of the year		46,194		77,569
Cash or cash equivalents at end of the year		170,090		46,194

The accompanying Notes 1 to 23 an Appendices I to IV are integred part of the financial statement and, together with the latter, make up the statutory financial statements for 2010.

NOTES FORMING PART OF THE COMPANIES FINANCIAL STATEMENTS

Fomento de Construcciones y Contratas, S.A. at 31 december 2010

TABLE OF CONTENTS

FINANCIAL STATEMENTS

01 ABOUT THE COMPANY

Fomento de Construcciones y Contratas, S.A. is a company founded in Spain under the Capital Companies Act whose core business is to provide citizen services, which include mainly the collection and treatment of solid waste, the cleaning of public streets and sewer systems, the maintenance of green areas and buildings, water treatment and distribution and other complementary services. The Company's registered offices are at c/ Balmes, 36 in Barcelona and its business is mainly conducted in Spain.

Fomento de Construcciones y Contratas, S.A. is the Parent of FCC Group, which comprises a broad spectrum of Spanish and foreign subsidiaries and associates that engage in activities such as construction, urban sanitation, integrated watercycle services, street furniture, passenger transport, passenger and aircraft ground handling, logistics, cement, real estate, energy, infrastructure management, etc.

02. BASIS OF PRESENTATION OF THE ANNUAL ACCOUNTS

The financial statements were obtained from the accounting records of Fomento de Construcciones y Contratas, S.A. and the joint ventures ("UTEs") in which it holds ownership interests, in accordance with the Commerce Code, Legislative Royal Decree 1/2010 of 2 July which approved the Revised Text of the Capital Companies Act and Royal Decree 1514/2007 of 22 December which approved the Revised Text of the Spanish Generally Accepted Accounting Principales. All applicable accounting standards and principles contained in the regulatory amendments to Royal Decree 1159/2010 of 17 September, the sector plans as have the resolutions and recommendations of the Accounting and Auditing Institute (ICAC) so as to show a true image of the equity, financial situation, results of the Company's operations and cash flows for the year. Specifically, following the 2009 publication by the ICAC on how to account for the revenues of holding companies, the headings "income from interests in group companies and associates" and "financial income from negotiable securities and other financial instruments in group companies and associates" have been classified as "Revenue" on the enclosed income statement.

The enclosed Annual Accounts, which have been formulated by the Company's Directors, will be submitted to the General Assembly for approval and are expected to be approved without change. The 2009 Annual Accounts were approved by the General Assembly held on on 27 May 2010.

The balance sheets, income statement, statements of changes in equity, comprehensive income statement and cash flow statements for the joint ventures in which the Company participates have been incorporated by proportional consolidation based on the percentage of ownership in each one.

The joint ventures were included by making the required timing and measurement uniformity adjustments reconciliations and reclassifications by eliminating reciprocal asset and liablity balances and income and expenses. The detail of any meterial amounts related to the joint ventures is included in these notes to the financial statments.

On the enclosed balance sheet and income statement, the ownership percentage in joint ventures are included from each one of the joint ventures as shown below:

	2010	2009
Revenue	203,896	188,746
Operating result	23,577	21,676
Non-current assets	127,028	119,668
Current assets	233,461	199,461
Non-current liabilities	26,099	14,141
Current liabilities	295,531	264,345

Appendix II lists the joint ventures and indicates the percentage share of their results.

The Company owns 99% of the Torre Picasso building and the remaining 1% is held by Fedemés, S.L., a wholly-owned subsidiary of Fomento de Construcciones y Contratas, S.A. Hence, Torre Picasso is wholly-owned by the FCC Group. This building is being operated through a community association arrangement and, consequently, these financial statements include the assets, liabilities, income and expenses in proportion to the Company's percentage of ownership (Note 7).

The financial statements are expressed in thousands of euros.

Since Fomento de Construcciones y Contratas, S.A. is the head of the FCC Group, it is obliged under current legislation to prepare separate consolidated financial statements. These consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRSs), in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, of 19 July 2002, as well as all the provisions and interpretations implementing it. The consolidated financial statements of the FCC Group for 2010, prepared by the directors, will also be submitted for approval by the shareholders at the Annual General Assembly.

The consolidated financial statements of Fomento de Construcciones y Contratas, S.A. prepared in conformity with International Financial Reporting Standards (IFRS) present total assets of EUR 21,979 million (EUR 21,813 million at 31 December 2009) and equity attributable to the Company's shareholders of EUR 2,563 million (EUR 2,445 million at 31 December 2009). Consolidated sales and Result attributed to the Parent amount to EUR 12,114 million and EUR 301 million, respectively (EUR 12,700 and EUR 296 million at 31 December 2009).

03. ALLOCATION OF PROFIT (LOSS)

The proposed distribution of the profit of Fomento de Construcciones y Contratas, S.A. that will be submitted for approval by the shareholders at the Ordinary General Assembly is as follows:

	2010
Profit for the year, before distribution (in thousands of euros)	200.034
Distribution:	
Interim dividend (euros per share)	EUR 0.715 per share
Supplementary dividend (euros per share)	EUR 0.715 per share
To voluntary reserves:	
The corresponding amount will be appropriated after the interim and final dividends on outstanding shares carrying dividend rights at the date of payment that have been paid.	

On 16 December 2010, it was resolved to distribute to the shareholders of Fomento de Construcciones y Contratas, S.A. an interim dividend out of the profit for the year equal to 71.5% gross of the par value of the shares, i.e. EUR 0.715 per share. The total amount of this dividend, EUR 88,746 thousand, was paid on or after 4 January 2011 on the outstanding shares carrying dividend rights (Note 16.c).

The Board of Directors' report evidencing the existence of sufficient liquidity for the distribution of the aforementioned interim dividend is included as Appendix IV.

04. ACCOUNTING POLICIES

The valuation principles and criteria used by the Company to prepare the 2010 Annual Accounts in accordance with the Spanish Generally Accepted Accounting Principals were as follows:

a) Intangible assets

Intangible assets are registered initially at acquisition or production cost. They are subsequently measured at cost less the accumulated amortisation and accumulated impairment losses. If any at year-end, there was no indication that any of the Company's intangible assets had suffered an impairment loss. The Company does not own any assets with indefinite useful life.

The Company recognises under "Software" the costs incurred in the acquisition and development of computer programs, mainly the implementation of a new corporate management system ERP (SAP) .

Software maintenance costs are recognised in the income statement of the year in which they are incurred.

Intangible assets are generally amortised on a straight-line basis over their useful life, which is estimated to be five years in the case of computer software. Administrative concessions are amortised on a straight-line basis over the concession term, which ranges on average from 25 to 50 years.

b) Property, plant and equipment and investment property

Property, plant and equipment and investment property are registered at acquisition cost or at production cost if the Company has performed in-house work thereon and are subsequently reduced by the related accumulated amortisation and by any impairment losses. At year-end, there was no indication that any of the Company's property, plant and equipment items had suffered an impairment loss. Therefor the

FINANCIAL STATEMENTS

recoverable amount of the assets is higher than their carrying amount and, accordingly, no impairment losses were recognised on this respect.

Property, plant and equipment upkeep and maintenance expenses are recognised in the income statement for the year in which they are incurred. However, the costs of improvements leading to increase capacity or efficiency or to a lengthening of the useful life of the assets are carried as an increase in cost of those assets.

For those assets that require a period of time longer than one year to be ready for use, the acquisition or production cost includes the financial expenses incurred before the asset becomes operational which have been charged by the supplier or pertain to loans or other external financing, specific or generic, and are directly attributable to the acquisition, production or construction of the asset.

The Company has entered into concession agreements that provide for dismantling and restoration obligations. On initial recognition of property, plant and equipment items, the Company estimates the present value of the future obligations for the dismantling and removal thereof, and other obligations associated with the assets, such as the cost of restoring the site on which they are located. This present value is added to the cost of the related assets and a provision is recognised which is increased in the periods following that in which it is recognised to reflect the related interest cost. The asset recognised is depreciated systematically using the same method as that applied to the asset related to the obligation.

In-house work on non-current assets is measured at accumulated cost that result of adding to the external costs plus in-house costs, determined on the basis of in-house materials consumption, direct labour and general manufacturing costs.

The Company amortizes its property, plant and equipment and investment property by the straight-line method at annual rates based on the years of estimated useful life of the assets, the detail being as follows:

	Estimated years of useful life
Investment properties	75
Buildings and other structures	25 – 50
Plant and machinery	5 – 15
Fixtures, fittings, tools and equipment	8 – 12
Other PPE	4 – 10

However, there may occasionally be contracts with terms that are shorter than the useful life of the assets regulated therein, in which case the assets are depreciated over the term of the agreement.

c) Impairment of intangible assets and property, plant and equipment

Whenever there are indications of impairment of intangible assets with a finite useful life (according to this qualification all the Company's intangible assets and property, plant and equipment and investment property), the Company tests the tangible and intangible assets for impairment to determine whether the recoverable amount of the assets has been reduced to below their carrying amount.

The recoverable amount is the fair value less the cost of the sale or the value-in-use, whichever is greater. To determine the recoverable amount of the assets tested for impairment, an estimate was made of the present value of the net cash flows arising from the cash-generating units (CGUs) to which the assets belong. To actualize the cash flows a discount rate before taxation which is taken to be the weighted average cost of capital and specific risk of each cash generating unit.

When an impairment loss is subsequently reversed, the carrying value of the asset or the cash-generating unit is increased to the revised estimate of the recoverable amount but in such a way that the carrying value when increased does not exceed the carrying value that would have been existed had no impairment loss been recognised for the asset or cash-generating unit in prior years. The reversal of an impairment loss is recognised as income, in the income statement.

d) Leases

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

d.1) Financial leases

In finance leases in which the Company acts as the lessee, the cost of the leased assets is presented in the balance sheet, based on the nature of the leased asset, and, simultaneously, a liability is recognised for the same amount. This amount will be the lower of the fair value of the leased asset and the present value, at the inception of the lease, of the agreed minimum lease payments, including the price of the purchase option when there are no reasonable doubts that it will be exercised. The minimum lease payments do not include contingent quotes, costs for services and taxes to be paid by and reimbursed to the lessor. The total finance charge is apportioned over the lease term and taken to the income statement in the period of accrual, using the effective interest method. Contingent quote is recognised as an expense for the period in which it is incurred.

FINANCIAL STATEMENTS

At the end of the financial lease, the Company exercises the purchase option. The contracts do not establish any restrictions on exercising purchase options. The contracts contain no restrictions on the exercise of the purchase options and there are no clauses to extend the term of the contracts or price adjustments.

The assets recognised for transactions of this nature are depreciated on the basis of their nature and useful life using criteria similar to those applied to items of property, plant and equipment taken as a whole.

There are no finance leases in which the Company acts as lessor.

d.2) Operating leases

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

If the Company acts as the lessor, income and costs arising under operating leases are allocated to the income statement for the year in which they are incurred. The acquisition cost of the leased asset is presented in the balance sheet according to the nature of the asset, increased by the costs directly attributable to the lease, which are recognised as an expense over the lease term, applying the same method as that used to recognise lease income.

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

e) Financial instruments

e.1) Financial assets

Classification

The financial assets held by the Company are classified in the following categories:

- **Loans and receivables:** Financial assets arising from the sale of goods or the provision of services in the course of the company's normal operations and non-derivative financial assets whose collection is fixed or determinable and which are not traded on an active market.
- **Held-to-maturity investments:** Debt securities with fixed or determinable maturities which are traded on active markets and which the company has the intention of and the ability to hold to the date of maturity.
- **Held-for-trading financial assets:** The assets acquired for the purpose of being sold in the short term or those which are part of a portfolio for which there is evidence of recent activity with that objective in mind. This category also includes financial derivatives that are not financial guarantee contracts and have not been designated as hedging instruments.
- **Equity investments in group and jointly-controlled companies and associates:** Group enterprises are those related to the Company by a relationship of control and associates are those over which the Company has a significant influence. In addition, jointly controlled entities include companies over which the Company exercises joint control with one or more other investors by virtue of an agreement.
- **Available-for-sale financial assets:** These include debt securities and equity instruments of other companies that are not classified in any of the aforementioned categories.

Initial recognition

Financial assets are initially recognised at the fair value of the consideration paid plus the costs directly attributable to the transaction, except for controlling interests in Group companies, the cost of which is carried directly to the income statement.

Subsequent measurement

- Loans and receivables and held-to-maturity investments are measured at amortised cost.
- Held-for-trading financial assets are measured at fair value and the changes in the fair value are recognised in income statement.
- Investments in Group companies and associates and interests in jointly controlled entities are measured at cost, net of any accumulated impairment losses. These corrections are calculated as the difference between the carrying value and the recoverable value, this being understood as fair value less the cost of the sale or the current value of the future cash flows derived from the investment, whichever is higher. Unless there is better evidence of the recoverable value, when estimating the impairment of these investments the net equity of the investee company corrected by the tacit surpluses existing on the valuation date is taken into account including goodwill, if any.
- Available-for-sale financial assets are measured at fair value and the net gains and losses arising from changes in fair value are recognised in equity until the asset is disposed of or it is determined that it has become permanently impaired, at which time the cumulative gains or losses previously recognised in equity are recognised in the income statement.

FINANCIAL STATEMENTS

At least at each reporting date the Company tests financial assets not measured at fair value through profit or loss for impairment. Objective evidence of impairment is considered to exist when the recoverable amount of the financial asset is lower than its carrying amount. When this occurs, the impairment loss is recognised in the income statement. In particular, the Company calculates valuation adjustments relating to trade and other receivables by taking into account the specific insolvency risk of each account receivable.

The Company derecognises a financial asset when it expires or when the rights to the cash flows from the financial asset have been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred, such as in the case of firm asset sales, factoring of trade receivables in which the Company does not retain any credit or interest rate risk, provide or any kind of guarantee or assume any other kind of risk. These transactions are subject to market interest rates, with the assignor assuming the risk of insolvency and late payment by the debtor. Fomento de Construcciones y Contratas, S.A. continues to manage collections.

e.2) Financial liabilities

Financial liabilities are the debits and balances payable by the Company originating from the goods purchases and the services received in the course of the Company's normal operations or those which, while not considered trade payables cannot be considered derivative financial instruments.

Debits and other payables are originally stated at the fair value of the consideration received, adjusted by the costs that are directly attributable to the transaction. These liabilities are subsequently measured at amortised cost.

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

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

The Company derecognises financial liabilities when the obligations giving rise to them cease to exist.

e.3) Equity instruments

An equity instrument represents a residual interest in the assets of the Company after deducting all of its liabilities. Capital instruments issued by the Company are recognised in equity at the proceeds received, net of issue costs.

Treasury shares acquired by the Company during the year are recognised at the value of the consideration paid and are deducted directly from equity. Gains and losses on the acquisition, sale, issue or retirement of treasury shares are recognised directly in equity and in no case are they recognised in profit or loss.

The Company has a share-based payment plan for officers and directors which is explained in Note 14, "Share-based payments".

e.4) Financial derivatives

The company uses financial derivatives to cover the risks to which it is exposed due to its activities, operations and future cash flows. These risks basically include the risk of changes in market interest rates and exchange rates affecting certain financial instruments. The Company contracts hedging instruments within the framework of its operations (Note 12).

In order for these financial instruments to be classified as accounting hedges, they are initially designated as such, documenting the hedging relationship. Furthermore, the Company initially and then periodically over the life of the instrument checks to ensure that the hedging relationship is effective, i.e., that it can reasonably be expected that the changes in fair value or cash flows of the hedged item (attributable to the covered risk) will be compensated almost entirely by those of the hedging instrument and that, retrospectively, the results of the hedge will have fluctuated between 80% and 125% with respect to the results of the hedged item.

The Company uses hedges of the following types, which are accounted for as described below:

- Fair value hedge: in this case, changes in the fair value of the hedging instrument and the hedged item attributable to the hedged risk are recognised in profit or loss.
- Cash flow hedge: With this type of hedging instrument, the part of the gains or losses on the hedging instrument determined as effective hedging is temporarily recognised in equity, charged to the profit and loss account in the same period during which the hedged item has an effect on profits, except when the hedge refers to a scheduled transaction that concludes with the recognition of a non-financial asset or liability, in which case the amounts recorded in equity are included in the cost of the asset or liability when it is acquired or assumed.

FINANCIAL STATEMENTS

- Hedge of a net investment in a foreign operation: the purpose of hedges of this nature is to hedge foreign currency risk relating to investments in subsidiaries and associates, and the foreign currency component is accounted for in the same way as fair value hedges.

Hedge accounting is interrupted when the hedging instrument expires, is sold, concluded or exercised or when the conditions for hedge accounting are no longer met. At that time, any cumulative profit or loss on the hedging instrument that was recorded in equity remains in equity until the schedule transaction takes place. When the transaction that is being hedged is not expected to take place, the cumulative net profit or loss recognised in equity is transferred to the net profit (loss) for the year.

Although certain hedging instruments are recognised as speculative, this is only for accounting purposes since for financial and management purposes all the hedges arranged by the FCC Group have, at inception, an underlying financial transaction and the sole purpose of hedging such transaction.

Derivatives do not qualify for hedge accounting if the hedge fails the effectiveness test, which requires the changes in the fair value or in the cash flows of the hedged item directly attributable to the hedged risk to be offset by changes in the fair value or in the cash flows of the hedging instrument. When this does not occur, the changes in value of the instruments classified as speculative are recognised in profit or loss together with the transaction.

The financial derivatives are measured by experts on the subject using generally accepted methods and techniques. These experts were independent from the Group and the entities financing it.

f) Inventories

Inventories are measured at the lower of cost and net realisable value. Trade discounts, rebates, similar items and interest included in the face value of the related payables are deducted in determining the costs of purchase.

Assets received in payment of loans are measured at the lowest of the following three values: the amount at which the loan relating to the asset was recognised, production cost or net realisable value.

Production cost includes the costs of direct materials and, where applicable, direct labour and production overheads.

The net realizable value represents the estimated sale price less all estimated termination costs and the marketing, sales and distribution costs that will be incurred.

The Company recognises the appropriate write-downs as an expense in the income statement when the net realisable value of the inventories is lower than acquisition or production cost.

g) Foreign currency transactions

The company's operating currency is the euro. Consequently, transactions in currencies other than the euro are considered to be denominated in foreign currency and are recorded at the exchange rate on the day of the transaction.

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to euros at the rates then prevailing. Any resulting gains or losses are recognised directly in the income statement in the year in which they arise.

h) Income tax

The income tax expense is calculated on the basis of profit before taxation, increased or decreased, as appropriate, by the permanent differences between taxable profit and accounting profit. The corresponding tax rate based on the legislation applicable to each company is applied to this adjusted accounting profit. The tax relief and tax credits earned in the year are deducted and the positive or negative differences between the estimated tax charge calculated for the prior year's accounting close and the subsequent tax settlement at the payment date are added to or deducted from the resulting tax charge.

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

The temporary differences between the accounting profit and the taxable profit for income tax purposes, together with the differences between the carrying amounts of assets and liabilities recognised in the consolidated balance sheet and their tax bases give rise to deferred taxes which are recognised as non-current assets and liabilities. These amounts are measured at the tax rates that are expected to apply in the years in which they will foreseeably be reversed.

i) Income and expense

Income and expenses are recorded based on the accrual principle, i.e., when the real movement of the goods and services they represent takes place, regardless of when the monetary or financial exchange associated with them occurs. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

FINANCIAL STATEMENTS

The Company follows the procedure of recognising each year as the period result on its contracts the difference between period production (measured at the selling price of the service provided during the period, as specified in the principal contract or in approved amendments thereto, and the selling price of other as yet unapproved services for which there is reasonable assurance of collection) and the costs incurred. Additionally the company follows the procedure of recognising, late-payment interests as income when they are approved or finally collected.

The difference between the amount of production and the amount billed until the date of the financial statements is recorded as "Unbilled Production" under "Trade Receivables for Sales and Services". Additionally, Pre-billings for various items are recognised under "Current Liabilities – Trade and Other Payables – Customer Advances".

Interests income from financial assets are recognised using the effective interest method and dividends income is recognised when the shareholder's right to receive payment has been established. Any case. The interest and dividends on financial assets accrued after acquisition are recognised as income in the income statement.

In accordance with the accounting principle of prudence, the Company only records realised income at year-end, whereas foreseeable contingencies and losses, including possible losses,even they are not sure, are recognised as soon as they become known, by recording the appropriate provisions.

j) Provisions and Contingencies

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

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

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

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

In relation to contingent liabilities, the possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the Company's control are not recognised in the annual accounts since the probability that such obligations will actually materialise is remote.

k) Environmental equity

As indicated in Note 1, the Company engages mainly in service activities which, due to their nature, involve special care in controlling environmental impact. For example, with regard to the operation under concession of landfills, the Company is generally responsible for the sealing, control and reforestation thereof upon completion of its operations. Also, the Company has non-current assets for the protection of the environment and bears any costs required for this purpose in the performance of its business activities.

The acquisition costs of these non-current assets used in environmental conservation are recognised under "Property, Plant and Equipment" or "Intangible Assets" based on the nature of the investment, and are depreciated or amortised over the useful life of the assets. Also, in accordance with current accounting legislation, the Company recognises the expenses and provisions arising from its environmental obligations.

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

Company Management considers that the contingencies relating to environmental protection and improvement at 31 December 2010 would not have a significant impact on the accompanying financial statements, which include provisions to cover any probable environmental risks that might arise.

l) Pension commitments

The Company has not set up any pension plans to supplement Social Security pensions. In accordance with the amended text of the Pension Plans and Pension Funds Act, the company has outsourced its employee pension obligations.

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

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

The contributions made each year by the Company in this connection are recognised under "Staff Costs" in the income statement.

m) Grants

The Company accounts for grants received as follows:

m.1) Non-repayable grants

Non-refundable grants are measured at the fair value of the amount or the asset received, based on whether or not they are monetary grants, and they are taken to income in proportion to the period depreciation taken on the assets for which the grants were received or, where appropriate, on disposal of the asset or on the recognition of an impairment loss, except for grants received from shareholders or owners, which are recognised directly in equity.

m.2) Operating grants

Recorded as income on the year in which they are granted, except when they are used to finance operating deficits in which case they are recorded in the year of the deficit. If grants are received to finance specific expenses, they are allocated to income as the related expenses are incurred.

n) Estimates made

When preparing the enclosed Annual Accounts, the company used certain estimated to assess the value of some assets, liabilities, income, expenses and commitments. These estimates basically refer to:

- The evaluation of possible losses due to the impairment of certain assets (Note 4.c).
- The assumptions used in the calculation of the fair value of share-based payments (see Note 14).
- The useful life of the property, plant and equipment and intangible assets (see Notes 4-a and 4-b).
- The fair value of certain financial instruments (Note 12)
- The calculation of certain provisions (Notes 4j and 15).

Whilst these estimates were made based on the best information available at 31 December 2010, it is possible that they may have to be modified in future fiscal years due to events that may take place in the future, which would be done in a prospective manner.

o) Related-party transactions

All of the Company's related party transactions are arm's length.

Transactions which the company conducts with directors, significant shareholders, shareholders with board representation or other persons related thereto are detailed in Note 21 "Third party transactions and balances".

FINANCIAL STATEMENTS

05. INTANGIBLE ASSETS

Movements in this balance sheet heading in 2010 and 2009 were as follows:

	Concessions	Software	Other Intangible assets	Accumulated amortisation	Total
Balance at 31.12.08	**23,917**	**13,074**	**12,066**	**(21,845)**	**27,212**
Additions or allocations	353	2,026	1,730	(4,684)	(575)
Removals, write-offs, reductions	(456)	(1)	(28)	452	(33)
Balance at 31.12.09	**23,814**	**15,099**	**13,768**	**(26,077)**	**26,604**
Additions or allocations	667	5,197	657	(5,118)	1,403
Removals, write-offs, reductions	—	—	(210)	—	(210)
Transfers	—	—	4,593	—	4,593
Balance at 31.12.10	**24,481**	**20,296**	**18,808**	**(31,195)**	**32,390**

"Concessions" relates mainly to operations undertaken through joint ventures and includes the amounts paid to obtain concessions for, inter alia, water supply services.

"Computer Software" relates mainly to the cost of implementing and developing the new System of corporate management information (SAP).

The detail of the intangible assets and of the related accumulated amortisation at 31 December 2010 and 2009 is as follows:

	Amortised	Amortisation accumulated	Net
2010			
Concessions	24,481	(17,114)	7,367
Computer software	20,296	(6,870)	13,426
Other intangible assets	18,808	(7,211)	11,597
	63,585	**(31,195)**	**32,390**
2009			
Concessions	23,814	(16,346)	7,468
Computer software	15,099	(3,741)	11,358
Other intangible assets	13,768	(5,990)	7,778
	52,681	**(26,077)**	**26,604**

At the end of 2010 the Company did not have any material fully amortized intangible assets still in use.

At 31 December 2010, the Company did not have any intangible assets located outside Spain. There were no assets subject to guarantees.

FINANCIAL STATEMENTS

06. PROPERTY, PLANT AND EQUIPMENT

Movements in this balance sheet heading in 2010 and 2009 were as follows:

	Land and buildings	Plant and other Property plant and equipment	Work in progress and advance payments	Accumulated amortisation	Total
Balance at 31.12.08	**80,052**	**785,953**	**62,325**	**(468,654)**	**459,676**
Additions or allocations	9,827	109,849	48,394	(75,485)	92,585
Removals, write-offs, reductions	—	(15,112)	(10,715)	11,078	(14,749)
Transfers	6,377	30,526	(38,098)	1,195	—
Balance at 31.12.09	**96,256**	**911,216**	**61,906**	**(531,866)**	**537,512**
Additions or allocations	19,919	50,687	31,904	(80,572)	21,938
Removals, write-offs, reductions	(367)	(29,145)	(72)	27,597	(1,987)
Transfers	19	36,395	(40,955)	—	(4,541)
Balance at 31.12.10	**115,827**	**969,153**	**52,783**	**(584,841)**	**552,922**

The main changes in "Property, Plant and Equipment" relate to assets associated with the services and water concession agreements operated by the Company.

The value of the land and buildings, net of amortisation, owned by the Company at the end of the year was as follows:

	2010	2009
Land	32,020	18,950
Buildings	53,461	50,706
	85,481	**69,656**

The detail of the intangible assets and of the related accumulated amortisation at 31 December 2010 and 2009 is as follows:

	Cost	Accumulated amortisation	Net
2010			
Land and buildings	115,827	(30,346)	85,481
Plant and other Material	969,153	(554,495)	414,658
Work in progress and advance payments	52,783	—	52,783
	1,137,763	**(584,841)**	**552,922**
2009			
Land and buildings	96,256	(26,600)	69,656
Plant and other Material	911,216	(505,266)	405,950
Work in progress and advance payments	61,906	—	61,906
	1.069.378	**(531.866)**	**537.512**

Of the net amount of property, plant and equipment, EUR 85,730 relate to assets arising under a contract jointly operated though joint ventures (EUR 85,260 thousand at 31 December 2009).

In 2010 the Company did not capitalise any financial expenses in "Property, Plant and Equipment" (EUR 271 thousand capitalised at 31 December 2009)

At 2010 year-end the Company held various items of property, plant and equipment under finance leases (see Note 8).

All the property, plant and equipment were being used in production at year-end; however, EUR 272,619 thousand (EUR 245,550 thousand at 31 December 2009) of property, plant and equipment had been fully amortizated, EUR 10,201 thousand of which referred to buildings (EUR 9,392 thousand at 31 December 2009). The amounts relating to joint ventures were not significant.

FINANCIAL STATEMENTS

At 31 December 2010, the Company did not hold any investments in property, plant and equipment outside Spain. The Company did not have any firm commitments to purchase property, plant and equipment at the end of 2010.

The Group's mainly assets subject to restrictions on title relate to assets held under finance leases.

The Company's policy is to take out insurance policies to cover the risks to which the different property, plants and equipment asset items are exposed. At year-end, the Parent considered that these risks were adequately covered.

07. INVESTMENT PROPERTY

"Investment Property" in the accompanying balance sheet reflects the values of the land, buildings and other structures held either to earn rentals or, to obtain some benefit of it's sales as a conservence of the increase that may take place in the future of its market price. The main investment property refers to the 99% ownership interest in the Torre Picasso building, the remaining 1% of which is held by Fedemés, S.L., wholly-owned by Fomento de Construcciones y Contratas, S.A., signifying that Torre Picasso is wholly-owned by the FCC Group. The Torre Picasso building leases office space, commercial premises and parking spaces.

Movements in this balance sheet heading in 2010 and 2009 were as follows:

	Buildings	Accumulated depreciation	Total
Balance at 31.12.08	**284,102**	**(52,070)**	**232,032**
Additions or allocations	2,223	(3,743)	(1,520)
Balance at 31.12.09	**286,325**	**(55,813)**	**230,512**
Additions or allocations	1,287	(3,904)	(2,617)
Removals, write-offs, reductions	(879)	—	(879)
Transfers	(52)	—	(52)
Balance at 31.12.10	**286,681**	**(59,717)**	**226,964**

Torre Picasso has an average occupancy rate of 99% (same rate as at 31 December 2009).

The figures shown on the 2010 and 2009 income statement for Torre Picasso are as follows:

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

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

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

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

According to the obligations assumed in the financing agreement for EUR 250,000 thousand signed by the Company in 2009 as the owner of the Torre Picasso building (Note 16), the building was mortgaged and the collection rights to the rent payments under all current and future leases on the property were pledged for the next fifteen years. Furthermore, the Company assumed the obligation to make the necessary investments to keep the building in a proper state of repair so as to maintaining the current use preserving its conditions.

At the end of 2010 the Company did not have any firm commitments to purchase or invest in property nor any contractual obligations relating to repairs, maintenance or improvements except as indicated in the previous paragraph.

08. LEASES

a) Financial lease

The Company, as lessor, has recognised mainly assets leased under leases with a maximum term of two to five years with in general post-paid lease payments. Consequently, the present value of the payments does not differ significantly from their nominal value. The leased assets include the lorries and machinery used by the Company to render the waste collection and street cleaning services.

The characteristics of the finance leases in force at the end of 2010 and 2009 were as follows:

	2010	2009
Net carrying value	95,070	113,147
Accumulated depreciation	15,649	13,726
Cost of assets	110,719	126,873
Financial expense	5,193	4,588
Cost of capitalised assets	115,912	131,461
Instalments paid in the year	(35,370)	(43,915)
Lease payments in prior years	(10,618)	(21,791)
Lease payments outstanding, including purchase option	69,924	65,755
Unaccrued finance expenses	(3,291)	(1,852)
Current value of lease payments outstanding, including purchase option	66,633	63,903
Contract term (years)	2 - 5	2 - 5
Value of purchase option	1,034	1,268

The maturity dates of the accounts payable on outstanding lease instalments are explained in Note 16 of this document.

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

b) Operating leases

As lessee, the Company's operating leases referred primarily to the central services buildings and offices in Madrid and Barcelona which are property of Fedemés, S.L., a wholly-owned subsidiary of Fomento de Construcciones y Contratas, S.A., and the property used for office space, storage, dressing rooms and garages in connection with the Company's business activities.

The lease payments made in 2010 totalled EUR 31,891 thousand (EUR 29,482 thousand at 31 December 2009).

One of the most notable leases was the one signed by Fomento de Construcciones y Contratas, S.A. and Hewlett Packard Servicios España, S.L. on 19 November de 2010 to outsource the Group's information technology services in order to make them more efficient, more flexible and more competitive at the international level. The seven-year contract that will take effect in fiscal year 2011 with a total cost of EUR 21,227 thousand euros, basically explains the significant increase in the committed payments shown on the following table.

At year-end, the Company had non-cancellable future payment commitments in the amount of EUR 81,367 thousand (EUR 50,159 thousand in 2009). The details of the future minimum payments at 31 December 2010 and 2009 are as follows:

	2010	2009
Up to one year	18,383	10,890
Between one and five years	42,286	23,413
More than five years	20,698	15,856
	81,367	**50,159**

The Company acts as lessor in the operation of the Torre Picasso building as indicated in Note 7.

FINANCIAL STATEMENTS

09. CURRENT AND NON CURRENT FINANCIAL INVESTMENTS

a) Non-current financial investments

The detail of "Non-current financial investments" at the end of 2010 and 2009 is as follows:

	Equity instruments	Loans to third parties	Derivatives	Other	Total
2010					
Loans and receivables	—	27,609	—	24,111	51,720
Available-for-sale financial assets	9,268	—	—	—	9,268
Derivatives (Note 12)	—	—	15,024	—	15,024
	9,268	**27,609**	**15,024**	**24,111**	**76,012**
2009					
Loans and receivables	—	24,974	—	6,900	31,874
Available-for-sale financial assets	7,328	—	—	—	7,328
Derivatives (Note 12)	—	—	37,048	—	37,048
	7,328	**24,974**	**37,048**	**6,900**	**76,250**

The breakdown by maturity of the loans and receivables is as follows:

	2012	2013	2014	2015	2016 and thereafter	Total
Loans and receivables	10,589	3,941	3,509	3,579	30,102	51,720

Loans and receivables

The loans and receivables basically refers to the amounts extended to public entities for the construction of water infrastructure, mostly in joint ventures with other companies. These loans are subject to market interest rates. They also include non-current deposits as well as bonds and guarantees imposed by legal or contractual conditions in the course of the Company's business activities.

Available-for-sale financial assets

The detail at 31 December 2010 and 2009 is as follows:

	Effective ownership	Fair value
2010		
Shopnet Brokers, S.A.	14.88 %	—
Vertederos de Residuos, S.A.	16.03 %	8,998
Xfera Móviles, S.A.	3.44 %	—
Other		270
		9,268
2009		
Shopnet Brokers, S.A.	15.54 %	—
Vertederos de Residuos, S.A.	16.03 %	7,050
Xfera Móviles, S.A.	3.44 %	—
Other		278
		7,328

At 31 December 2010, the Company had also provided guarantees for Xfera Móviles, S.A. totalling EUR 3,995 thousand (the same as 31 December 2009). Fomento de Construcciones y Contratas, S.A. has a put option on the portfolio of Xfera Móviles, S.A. that is symmetrical to the call option held by Sonera Holding B.V. These rights can only be exercised on the maturity date in 2011, provided that certain terms and conditions are met, including most notably that Xfera Móviles, S.A. generates profit over two consecutive years prior to the aforementioned maturity date.

Changes to fair value

The changes due to impairment losses recognised in 2010 and 2009 were as follows:

Balance at 31.12.08	**21,127**
Impairment for the year	(13,799)
Balance at 31.12.09	**7,328**
Recovery of value	1,940
Balance at 31.12.10	**9,268**

FINANCIAL STATEMENTS

The impairment shown on the table above for fiscal year 2009 refers to the Xfera Móviles, S.A. assets available for sale.

b) Current financial investments

The details of "Current financial investments" at the end of 2010 and 2009 is as follows:

	Loans to third parties	Otros	Total
2010			
Held-to-maturity investments	—	2,887	2,887
Loans and receivables	6,622	2,509	9,131
	6,622	**5,396**	**12,018**
2009			
Held-to-maturity investments	—	5,643	5,643
Loans and receivables	20,510	4,713	25,223
	20,510	**10,356**	**30,866**

In 2010 the Company did not recognise any impairment losses on current financial assets.

10. INVESTMENTS AND DEBT WITH GROUP COMPANIES AND ASSOCIATES

a) Non-curent investments in group companies and associates

The detail of the investments in group companies and associates at 31 December 2010 and 2009 is as follows:

	Cost	Accumulated impairment	Total
2010			
Equity instruments of group companies	1,590,260	(2,458)	1,587,802
Equity instruments of associates	735,809	(76,537)	659,272
Loans to group companies	1,878,135	—	1,878,135
Loans to associated enterprises	59,371	—	59,371
	4,263,575	**(78,995)**	**4,184,580**
2009			
Equity instruments of group companies	1,347,826	(10,569)	1,337,257
Equity instruments of associates	735,809	(79,650)	656,159
Loans to group companies	1,293,965	—	1,293,965
Loans to associated enterprises	54,741	—	54,741
	3,432,341	**(90,219)**	**3,342,122**

FINANCIAL STATEMENTS

The detail of the changes under these headings are as follows:

	Equity instruments group companies	Equity instruments associates	Loans to group companies	Loans to associated enterprises	Impairment	Total
Balance at 31.12.08	**1,223,560**	**201,874**	**1,282,076**	**5,962**	**(89,380)**	**2,624,092**
Additions or allocations	124,296	529,570	11,873	53,719	(839)	718,619
Removals or reversals	(30)	—	(1)	(558)	—	(589)
Transfers	—	4,365	17	(4,382)	—	—
Balance at 31.12.09	**1,347,826**	**735,809**	**1,293,965**	**54,741**	**(90,219)**	**3,342,122**
Additions or allocations	250,000	—	40,925	5,465	(1,064)	295,326
Removals or reversals	(7,566)	—	—	(440)	12,288	4,282
Transfers	—	—	543,245	(395)	—	542,850
Balance at 31.12.10	**1,590,260**	**735,809**	**1,878,135**	**59,371**	**(78,995)**	**4,184,580**

Equity instruments of group companies

The most significant changes on the table above are as follows:

- In December 2010, FCC Construcción, S.A., a wholly-owned subsidiary of Fomento de Construcciones y Contratas, S.A. increased its share capital by EUR 50,000 thousand with an issue premium of EUR 200,000 thousand. The entire capital increase was subscribed by the Company which required a cash outlay of EUR 250,000 thousand.
- During the year, the company Giza Environmental Services S.A.E., in which Fomento de Construcciones y Contratas, S.A. held a 70% stake, was liquidated. The Company removed the investment from the books along with a current loan in prior years (Note 10.b), generating a loss of EUR 7,114 thousand which is recorded under the heading of "Gains(losses) on disposals and others" on the enclosed income statement.
- In 2009, the investee company Cementos Portland Valderrivas, S.A. increased its capital in a proportion of 3 new shares for every 8 existing shares. Fomento de Construcciones y Contratas, S.A., as the majority shareholder, participated in the capital increase in proportion to its ownership percentage. The subscription of new shares required a cash outlay of EUR 122,685 thousand.

Equity instruments of associates

In 2009, the Company purchased 50% of Global Vía Infraestructuras, S.A., a joint venture with Caja de Madrid for EUR 529,570 thousand from the wholly-owned subsidiary, FCC Construcción, S.A. This company manages, promotes, develops and operates public infrastructures and most of the FCC Group's infrastructure concession business is channelled through it.

The details, by company, of the investments in Group companies and associates are presented in Appendixes I and II, respectively, indicating for each company in which a direct ownership interest is held: the company name, registered office, line of business, the percentage of capital held directly or indirectly, the amount of capital and reserves and other, profit or loss, dividends received, whether or not it is listed and the carrying amount of the ownership interest.

FINANCIAL STATEMENTS

Non-current loans to companies

The most significant balances are as follows:

	2010	2009
Azincourt Investment, S.L.(Unipersonal)	1,100,728	1,081,187
FCC Construcción, S.A.	400,000	—
Aqualia Gestión Integral del Agua, S.A.	149,250	—
FCC Versia, S.A.	140,000	140,000
WRG PFI Holdings Ltd.	30,007	11,399
Dédalo Patrimonial,S.L.U.	23,949	27,768
Enviropower Investments, Ltd.	19,231	18,640
ASA Abfall Services AG	14,000	14,000
Other	970	971
	1,878,135	1,293,965

Notable items on the table above include:

- A participative loan in the amount of EUR 1,100,728 thousand (EUR 1,081,187 thousand at 31 December 2009) granted to Azincourt Investment, S.L., Unipersonal, a wholly-owned investee of Fomento de Construcciones y Contratas, S.A., the former being the holder of all the shares of Waste Recycling Group acquired in 2006. This loan has a single maturity in December 2013, like the bank loan with which it is associated (Note 16). The loan earns fixed interest at 2.95% on a portion thereof and floating interest on another portion based on certain performance indicators of the borrower. At year-end interest of EUR 32,931 thousand (EUR 32,769 thousand at 31 December 2009) had been earned on the participating loan, which was recognised under "Finance Income – From Marketable Securities and Other Financial Instruments" in the accompanying income statement.
- A non-current loan in the amount of EUR 400,000 thousand granted on 31 December 2010 to the subsidiary FCC Construcción, S.A. The loan is the result of converting the current portion of a current account balance maintained with the company to non-current (Note 10.b). The loan matures on 30 June 2012 and has an interest rate of Euribor 90 days plus 3%.
- A participative loan in the amount of EUR 149,250 thousand granted on 1 May 2010 to the subsidiary, Aqualia Gestión Integral del Agua, S.A. The loan is the result of combining three previously-existing non-current loans into one (Note 10.b). The loan matures on 1 May 2012 and is subject to interest based on different accounting indicators of the borrower. The participative loan accrued 4,821 euros of interest during the year.
- A non-current loan in the amount of EUR 140,000 thousand granted on 9 February 2007 to the investee company FCC Versia, S.A., with an original term of two years automatically renewable for successive two-year terms. The interest rate is based on the average 3M Euribor taken from the month before the adjustment date, plus 0.75%. At year end, the loan had accrued interest of EUR 2,094 thousand (EUR 3,499 thousand at 31 December 2009).

The other loans relate to amounts granted to Group companies that mature in more than one year and earn interest at market rates.

Non-current loans to associates

The most significant balance under this heading refers to a participative loan extended to Realia Business, S.A. in 2009. At 31 December 2010, the balance on this loan was EUR 52,531 thousand (EUR 50,654 thousand at 31 December 2009). During the year, the loan accrued interest of EUR 2,317 thousand (EUR 654 thousand at 31 December 2009).

b) Current investments in group companies and associates

"Current Investments in Group Companies and Associates" includes basically the loans and other non-trade credit facilities granted to Group companies and associates, among other things, to cater for certain specific cash situations and other short-term investments. These investments are measured at the lower of cost and market, plus the related interest at market rates.

FINANCIAL STATEMENTS

The most significant balances are as follows:

	2010	2009
FCC Construcción, S.A.	422,406	804,003
FCC Energía, S.A.	350,071	354,624
Azincourt Investment, S.L.(Unipersonal)	166,641	119,280
Aqualia Gestión Integral del Agua, S.A.	125,683	258,596
FCC Medio Ambiente, S.A.	22,738	167,577
FCC Versia, S.A.	16,753	24,043
Corporación Financiera Hispánica, S.A.	15,000	—
Asesoría Financiera y de Gestión, S.A.	8,768	—
Giza Environmental Services S.A.E.	—	7,114
Other	40,002	37,475
	1,168,062	**1,772,712**

These loans mature annually and earn interest at market rates.

c) Current payables to Group companies and associates

The most noteworthy balances of "Current Payables to Group Companies and Associates", which includes loans bearing interest at market rates and trade accounts payable to these companies, are as follows:

	2010	2009
Corporación Financiera Hispánica, S.A.	194,238	189,790
FCC Versia, S.A.	108,564	—
Asesoría Financiera y de Gestión, S.A.	64,828	121,499
FCC Finance B.V.	55,291	54,888
Azincourt Investment, S.L.(Unipersonal)	18,155	9,930
Other	57,281	88,457
	498,357	**464,564**

11. TRADE RECEIVABLES FOR SALES AND SERVICES

The composition of this balance sheet item relates mainly to the amounts receivable for Company services.

	2010	2009
Production billed not yet collected	557,479	549,401
Unbilled production	94,810	96,015
Trade receivables	652,289	645,416
Advance payments from customers	(59,875)	(30,952)
Total trade receivables, net	**592,414**	**614,464**

The foregoing total is the net balance of trade receivables after deducting the balance of "Customer Advances" on the liability side of the accompanying balance sheet which, as required by accounting legislation, includes the collected and uncollected pre-billings for various items and the advances received, normally in cash.

"Production Billed Not Yet Collected" reflects the amount of the billings issued to customers for services provided pending collection at the balance sheet date.

"Unbilled Production" reflects the difference between the production recognised by the Company on each contract and the amount of the billings issued to the customers. The balance of this account relates basically to the price revisions under the various contracts which, although as yet unapproved, the Company considers will be duly billed since there are no doubts as to their being accepted.

The Company transfers title to trade receivables to banks without recourse against Fomento de Construcciones y Contratas, S.A. in the event of non-payment. The amount deducted from the trade receivables balance at year-end in this connection amounted to EUR 300,492 thousand (EUR 107,777 thousand at 31 December 2009).

Of the net amount of property, plant and equipment, EUR 80,424 thousand (EUR 89,380 thousand at 31 December 2009) relate to the balances of contracts operated through joint ventures.

FINANCIAL STATEMENTS

12. DERIVATIVE FINANCIAL INSTRUMENTS

The derivative assets and liabilities shown on the enclosed balance sheet and their impact on equity and the income statement are as follows:

	Fair value			
	Assets (Note 9)	Liabilities (Note 16)	Impact on equity	Impact on income statement
2010				
Hedging derivatives	3,919	42,894	(33,004)	—
Other derivatives	11,105	56,399	—	(30,500)
	15,024	**99,293**	**(33,004)**	**(30,500)**
2009				
Hedging derivatives	16,922	43,891	(27,715)	—
Other derivatives	20,126	32,006	—	9,421
	37,048	**75,897**	**(27,715)**	**9,421**

FINANCIAL STATEMENTS

Hedging derivatives

The hedging instruments contracted by the Company for 2010 and 2009, all cash flow hedges, are listed below, subdivided by transaction covered and with details on the type of derivative, contractual or notional amounts, maturity dates, fair value at year end and tax impact on equity.

2010

Hedged transaction	Type of derivative	Amount contracted	Maturity	Fair value		Impact on equity
				Assets	Liabilities	
Synidated loan (note 16.b.2)	IRS	148,023	30/12/2013	—	12,709	(8,897)
	IRS	13,539	30/12/2013	—	786	(550)
	IRS	113,389	30/12/2013	—	7,093	(4,965)
	IRS	172,622	30/12/2013	—	11,155	(7,809)
	IRS	96,465	30/12/2013	—	5,996	(4,197)
	BASIS SWAP	105,000	30/06/2011	—	(11)	8
	BASIS SWAP	245,000	30/06/2011	—	(43)	30
	BASIS SWAP	26,998	30/06/2011	—	(1)	1
	BASIS SWAP	46,016	30/06/2011	—	(8)	6
				—	**37,676**	**(26,373)**
Limited recourse borrowings (Note 16.b.1)	IRS	200,000	18/12/2024	—	5,218	(3,653)
	IRS	9,918	02/04/2024	166	—	117
	IRS	4,959	02/04/2024	53	—	37
	IRS	3,178	02/04/2024	83	—	58
	IRS	2,799	02/04/2024	47	—	33
				349	**5,218**	**(3,408)**
Stock option plan (Note 14)	CALL (1st Plan)	61,596	30/09/2013	1,065	—	(2,059)
	CALL (2nd Plan)	37,065	10/02/2014	2,505	—	(1,164)
				3,570		**(3,223)**
Total				**3,919**	**42,894**	**(33,004)**

2009

Hedged transaction	Type of derivative	Amount contracted	Maturity	Fair value Assets	Fair value Liabilities	Impact on equity
Syndicated loan (note 16.b.2)	IRS	162,842	30/12/2013	—	13,102	(9,171)
	IRS	15,385	30/12/2013	—	943	(660)
	IRS	128,849	30/12/2013	—	8,629	(6,040)
	IRS	196,159	30/12/2013	—	13,645	(9,552)
	IRS	109,618	30/12/2013	—	7,285	(5,100)
	BASIS SWAP	20,011	30/06/2010	—	13	(9)
	BASIS SWAP	100,000	30/06/2010	—	65	(46)
	BASIS SWAP	100,000	30/06/2010	—	62	(43)
	BASIS SWAP	100,000	30/06/2010	—	63	(44)
	BASIS SWAP	130,000	30/06/2010	—	84	(59)
				—	**43,891**	**(30,724)**
Stock option plan (Note 14)	CALL (1st Plan)	61,596	30/09/2013	6,983	—	300
	CALL (2nd Plan)	37,065	10/02/2014	9,939	—	2,709
				16,922	**—**	**3,009**
Total				**16,922**	**43,891**	**(27,715)**

The details, by maturity, of the notional amount of the hedging transactions arranged for the year ended at 31 December 2010 are as follows.

	Notional maturity 2011	2012	2013	2014	2015 and thereafter
IRS (Syndicated loan)	75,654	75,654	392,730	—	—
BASIS SWAP	423,014	—	—	—	—
IRS (Limited recourse borrowings)	—	6,893	8,046	8,918	196,997
CALL	—	—	61,596	37,065	—

Other derivatives

The hedging instruments contracted by the Company for 2010 and 2009 which are not considered accounting hedges are listed below, subdivided by transaction covered and with details on the type of derivative, contractual or notional amounts, maturity dates, fair value at year end and tax impact on equity:

FINANCIAL STATEMENTS

2010

	Type of derivative	Amount contracted	Maturity	Fair value Assets	Fair value Liabilities	Impact on income statement
Stock option plan (Note 14)	PUT (1st Plan)	61,596	30/09/2013	—	37,910	(15,921)
	PUT (2nd Plan)	37,065	10/02/2014	—	18,489	(8,471)
	IFE (1st Plan)	61,596	30/09/2013	4,336	—	395
	IFE (2nd Plan)	37,065	10/02/2014	5,014	—	(289)
				9,350	**56,399**	**(24,286)**
Convertible bonds (Note 13.f)	Trigger Call	450,000	31/01/2014	1,755	—	(6,214)
				1,755	**—**	**(6,214)**
				11,105	**56,399**	**(30,500)**

2009

	Type of derivative	Amount contracted	Maturity	Fair value Assets	Fair value Liabilities	Impact on income statement
Stock option plan (Note 14)	PUT (1st Plan)	61,596	30/09/2013	—	21,989	5,379
	PUT (2nd Plan)	37,065	10/02/2014	—	10,017	982
	IFE (1st Plan)	61,596	30/09/2013	5,624	—	1,227
	IFE (2nd Plan)	37,065	10/02/2014	6,534	—	734
				12,158	**32,006**	**8,322**
Convertible bonds (Note 13.f)	Trigger Call	450,000	31/01/2014	7,968	—	1,099
				7,968	**—**	**1,099**
				20,126	**32,006**	**9,421**

13. EQUITY

a) Capital

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

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

The shares of Fomento de Construcciones y Contratas, S.A. are included in the slective Ibex 35 index. They are publicly listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and are traded through the Spanish Stock Market Interconnection System.

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

FINANCIAL STATEMENTS

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

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

b) Share premium account

The Capital Companies Act expressly allows the use of the share premium account balance to increase capital and does not establish any specific restrictions as to its use for other purposes.

c) Legal reserve

Under the Capital Companies Act, 10% of the year's net profit must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve cannot be distributed to shareholders except in the event of liquidation.

The legal reserve may be used to increase capital in an amount equal to the portion of the balance that exceeds 10% of capital after the increase.

Otherwise, until it exceeds 20% of share capital and provided there are no sufficient available reserves, the legal reserve may only be used to offset losses.

At 31 December 2010, the legal reserve had reached the stipulated level.

d) Restricted reserves

The Company's "other reserves" include unavailable reserves in the amount of EUR 6,034 thousand which is equal to the par value of the treasury shares retired in 2002 and 2008, in accordance with Article 335 of the Capital Companies Act. The reserve for retired shares of EUR 6,034 thousand is restricted, unless the same requirements as those stipulated for capital reductions are met.

e) Treasury stock

At 31 December 2010, the Company held 3,182,582 shares of treasury stock which represents 2.50% of the share capital with a carrying value of EUR 89,130 thousand.

Also at 31 December 2010, the Company, through the aforementioned investee, Asesoría Financiera y de Gestión, S.A. (Afigesa), wholly-owned by Fomento de Construcciones y Contratas, S.A., held 9,432,369 shares of treasury stock (6,131,961 at 31 December 2009), which represents 7.41% of the share capital with a carrying value of EUR 194,766 thousand (EUR 129,986 thousand at 31 December 2009).

f) Other equity instruments

Pursuant to the terms of the 9th measurement standard of the General Accounting Plan, this caption contains the measurement of the equity component arising on the books associated with the convertible debentures issued by FCC which, along with the amount shown under the heading of "Debentures and other negotiable securities" on the enclosed balance sheet represents the total value of the bond issue in question.

In October 2009, Fomento de Construcciones y Contratas, S.A. issued debentures convertible into Company shares whose main features are as follows:

- The amount of the issue is EUR 450,000 thousand with a maturity date of 30 October 2014.
- The bonds were issued at par with a par value of EUR 50,000.
- The bonds accrue a fixed annual interest of 6.5% payable every six months.
- The price of converting the bonds into company shares is EUR 39.287 per share, which means that each bond will be convertibles into 1,272.68 ordinary shares.
- The conversion or cash redemption may take place at the discretion of the bondholder or Fomento de Construcciones y Contratas, S.A. The conditions for exercising the option are contained in the "Issue Agreement" and may take the form of newly issued shares or existing shares in the Company's possession.
- The issue was backed by the Company's equity and there are no other special third party guarantees.
- The issue was underwritten by financial institutions and is intended for qualified international investors.

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

I) In accordance with the terms of article 414 of the Capital Companies Act, approve an increase in the Company's capital stock by the amount required to attend to requests from the holders of the Bonds to convert them under the Terms and Conditions up to an initially envisaged maximum of twelve million euro, but subject to any amendments as provided in the "Terms and Conditions".

FINANCIAL STATEMENTS

II) To approve a buyback programme of shares of Fomento de Construcciones y Contratas, S.A. whose purpose is to enable the Company to fulfil the obligations derived from the issuance of exchangeable bonds and to reduce the Company's capital.

III) To approve a capital reduction by amortising the treasury stock acquired under the buyback programme mentioned, including the shares of treasury stock loaned to the insurers of the operation. The capital reduction is limited up to a nominal amount equivalent to the number of new shares issued by the Company to accommodate the conversion requests of bondholders.

At 31 December 2010, the number of loaned shares was 1,313,322 (4,150,880 shares at 31 December 2009).

This operation includes a trigger call option which allows the Company to recover the bonds under certain circumstances (Note 12).

g) Value adjustments

The details of this heading are contained in Note 12 "Derivative financial instruments" and Note 9 "Current and non-current financial investments".

h) Grants

The accompanying balance sheet includes grants received in the past amounting to EUR 6,594 thousand (EUR 6,566 thousand at 31 December 2009), after considering the related tax effect, of which EUR 4,335 thousand (EUR 3,964 thousand at 31 December 2009) were taken to income, of which EUR 512 thousand refer to fiscal year 2010 (EUR 355 thousand at 31 December 2009). The above amount relates mainly to grants received by the joint ventures through which the Company jointly performs contracts.

14. SHARE-BASED PAYMENT TRANSACTIONS

Pursuant to the decision of the Board of Directors of Fomento de Construcciones y Contratas, S.A. taken on 29 July 2008, there is a stock option plan for Directors and officers of the Company tied to the value of the Company's shares. Under this plan, the participants receive an amount equal to the difference between the value of the shares when the option is exercised and the value of reference established in the plan.

The main features of the plan, which is broken down into two tranches, are as follows:

First tranche

- Start date: 1 October 2008
- Option exercise period: 1 October 2011 through 1 October 2013.
- Number of shares: 1,800,000 shares, 700,000 of which pertain to Directors and Officers (12 people) and the remaining 1,100,000 to other executives (43 people).
- The price of exercising the option is EUR 34.22 euros per share.

Second tranche

- Start date: 06 February 2009
- Option exercise period: 06 February 2012 through 05 February 2014.
- Number of shares: 1,500,000 shares, 147,500 of which pertain to Directors and Officers (12 people) and the remaining 1,352,500 to other executives (225 people).
- The price of exercising the option is EUR 24.71 euros per share.

Under applicable law, the Company estimates the current settlement value at the end of the plan, recognising a provision which is systematically set up with a balancing entry in staff costs over the term of the plan. At the end of each reporting term, the current value of the obligation is re-estimated and any difference between this period and the previously recognised carrying value is taken to profit and loss for the year.

At 31 December 2010, the Company had accrued, net of the hedges described in the next paragraph, EUR 2,323 thousand (EUR 1,824 thousand in 2009) in staff costs for the obligations to employees, while the provisions recognised in the enclosed financial statements total EUR 1,439 thousand (EUR 3,568 thousand in 2009).

In order to hedge the risk of an increase in the Company's share price, the Company arranged with several financial institutions a call option, a put option and an interest rate/dividend swap with the same exercise price, nominal amount and maturity date for each one of the tranches. The treasury stock associated with the plan were delivered to the financial institutions in question. These shares were delivered by Asesoría Financiera y de Gestión, S.A. (Afigesa), a wholly-owned subsidiary of Fomento de Construcciones y Contratas, S.A.

Only the call option met the requirements to be considered a cash flow hedging instrument. Consequently, the change in fair value of the option is charged to equity under the heading of "Adjustment for change in value" on the enclosed balance sheet, while changes in the fair value of the put option and the interest rate/dividend swap, which cannot be considered accounting hedges, are carried to the income statement.

The impact of these financial derivatives on equity and on profit and loss at 31 December 2010 and 2009 is detailed in Note 12.

Provisions for liabilities and charges

This heading includes the provisions to cover the expenses arising from contractual and legal obligations of a non-environmental nature.

Other provisions

This heading includes the items not classified in the foregoing accounts, comprising most notably the provisions to cover environmental risks and those inherent to its international business (Note 20), as well as the Company's obligations in relation to share-based payments (note 14).

15. NON-CURRENT PROVISIONS

Movements during the year are as follows:

	Litigations	Guarantees and surety.	Other provisions	Total
Balance at 31.12.08	**74,037**	**40,674**	**92,835**	**207,546**
Additions	3,600	10,983	9,444	24,027
Application	—	—	(526)	(526)
Reversal	—	(20,653)	(2,467)	(23,120)
Transfers	(11,674)	13,535	(1,861)	—
Balance at 31.12.09	**65,963**	**44,539**	**97,425**	**207,927**
Additions	2,226	11,400	100,636	114,262
Application	(667)	(3,178)	(2,509)	(6,354)
Reversal	—	(1,345)	(35)	(1,380)
Transfers	—	56	(56)	—
Balance at 31.12.10	**67,522**	**51,472**	**195,461**	**314,455**

Provisions for litigation

Provisions for litigation cover the contingencies of the FCC Group companies acting as defendants in certain proceedings in relation to the liability inherent to the business activities carried on by them.

16. CURRENT AND NON-CURRENT PAYABLES

The balance of "Non-Current Payables" and "Current Payables" at the end of 2009 is as follows:

	Long term	Short term
2010		
Debentures and other marketable securities	422,204	4,888
Bank borrowings:		
Limited recourse borrowings	225,543	10,271
Unlimited recourse borrowings	3,244,624	446,154
Finance lease liabilities	27,936	38,697
Derivatives (Note 12)	99,293	—
Other financial liabilities	7,485	110,410
	4,027,085	**610,420**

FINANCIAL STATEMENTS

	Long term	Short term
2009		
Debentures and other marketable securities	421,213	—
Bank borrowings:		
Limited recourse borrowings	240,534	427
Unlimited recourse borrowings	3,442,856	134,883
Finance lease liabilities	27,491	36,412
Derivatives (Note 12)	75,897	—
Other financial liabilities	7,104	111,924
	4,215,095	**283,646**

The detail, by maturity, of "Non-Current Payables" is as follows:

	Maturity				
	2012	2013	2014	2015	2016 and thereafter
Debentures and other marketable securities	—	—	422,204	—	—
Limited recourse borrowings	7,418	8,154	8,933	9,395	191,643
Unlimited recourse borrowings	1,475,539	1,159,811	606,415	2,859	—
Finance lease liabilities	21,244	3,780	1,481	1,431	—
Derivatives	—	75,586	18,489	—	5,218
Other financial liabilities	139	151	239	105	6,851
	1,504,340	**1,247,482**	**1,057,761**	**13,790**	**203,712**

a) Debentures and other marketable securities

On 30 October 2009, the Company issued EUR 450,000 thousand worth of subordinate convertible bonds. The issue was intended for international institutional investors. The purpose of the issue was to reinforce the balance sheet equity structure by making the bond subordinate to the Company's corporate borrowings and to diversify the Company's financing base by supplementing its bank financing.

According to accounting law, in addition to their financial component convertible debentures are recognised as equity in the terms described in Note 13.f) of this document. That note also describes the conditions for issuing such convertible debentures. At 31 December 2010, the carrying balance for this item under the heading of long and short term "Debentures and other negotiable securities" on the enclosed balance sheet is EUR 427,092 thousand (EUR 421,213 thousand at 31 December 2009).

b) Bank borrowings

b.1) Limited recourse borrowings

The balance shown for this item on the table above refers basically to the limited recourse financing agreement signed on 18 November 2009 by Banco Bilbao Vizcaya Argentaria (BBVA) and Fomento de Construcciones y Contratas, S.A. (99%) and the wholly-owned subsidiary Fedemés, S.L. (1%) in the amount of EUR 250,000 thousand. Torre Picasso was mortgaged, as explained in Note 7 of this document. At year end, the long and short-term balance under this heading was EUR 229,939 thousand (EUR 240,534 thousand at 31 December 2009).

The financing matures on 18 December 2024 with quarterly amortisations of approximately 1.20% of the outstanding balance, on average, from the first to the penultimate repayment date and a final payment of 30% of the balance. The interest rate is Euribor plus 2.50% through the eighth year and 3% from then until the maturity date of the loan. This financing has a financial derivative associated with it.

The remainder of the balance under this heading, EUR 5,875 thousand, refers to joint ventures.

b.2) Payable with limited recourse (lines of credit)

The limit on the current and non-current credit facilities extended to the Company in relation to the payables to credit institutions was EUR 4,115,893 thousand (EUR 4,273,445 thousand at 31 December 2009). At 31 December 2010, the available amount of that balance was EUR 425,1150 thousand (EUR 695,706 thousand at 31 December 2009).

The financing lines include most notably:

- A syndicated credit facility of EUR 800,000 thousand arranged by the Company on 19 July 2007 divided in two tranches: Tranche "A", a long-term loan totalling EUR 280,000 thousand, with partial maturities in July 2011 and July 2012 (50% at each maturity date); and Tranche "B", a credit facility of EUR 520,000 thousand, maturing in December 2012. The interest rate on both tranches in the current year in Euribor plus a spread determined on the basis of the change in the net financial debt/EBITDA ratio of the FCC Group, and was initially 0.325%. This spread will be adjusted each year. At 31 December 2010, the credit facility was completely drawn down.
- A syndicated loan arranged by the Company on 25 January 2007 to finance Azincourt Investment, S.L., Sole-Shareholder Company, a wholly-owned investee of Fomento de Construcciones y Contratas, S.A., in the acquisition of the UK company Waste Recycling Group Ltd. and its group of companies. The loan is structured in two tranches, the first for an initial amount of EUR 819,700 thousand and the second for GBP 200,000 thousand. Both tranches mature in December 2013 and are being repaid in half-yearly instalments amounting to 4.615% of the initial loan principal, and the remaining 40.005% of the loan is repaid at final maturity.

At year-end EUR 517,067 thousand of the tranche in euros (EUR 441,408 thousand at long term and the remainder at short term) and GBP 126,160 thousand of the tranche in sterling, which at the year-end euro/GBP exchange rate totalled EUR 145,262 thousand, (EUR 123,812 thousand at long term and the remainder at short term) had not yet been repaid. The interest rate on the tranche in euros is Euribor plus a spread based on the change in the net financial debt/ EBITDA ratio of the FCC Group, which was initially 0.375%. This spread will be adjusted each year. The interest rate applicable to the tranche in sterling is Libor and the spread is the same as that detailed for the tranche in euros. This syndicated loan has associated derivative instruments (Note 12).

Also, due to fluctuations in the euro/GBP exchange rate, the loan in sterling gave rise to exchange losses in the year of EUR 8,015 thousand, which were recognised as finance income in the accompanying income statement.

- On 29 April 2009, the parent company signed a syndicated loan in the amount of EUR 375,000 thousand with 12 participating financial institutions. Later, on 4 and 27 May, it was extended to EUR 451,000 thousand, in two tranches: a long-term loan of EUR 225,500 thousand and a long-term credit facility amounting to EUR 225,500 thousand. The syndicated loan was signed for a three-year term with a single maturity date on 28 April 2012. The interest rate is Euribor plus a differential based on the debt ratio each year shown on the FCC Group's financial statements. At 31 December 2010, the loan had been drawn down in full.
- On 23 October 2009, the parent company signed a long-term loan in the amount of EUR 175,000 thousand with the European Investment Bank (EIB) with a maturity date of 6 November 2012 which may be extended to 2015. The interest rate on the loan is Euribor 3 months plus a fixed differential. The loan was granted for the financing and development of environmental investments.
- On 30 July 2010, the Company renewed a syndicated loan for EUR 1,225,000 thousand that had been taken out in 2008 and matured on 8 May 2011 under a forward start arrangement. A total of 16 financial institutions participated in the operation (two of which joined the operation later, on 30 September and 21 December). The operation matures in 3 years (8 May 2014) with 50% to be repaid in 2013 and is divided into three tranches: a EUR 375 million loan, a EUR 490 million line of credit, both completely drawn down at the end of the fiscal year, and an new EUR 62 million line of credit that will be available on 1 January 2011. The total amount of the operation is therefore EUR 1,287 million.

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

c) Other current financial liabilities

The balance under this income statement heading at the end of 2010 was EUR 88,746 thousand (unchanged from 31 December 2009) as indicated in Note 3 of this report.

17. INFORMATION ON THE NATURE AND LEVEL OF RISK OF FINANCIAL INSTRUMENTS

The financial risk management of the Group of which Fomento de Construcciones y Contratas is the Parent is centralised in its Financial Department, which has established the mechanisms required to control exposure to interest rate and exchange rate fluctuations and credit and liquidity risk.

Financial risk refers to changes in the value of financial instruments contracted by the Company due to political, market and other factors, and the effect of such changes on the financial statements.

The FCC Group's risk management philosophy is consistent with its business strategy, as it strives for maximum solvency and efficiency at all times. In that regard, the Group

FINANCIAL STATEMENTS

has set out stringent financial risk management and control criteria for identifying, measuring, analysing and controlling the risks faced in the course of FCC's operations. This risk policy is correctly integrated into the Group's organisational structure.

In keeping with the risk control policy, hedging operations contracted by the FCC Group are not speculative but rather aim to cover the risk associated with each transaction.

The main financial risks affecting the Company are as follows:

Capital risk management

The Company manages its capital to ensure it will be able to continue to operate as a profitable business while maximising the return for shareholders.

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

Aside from the habitual investment analysis objectives (yields, return period, risk assumed, strategic market assessment), the net debt/EBITDA ratio is monitored very closely to ensure that it remains at reasonable levels and within the range negotiated with banks.

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

Interest rate risk

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

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

Even so, the Company performed interest rate hedging transactions, ending the year with various hedging instruments of varying maturities on 14.70% of the Company's total net debt.

Complying with the policy of classifying original instruments as hedges, the Company has arranged interest rate hedges, mainly swaps (IRSs) in which the Company pays a fixed rate and receives a floating rate.

Foreign exchange risk

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

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

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

Solvency risk

The most relevant ratio for measuring solvency and repayment capacity is: the net debt / EBITDA ratio. The Company's ratios are reasonable and comply with the financing terms agreed with credit entities.

Liquidity risk

The Company is present in diverse markets in order to facilitate the securing of financing and to mitigate liquidity risk.

Despite the adverse situation that affected the financial markets throughout 2010, the FCC Group has remained extremely well positioned and has anticipated any potential adversity by paying close attention to the evolution of the factors that may help to resolve liquidity difficulties in the future and to the various sources of financing and their characteristics.

Concentration risk

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

- Sources of financing: The Company and the FCC Group obtain financing from a large number of Spanish and international banks.
- Markets: The Company operates mainly in the Spanish market so most of its debt is concentrated in euros.
- Products: The Company arranges a broad spectrum of financial products, including loans, credit facilities, debt instruments, syndicated transactions and discounting facilities.

Sensitivity test

With regard to the sensitivity test of derivatives and net debt, the table below shows the amounts obtained in thousand of euros in relation to the active derivatives at the end of the year with an impact on net equity. Given the instability of financial markets, the sensitivity test considered three scenarios which assumed a rise in the interest rate curve at 31 December 2010 of 100, 125 and 150 basis points and three scenarios which assumed a decline in the interest rate curve of 100, 75 and 50 basis points.

Derivatives	-100 bp	-75 bp	-50 bp	+100 bp	+125 bp	+150 bp
Impact on equity	(57,960)	(42,950)	(28,300)	52,820	65,300	77,490

The table below shows the effect which the upward or downward variations in the interest rate curve discussed above would have on net debt and on the Company's income statement, excluding the debt associated with hedging instruments.

Net debt	-100 bp	-75 bp	-50 bp	+100 bp	+125 bp	+150 bp
Impact on income statement	(34,800)	(26,100)	(17,400)	34,800	43,500	52,200

18. DEFERRED TAXES AND TAX SITUATION

a) Taxes and social security

The details assets and liabilities included under "Tax Receivables" and "Tax Payables", respectively, are as follows:

a.1) Taxes receivable

	2010	2009
Non-current		
Deferred tax assets	92,873	68,296
	92.873	68.296
Current		
Current tax assets	747	23,530
Other receivables with Public Administrations	4,030	7,084
	4,777	30,614

The deferred tax assets arise mainly as a result of the temporary differences between the charges to provisions and accounting expenses that will become deductible from the income tax base in future years, the deferment of the losses incurred by joint ventures included in the next year's taxable base and the temporary differences arising from the measurement of derivatives from derivatives from liabilities.

FINANCIAL STATEMENTS

a.2) Taxes payable

	2010	2009
Non-current		
Deferred tax liabilities	127,574	129,240
	127,574	**129,240**
Current		
Current tax liabilities	80,042	—
Other taxes payable		
Withholdings	9,510	8,193
VAT and other indirect taxes	8,043	12,529
Social Security tax	18,053	18,803
Other items	4,592	5,480
	120,240	**45,005**

Deferred tax liabilities include mainly:

- The deferment of the amortisation of fixed assets acquired under lease contracts.
- The accelerated depreciation of the Torre Picasso building which qualifies for the tax incentives provided for in Royal Decree-Law 2/1985 and the investments in property, plant and equipment which qualify for the amortisation benefits included in law 4/2008.
- The deferment of the profits generated by joint ventures included in the next year's taxable base.

b) Reconciliation of carrying results and taxable base

The reconciliation of the carrying result and the taxable base for corporate income tax purposes is as follows:

	2010			2009		
Results for the year before tax			211,045			280,504
	Increases	Decreases		Increases	Decreases	
Permanent differences	97	(1,697)	(1,600)	698	(936)	(238)
Adjusted carrying result			209,445			280,266
Temporary differences						
- Arising during the year	82,654	(55,675)	26,979	28,056	(166,049)	(137,993)
- Carryforwards years	45,797	(1,952)	43,845	26,856	(14,568)	12,288
Taxable base			**280,269**			**154,561**

FINANCIAL STATEMENTS

The changes in deferred tax assets and liabilities in 2010 and 2009 are as follows:

	Deferred tax assets	Deferred tax liabilities
Due to temporary taxable differences		
Balance at 31.12.08	**50,860**	**56,762**
arising during the year	8,417	49,815
arising in prior years	(4,370)	(8,057)
Other adjustments	(80)	4,805
Balance at 31.12.09	**54,827**	**103,325**
arising during the year	24,796	16,703
arising in prior years	(586)	(13,739)
Other adjustments	(1,445)	(4,044)
Balance at 31.12.10	**77,592**	**102,245**
Due to temporary balance sheet differences		
Balance at 31.12.08	**12,482**	**985**
arising during the year	987	24,930
Balance at 31.12.09	**13,469**	**25,915**
arising during the year	1,812	(586)
Balance at 31.12.10	**15,281**	**25,329**
Total balance at 31.12.10	**92,873**	**127,574**

c) Taxes recognised in equity

At 31 December 2009 the tax recognised in equity refers basically to the change in the value of the Company's hedging instruments in the amount of EUR 13,338 thousand (EUR 10,987 thousand at 31 December 2009).

d) Reconciliation of the carrying value and the corporate tax expense

The reconciliation of the carrying result and the corporate income tax is as follows:

	2010	2009
Adjusted accounting profit	209,445	280,266
Income tax charge (30%)	62,834	84,080
Double taxation deduction	(76,759)	(52,589)
Reinvestment deductions	(126)	(1,321)
Other deductions and discounts	(3,509)	(2,760)
Other adjustments	28,571	(1,784)
Corporate income tax expense	**11,011**	**25,626**

The corporate tax expense for the year refers entirely to taxes on continuing operations.

e) Tax loss carryforwards and deductions not yet taken

At year end, the Company had no tax loss carryforwards or tax deductions that had not been taken.

f) Fiscal years open for review and tax audit

Fomento de Construcciones y Contratas, S.A. is open to inspection for all taxes owed for all fiscal years that have not prescribed. The criteria that the tax authorities might adopt in relation to the years open for review could give rise to contingent tax liabilities which cannot be objectively quantified. In relation to the years which have been reviewed, in certain cases the criteria applied by the tax authorities gave rise to tax assessments, which are currently being appealed against by the related Group companies. However, the Company's directors consider that the resulting liabilities will not have a significant effect on the Company's equity.

In compliance with the legal requirements, the Company has established the procedures necessary to support its transfer prices and the Directors do not believe there is any significant risk in this regard out of which considerable liabilities could arise in the future.

g) Other tax disclosures

Under authorisation 18/89, Fomento de Construcciones y Contratas, S.A. files consolidated income tax returns as part of a tax Group that meets the requirements established by tax legislation.

FINANCIAL STATEMENTS

19. THIRD PARTY GUARANTEES AND CONTINGENT LIABILITIES

At 31 December 2010, Fomento de Construcciones y Contratas, S.A. had provided EUR 478,613 thousand in third-party guarantees, mostly consisting of performance bonds provided to government agencies and private-sector customers as security for the performance of construction projects and urban cleaning contracts (31 December 2009: EUR 419,607 thousand).

Also at year end the Company had provided guarantees to third parties for Group companies in the amount of EUR 518,007 thousand (EUR 399,176 thousand at 31 December 2009).

Fomento de Construcciones y Contratas, S.A. and the joint ventures in which it has interests are acting as defendants in lawsuits in relation to the liability inherent to the various business activities carried on by the Company in the performance of the contracts awarded, for which the related provisions have been recognised (see Notes 15 and 4-j). Accordingly, any resulting liabilities would not have a significant effect on the Company's equity.

20) INCOME AND EXPENSES

In addition to the revenue from sales and services, the net turnover includes dividends and interest from the financing extended to investees. Substantially all revenue relates to servies provide in Spain.

Of the total turnover in 2010, EUR 203,352 thousand (EUR 187,957 thousand at 31 December 2009) came from contracts operated jointly through joint ventures.

The finance income comes from the financing extended to investee companies (Note 10), particularly EUR 33.748 thousand (EUR 26,298 thousand at 31 December 2009) to FCC Construcción, S.A.; EUR 32,931 thousand (EUR 32,768 thousand at 31 December 2009) to Azincourt Investment, S.L. and EUR 12,447 thousand (EUR 11,172 thousand at 31 December 2009) to FCC Energía, S.A.

The most significant operating income includes rental income and billings for costs charged to the tenants of the Torre Picasso building which, in proportion to the Company's percentage of ownership (see Note 7), amounted to EUR 7,184 thousand (EUR 7,185 thousand at 31 December 2009) and transactions with group companies and associates involving work performed and services rendered by the Company in the amount of EUR 65,705 thousand (EUR 63,238 thousand at 31 December 2009). This amount included mainly EUR 20,770 thousand (EUR 27,197 thousand at 31 December 2009) billed to FCC Construcción, S.A., a wholly-owned subsidiary of the company.

Notable under the heading of operating expenses is the sum of EUR 60,400 thousand shown under "Other current operating expenses" with a balancing entry for international expansion in non-current provisions (Note 15). The Company also acquired services and purchased consumable materials from Group companies and associates in the amount of EUR 29,060 thousand (EUR 31,462 thousand at 31 December 2009).

21. RELATED PARTY TRANSACTIONS

a) Related party transactions

The details of the transactions with related parties in 2010 and 2009 are as follows:

	Group Companies	Jointly-controlled entities	Associated Companies
2010			
Services rendered:	65,066	—	639
Services received:	28,542	161	357
Dividends	255,371	—	1,613
Financial expense	7,213	42	—
Financial income	96,305	2,356	—
2009			
Services rendered:	68,203	—	2,715
Services received:	31,156	171	135
Dividends	172,883	1,025	2,540
Financial expense	8,654	140	—
Financial income	83,795	827	72

b) Balances with related parties

The detail of the balances with related parties at year end are as follows:

	Group Companies	Jointly-controlled entities	Associated Companies
2010			
Current investments (Note 10)	1,163,464	758	3,840
Non-current investments (Note 10)	3,465,937	692,799	25,844
Short-term payables (Note 10)	481,086	17,270	1
Trade receivables	51,737	132	5,874
Trade payables	17,044	—	344
2009			
Current investments (Note 10)	1,765,718	2,646	4,348
Non-current investments (Note 10)	2,631,222	687,570	23,330
Short-term payables (Note 10)	447,191	17,228	145
Trade receivables	66,265	1	5,199
Trade payables	15,146	35	359

The detail of the current debit and credit balance with Group companies and associates are as follows:

	2010		2009	
Company	Receivable	Payable	Receivable	Payable
FCC Construcción, S.A.	13,864	1,250	23,541	1,551
Conservación y Sistemas, S.A.	8,656	1,196	7,723	1,186
Aqualia Gestión Integral del Agua, S.A.	10,241	1,306	12,347	1,092
FCC Medio Ambiente, S.A.	2,813	1,108	4,086	1,059
Limpieza e Higiene de Cartagena, S.A.	5,392	—	5,361	—
FCC Ámbito, S.A.	2,006	378	2,857	474
FCC Versia, S.A.	974	137	1,348	162
Sistemas y Vehículos de Alta Tecnología, S.A.	80	1,047	—	1,036
Tratamiento Industrial Aguas, S.A.	53	4,544	—	4,373
Tirme, S.A.	1,528	16	1,480	14
Empresa Mixta de Medio Ambiente de Rincón de la Victoria, S.A.	1,395	158	893	158
Ingeniería Urbana, S.A.	1,073	—	812	—
Per Gestora Inmobiliaria, S.L.	—	2,456	—	—
Other	9,668	3,792	11,017	4,435
	57,743	**17,388**	**71,465**	**15,540**

c) Remuneration of the Board of Directors and Senior executives

The remuneration earned by the Board of Directors of Fomento de Construcciones y Contratas, S.A. in 2010 has reached EUR 1,937 thousand (EUR 2,040 thousand at 31 December 2009).

The executive of Fomento de Construcciones y Contratas, S.A. received the following amounts in thousands of euros:

	2010	2009
Fixed	3,724	4,075
Variable	1,639	1,866
	5,363	**5,941**

In the past an insurance policy was arranged and the premium paid to cover the payment of benefits relating to death, permanent occupational disability, retirement bonuses and pensions and other situations for, among other employees, certain executive directors and executives of Fomento de Construcciones y Contratas, S.A. (Note 4.l). No insurance benefits of this kind were paid in fiscal year 2010 (EUR 5,942 thousand at 31 December 2009).

Except as indicated in the preceding paragraphs, no other other remuneration, advances, loans or guarantees were granted to the Board of Directors nor were any other obligations assumed for the payment of pensions or life insurance premiums for former or current members of the Board.

d) Details of investments in companies engaging in similar activities and of the performance, as independent professionals or as employees, of similar activities by the Directors.

Set forth below are the required disclosures in relation to the ownership interests held by the Directors of Fomento de Construcciones y Contratas, S.A. in the share capital of non-FCC Group companies; the activities (if any) performed by them, as independent professionals or as employees, that are identical, similar or complementary to the activity that constitutes the company purpose of the FCC Group; and the transactions (if any) conducted by them or by persons acting on their behalf with the Company or with any company in the same Group that are not part of the Company's normal business activities or are not conducted on an arm's length basis:

- They do not perform the same, analogous or supplementary activity to that which constitutes the Company's corporate object on their own behalf or on the behalf of any other person.

FINANCIAL STATEMENTS

- They do not hold any ownership interests in the share capital of any companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the company object of Fomento de Construcciones y Contratas, S.A
- They have not participated in other operations falling outside the scope of the Company's ordinary business operations or under conditions other than arm's length, either with the Company or any other member company of the Group.

The exception to the above is the Director B-1998, which has reported that the director's representative, Esther Koplowitz Romero de Juseu, is also a member of the Board of Directors of Veolia Environnement, S.A. Henri Proglio is also a member of the Board of Directors of Veolia Environnement, S.A. and Chairman of Electricité de France (EDF).

The details of the directors holding positions in companies in which Fomento de Construcciones y Contratas, S.A. has a direct or indirect ownership interest are as follows:

Director name or business name	Group company	Position
Cartera Deva, S.A.	Cementos Portland Valderrivas, S.A.	Director
	Realia Business, S.A.	Director
Eac Inversiones Corporativas, S.L.	Cementos Portland Valderrivas, S.A.	Director
	FCC Construcción, S.A.	Director
	Realia Business, S.A.	Director
Don Fernando Falcó Fernández De Córdova	FCC Construcción, S.A.	Director
	Waste Recycling Group Limited	Director
	Realia Business, S.A.	Director
Don Rafael Montes Sánchez	FCC Construcción, S.A.	Director
	Cementos Portland Valderrivas, S.A.	Director
	Realia Business, S.A.	Director
Don Juan Castells Masana	Waste Recycling Group Limited	Director
	Cementos Portland Valderrivas, S.A.	Director
Don Baldomero Falcones Jaquotot	FCC Energía, S.A.	Chairman
Don Felipe B. García Pérez	FCC Energía, S.A.	Secretary
	FCC Environmental Llc.	Director
Don Javier Ribas	FCC Environmental Llc.	Director

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

22. ENVIRONMENTAL INFORMATION

As indicated in Note 1, by its very nature the Company's services line of business is geared towards environmental protection and conservation, not only through the production activity itself: (waste collection, operation and control of landfills, sewer cleaning, treatment and elimination of industrial waste, wastewater treatment, etc.), but also as a result of performing these activities using production techniques and systems designed to reduce environmental impact in accordance with the limits established in the relevant legislation.

The performance of production activities described above requires the use of specialised structures, plant and machinery that are efficient in terms of environmental protection and conservation. At 31 December 2010, the acquisition cost of the non-current assets assigned to production totalled EUR 1,071,384 thousand (EUR 987,655 thousand at 31 December 2009), with accumulated depreciation amounting to EUR 574,048 thousand (EUR 517,039 thousand at 31 December 2009).

Company management considers that any possible contingencies in relation to the protection and improvement of the environment at 31 December 2010 would not have a material impact on the accompanying financial statements.

As indicated in Note 1, Fomento de Construcciones y Contratas, S.A. is the parent of the FCC Group which operates various business lines and, due to the nature thereof, pays particular attention to controlling the impact on the environment. These matters are discussed in detail in the Group's Corporate Social Responsibility report, which is published annually on FCC's website, http://www.fcc.es, among other channels, and provides the reader with more representative information than that included in this Note.

23. OTHER INFORMATION

a) Personnel

The average number of employees at the Company, by professional category, in 2010 and 2009 was as follows:

	2010	2009
Managers and university graduates	418	363
Other qualified line personnel	323	295
Clerical and similar staff	911	856
Other salaried employees	25,866	25,568
	27,518	**27,082**

The average number of directors and officers, by gender and professional category, in 2010 and 2009, was as follows:

	Men	Women	Total
2010			
Directors	15	5	20
Senior managers	7	—	7
Managers and university graduates	309	115	424
Other qualified line personnel	266	63	329
Clerical and similar staff	443	470	913
Other salaried employees	19,301	5,569	24,870
	20,341	**6,222**	**26,563**
2009			
Directors	15	5	20
Senior managers	8	—	8
Managers and university graduates	265	85	350
Other qualified line personnel	244	48	292
Clerical and similar staff	421	442	863
Other salaried employees	18,869	6,144	25,013
	19,822	**6,724**	**26,546**

b) Fees paid to auditors

"External Services" in the accompanying income statement includes the fees for financial audit services provided to the Company, amounting to EUR 212 thousand (EUR 212 thousand at 31 December 2009).

c) Deferred payments to suppliers in commercial operations

According to the resolution of the Accounting and Audit Institute of 29 December 2010 which develops Law 15/2010 of 5 July, which in turn established measures to combat the recollection of commercial transaction and, in particular, in compliance with the Second Temporary Provision of the said resolution, it is noted that the outstanding balance shown under "Suppliers" at the end of 2010 which appears on the enclosed financial statements is EUR 89,571 thousand. In addition, it is noted that the aforementioned Law 15/2010 took effect on 5 July 2010 and therefore applies to contracts signed on or after that date. According to the period of time between the signing, delivery of the goods or services and the valid payment term during the transitory period of the Law, there is no deferment which exceeds the legally-established maximum limits.

d) Internal Financial Reporting Control System (SCIIF)

As a consequence of the foreseeable incorporation of the 4th EU Directive into Spanish law in 2011, publicly listed companies shall not be obliged to itemize the information relative to the description of their internal control systems for regulated financial information (hereinafter SCIIF). Furthermore, following the modification in 2010 of section 4 of the Eighteenth Additional Provision of the Stock Market Act in relation to the adaptation of the 8th EU Directive, there are new responsibilities for the Audit Committees of publicly listed companies relative to their organizations' internal control practices.

To assist these entities in complying with their new obligations, the CNMV asked the Expert Working Group to draft a report which could serve as a frame of reference and a guidance on internal control practices to ensure the reliability of financial information.

In this regard, in 2010 Fomento de Construcciones y Contratas, S.A. undertook a project to evaluate the current level of development of the SCIIF in relation to the good practices proposed in the report published by the CNMV and implement any measures which may be needed in this respect.

FINANCIAL STATEMENTS

APPENDIX I Group Companies

Company	Carrying amount Assets	Carrying amount Impairment	% shareholding	Dividends received	Capital	Reserves	Other equity items	2010 profit/(loss) Operation	2010 profit/(loss) Continuing operations
AEBA Ambiente y Ecología de Buenos Aires, S.A. Tucumán, 1321 – 3º - Buenos Aires - Argentina -Urban sanitation -	834	675	Direct 50.00 Indirect 2.50	—	1,000 (Pa)(*)	1,083 (Pa)(*)	—	86 (Pa)(*)	106 (Pa)(*)
Aqualia Gestión Integral del Agua, S.A. Federico Salmón, 13 - Madrid - Water management	254,768	—	Direct 99.99 Indirect 0.01	19,300	145,000	253,570	6,936	81,152	52,828
Armigesa, S.A. Pza. Constitución, s/n – Armilla (Granada) -Urban sanitation -	612	—	51.00	—	1,200	(8)	—	255	181
ASA Abfall Services AG Hans-Hruschka-Gasse, 9 - Himberg (Austria) -Urban sanitation -	226,784	—	Direct 99.98 Indirect 0.02	—	5,000	38,557	312	(7,374)	306
Asesoría Financiera y de Gestión, S.A. Federico Salmón, 13 - Madrid -Finance -	3,008	—	Direct 43.84 Indirect 56.16	8,768	6,843	408,749	—	19,037	12,166
Azincourt Investment, S.L. Unipersonal Federico Salmón, 13 - Madrid - Holding company	3	3	100.00	—	3	(286,098)	(25,218)	2,356	(39,757)
Cementos Portland Valderrivas, S.A. Estella, 6 – Pamplona -Cement	298,638	—	Direct 59.30 Indirect 12.16	7,116	56,896	1,140,108	(17,501)	79,874	37,085
Compañía Auxiliar de Agencia y Mediación, S.A. Unipersonal Federico Salmón, 13 - Madrid - Holding company	1,657	—	100.00	—	61	12,891	—	117	207
Compañía General de Servicios Empresariales, S.A. Unipersonal Federico Salmón, 13 - Madrid -Instrumental-	60	—	100.00	4	60	17	—	3	2
Corporación Española de Servicios S.A. Federico Salmón, 13 - Madrid -Instrumental-	44	—	Direct 99.99 Indirect 0.01	2	60	16	—	1	1

FINANCIAL STATEMENTS

Company	Carrying amount		% shareholding	Dividends received	Capital	Reserves	Other equity items	2010 profit/(loss)	
	Assets	Impairment						Operation	Continuing operations
Corporación Financiera Hispánica,S.A. Federico Salmón, 13 - Madrid - Holding company	69,818	—	Direct 99.99 Indirect 0.01	15,000	58,393	353,429	—	4,774	3,342
Dédalo Patrimonial, S.L. Unipersonal Federico Salmón, 13 - Madrid - Holding company	61	—	100.00	—	61	(3,859)	—	201	4,148
Ecoparque Mancomunidad del Este, S.A. Federico Salmón, 13 - Madrid -Urban sanitation -	12,602	—	Indirect 0.01 Direct 99.99	—	12,604	(1,039)	—	2,077	1,454
Egypt Environmental Services SAE Cairo-Egypt -Urban sanitation -	7,760	780	Direct 97.00 Indirect 3.00	1,096	36,400 (Leg)(*)	(140) (Leg)(*)	—	16,567 (Leg)(*)	12,851 (Leg)(*)
Empresa Comarcal de Serveis Mediambientals del Baix Penedés, ECOBP, S.L. Plaça del Centre, 3 - El Vendrell (Tarragona) -Urban sanitation -	240	—	80.00	66	301	275	—	237	130
Empresa Municipal de Desarrollo Sostenible Ambiental de Úbeda, S.L. Pza. Vázquez Molina, s/n – Úbeda (Jaén) -Urban sanitation -	720	—	90.00	117	800	234	—	407	216
Europea de Gestión, S.A. Unipersonal Federico Salmón, 13 - Madrid -Instrumental-	63	—	100.00	7	60	22	—	3	2
FCC Construcción, S,A. Balmes, 36 – Barcelona -Construction	525,551	—	Direct 99.99 Indirect 0.01	109,000	180,000	477,789	—	199,798	124,905
FCC Construcciones y Contratas Internacional, S.L. Unipersonal Federico Salmón, 13 - Madrid -Instrumental-	3	—	100.00	—	3	—	—	—	—

FINANCIAL STATEMENTS

Company	Carrying amount		% shareholding	Dividends received	Capital	Reserves	Other equity items	2010 profit/(loss)	
	Assets	Impairment						Operation	Continuing operations
FCC Energía, S.A. Federico Salmón, 13 - Madrid -Energy	1,000	1,000	Direct 99.99 Indirect 0.01	—	1,000	(2,651)	—	8,658	2,999
FCC Fomento de Obras y Construcciones, S.L. Unipersonal Federico Salmón, 13 - Madrid -Instrumental-	3	—	100.00	—	3	—	—	—	—
FCC Inmobiliaria Conycon, S.L. Unipersonal Federico Salmón, 13 - Madrid -Instrumental-	3	—	100.00	—	3	—	—	—	—
FCC International B.V. Amsteldijk 166 - Amsterdam (Holland) - Holding company	49,910	—	100.00	25	40,840	—	—	(28)	5
FCC Medio Ambiente, S.A. Federico Salmón, 13 - Madrid -Urban sanitation -	35,102	—	Direct 98.98 Indirect 1.02	—	43,272	128,965	390	35,562	25,076
FCC Versia, S.A. Federico Salmón, 13 - Madrid -Management company	62,625	—	Direct 99.99 Indirect 0.01	94,000	40,337	38,193	—	124,924	118,730
FCC 1, S.L. Unipersonal Federico Salmón, 13 - Madrid -Instrumental-	3	—	100.00	—	3	—	—	—	—
F.C. y CSL Unipersonal Federico Salmón, 13 - Madrid -Instrumental-	3	—	100.00	—	3	—	—	—	—
Fedemés, S.L. Federico Salmón, 13 - Madrid -Real estate	10,764	—	Direct 92.67 Indirect 7.33	—	10,301	15,892	—	1,837	1,243
Limpiezas Urbanas de Mallorca, S.A. Fusters, 18 – Manacor (Baleares) -Urban sanitation -	5,097	—	Direct 99.92 Indirect 0.08	—	308	2,698	—	(287)	(243)
Per Gestora Inmobiliaria, S.L. Pza. Pablo Ruiz Picasso, s/n – Madrid -Property Management and Administration -	69	—	Direct 99.00 Indirect 1.00	38	60	51	—	(31)	(22)

FINANCIAL STATEMENTS

Company	Carrying amount		% shareholding	Dividends received	Capital	Reserves	Other equity items	2010 profit/(loss)	
	Assets	Impairment						Operation	Continuing operations
Tratamientos y Recuperaciones Industriales, S.A. Anglí, 31 – Barcelona -Waste treatment	21,455	—	Direct 74.92 Indirect 0.08	832	72	7,490	—	951	874
Valoración y Tratamiento de Residuos Urbanos, S.A. Riu Magre, 6 – Pol. Ind. Patada del Cid –Quart de Poblet (Valencia) -Waste treatment	1,000	—	80.00	—	1,250	—	—	(48)	(46)
TOTAL	**1,590,260**	**2,458**		**255,371**					

(*) (Pa): Argentine pesos, (Leg): Egyptian pounds.

NOTE:

- Of the companies listed above, only Cementos Portland Valderrivas, S.A. is a publicly-traded company. The price of its shares at the balance sheet date was 12.15 euros. The average share price for the last quarter of the year was 13.62 euros.
- Pursuant to the terms of article 155 of the Revised Text of the Investment Companies Act, during the year the Company proceeded to notify the investee companies in which it had acquired a direct or indirect stake of more than 10%.

FINANCIAL STATEMENTS

APPENDIX II JOINT VENTURES

	% shareholding
ABASTECIMIENTO VILLALÓN	20.00
AGUAS TOMELLOSO	20.00
AIGÜES DE LLEIDA	50.00
ALMEDA	51.00
AMPLIACIÓ LIXIVITATS	20.00
AQUALBAL	20.00
AQUALIA – FCC – MYASA	20.00
AQUALIA – FCC – OVIEDO	5.00
AQUALIA – FCC SALAMANCA	5.00
AQUALIA – FCC – SAN VICENTE	20.00
AQUALIA – FCC VIGO	50.00
ARGÍ GUEÑES	70.00
AZUD VILLAGONZALO	20.00
BARRIO CARMELITAS	20.00
BILBOKO SANEAMENDU	50.00
BILBOKO SANEAMENDU B	50.00
BIOCOMPOST DE ÁLAVA	50.00
BOADILLA -	50.00
BOMBEO VALMOJADO	20.00
CAMÍ SA VORERA	20.00
CAN BOSSA	20.00
CANA PUTXA	20.00
CANAL DEL ARAMO	20.00
CANDAS	20.00
CANGAS	50.00
CASTELLAR DEL VALLÈS	50.00
CASTELLAR POLÍGONOS	50.00
CEMENTERIOS PERIFÉRICOS II	50.00

	% shareholding
CENTRO DEPORTIVO GRANADILLA DE ABONA	20.00
CENTRO DEPORTIVO VILLENA	80.00
CHIPIONA	50.00
CIUTAT VELLA	50.00
CN III	45.00
COLEGIOS SANT QUIRZE	50.00
COMPLEJO DP. CABEZO DE TORRES	20.00
CONSERVACIÓN ALCORCÓN	50.00
CONSERVACIÓN DE GALERÍAS	50.00
CONSERVACIÓN Y SISTEMAS	60.00
CONSORCIO LINEA UNO	45.00
CONTADORES BURGOS	100.00
CONTENEDORES MÓSTOLES	30.00
CTR DE L'ALT EMPORDÀ	45.00
CTR-VALLES	20.00
CUENCA	20.00
CYCSA-EYSSA VIGO	50.00
DEIXALLERIES	20.00
DOS AGUAS	35.00
ECOPARQUE CÁCERES	50.00
ECOURENSE	50.00
EDAR ALMANSA	5.00
EDAR CUERVA	5.00
EDAR ELCHE	20.00
EDAR RANILLA	25.00
EDAR REINOSA	5.00
EDAR SAN VICENTE DE LA BARQUERA	5.00
ENERGÍA SOLAR ONDA	25.00

FINANCIAL STATEMENTS

	% shareholding
ESPAI AMBIENTAL DEL VEDAT	100.00
EXPL PL BIO LAS DEHESAS	50.00
F.L.F. LA PLANA	47.00
FANGOS IBIZA Y FORMENTERA	20.00
FCC – ACISA - AUDING	45.00
FCC - ANPE	80.00
FCC - ERS LOS PALACIOS	50.00
FCC – FCCMA ALCOY	20.00
FCC – FCCMA COLMENAR VIEJO	20.00
FCC – FCCMA L.V. PAMPLONA	20.00
FCC – FCCMA R.B.U. - L.V. JAVEA	20.00
FCC – FCCMA R.B.U TUDELA	20.00
FCC – FCCMA S.U. DENIA	20.00
FCC – FCCMA RBU SAN JAVIER	20.00
FCC – FCCMA SEGRIÀ	20.00
FCC – FIRA 2000	100.00
FCC – HIJOS DE MORENO, S.A.	50.00
FCC – ICS	80.00
FCC – LUMSA	50.00
FCC – PALAFRUGELL	20.00
FCC – PAS SALAMANCA	70.00
FCC – PERICA	60.00
FCC – SUFI MAJADAHONDA	50.00
FCC – SUFI PESA	50.00
FCC – SYF PLAYAS	40.00
FCC – TEGNER	50.00
FCC – TPA PILAS	80.00
FCCSA – GIRSA	80.00
FCCSA – VIVERS CENTRE	50.00
FUENTES XÀTIVA	50.00

	% shareholding
GESTIÓ DE RUNES DEL PAPIOL	40.00
GESTIÓN INSTALACIÓN III	35.00
GESTIÓN PISCINA DE MULA	20.00
GESTION SERVICIOS DEPORTES CATARROJA	99.50
GIREF	20.00
GIRSA – FCC	20.00
GUADIANA	20.00
INTERIORES BILBAO	80.00
JARDINES MOGAN	51.00
JARDINES PROTECCIÓN ESPECIAL	50.00
JARDINES SANTA COLOMA	50.00
JUNDIZ	51.00
KABIEZESGO KIROLDECIA	60.00
KAIXARRANKA	60.00
LA CANDA	30.00
LA LLOMA DEL BIRLET	80.00
LA MINA	20.00
LAS YUCAS	50.00
LEA-ARTIBAI	60.00
LEGIO VII	50.00
L.V. SAN SEBASTIÁN	20.00
L.V. Y RBU ARUCAS	70.00
LIMPIEZA BENICASSIM	35.00
LIMPIEZA CARRIL BUS	30.00
LIMPIEZA Y RSU LEZO	55.00
LITORAL BALEAR	40.00
LOGROÑO LIMPIO	50.00
LOTES A Y B FUENLABRADA 2010	60.00
MANACOR	30.00
MANCOMUNIDAD DE ORBIGO	20.00

FINANCIAL STATEMENTS

	% shareholding
MANTENIMENT	100.00
MANTENIMIENTO COLEGIOS BILBAO	60.00
MANTENIMIENTO COMISARÍAS	100.00
MANTENIMIENTO DE COLEGIOS II	60.00
MANTENIMIENTO DE EDIFICIOS	60.00
MÉRIDA	10.00
MOLINA	5.00
MOLLERUSA	60.00
MONTCADA	50.00
MURO	20.00
MUSKIZ III	70.00
NAVE JUNDIZ	51.00
NIGRÁN	10.00
NIJAR	20.00
NOVELDA	5.00
ONDA EXPLOTACIÓN	33.33
PAMPLONA	80.00
PARQUES SINGULARES MÓSTOLES	50.00
PAVIMENTO ZONA I	50.00
PINTO	50.00
PISCINA CUBIERTA BENICARLO	65.00
PISCINA CUBIERTA C. DEP. ALBORAYA	99.00
PISCINA CUBIERTA MANISES	99.50
PISCINA CUBIERTA MUN. L'ELIANA	99.50
PISCINA CUBIERTA PAIPORTA	90.00
PISCINA MUNICIPAL ALBATERA	93.00
PISCINA POLIDEPORTIVO PAIPORTA	65.00
PLA D'URGELL	100.00
PLANTA BIOMETANIZACIÓN LAS DEHESAS	50.00
PLANTA DE TRATAMIENTOS VALLADOLID	60.00

	% shareholding
PLANTA RSI TUDELA	60.00
PLAYAS GUIPUZKOA	55.00
PONIENTE ALMERIENSE	50.00
POSU – FCC VILLALBA	50.00
POZUELO	20.00
PUENTE LADRILLO	20.00
PUERTO	50.00
PUERTO II	70.00
QUINTO CONTENEDOR	50.00
R.B.U. VILLA-REAL	47.00
R.S. PONIENTE ALMERIENSE	50.00
REDONDELA	10.00
REFORMA PLAZA DEL CRISTO	20.00
REPARACIONES CASA CAMPO	100.00
REPOSTADOS ENTREVÍAS	50.00
RESIDENCIA	50.00
RESTAURACIÓN GARRAF	27.50
RIVAS	30.00
RSU TOLOSALDEA	50.00
S.U. BILBAO	70.00
SALTO DEL NEGRO	50.00
SAN FERNANDO	20.00
SANEAMIENTO URBANO CASTELLÓN	65.00
SANT QUIRZE	50.00
SANT QUIRZE DEL VALLÉS	50.00
SANTA COLOMA DE GRAMANET	61.00
SANTOMERA	60.00
SANTURTZIKO GARBIKETA	60.00
SASIETA	75.00
SAV - FCC TRATAMIENTOS	35.00

FINANCIAL STATEMENTS

	% shareholding
SEGURIDAD VALDEBEBAS	20.00
SELECTIVA SAN MARCOS	65.00
SELECTIVA UROLA-KOSTA	60.00
SELLADO VERTEDERO LOGROÑO	50.00
SERVICIOS EXPO	60.00
SIMÓN HERNÁNDEZ	50.00
TABLADA	20.00
TANATORIO PATERNA	50.00
TIRVA FCC – FCCMA RUBÍ	20.00
TORREJÓN	25.00
TORRIBERA	50.00
TORRIBERA RSU	50.00
TORRIBERA III	50.00
TORRIBERA IV	50.00
TRANSPORTE DE BARRENA TXINGUDI	60.00
TRANSPORTE SAN MARCOS	80.00
TREMP	51.00
TÚNEL PUERTO ALGECIRAS	30.00
TÚNELES DE BARAJAS	25.00
TXINGUDI	75.00
TXINGUDICO GARBIKETA	73.00
URNIETA	20.00
UROLA ERDIA	60.00
URRETXU Y ZUMARRAGA	65.00
VALDEMORO	100.00
VALDEMORO 2	100.00
VERTEDERO ARTIGAS	50.00
VERTEDERO GARDELEGUI II	70.00
VERTEDERO PINTO FASE II	50.00
VERTEDERO PINTO FASE III	50.00

	% shareholding
VERTRESA	10.00
VIGO RECICLAJE	70.00
VILLALÓN DE CAMPOS	20.00
VINAROZ	50.00
VIVIENDAS MARGEN DERECHA	60.00
WTC ZARAGOZA	51.00
ZARAGOZA DELICIAS	51.00
ZARAUZCO GARBIETA	60.00
ZARAUTZ	20.00
ZONZAMAS FASE II	30.00
ZURITA	50.00

FINANCIAL STATEMENTS

APPENDIX III ASSOCIATED AND JOINTLY-CONTROLLED COMPANIES

Company	Carrying amount		% shareholding	Dividends received	Capital	Reserves	Other equity items	2010 profit/(loss)	
	Assets	Impairment						Operation	Continuing operations
Clavegueram de Barcelona, S.A. Hacer, 16 – Barcelona -Urban sanitation -	733	—	20.33	147	3,606	3,867	—	697	530
Ecoparc del Besós, S.A. Rambla Cataluña, 91-93 – Barcelona -Urban sanitation -	2,621	—	Direct 31.00 Indirect 18.00	—	7,710	(2,475)	24,580	5,116	2,223
Ecoserveis Urbans de Figueres, S.L. Pg. Empordà Internacional, Calle A, parcela 50 – Vilamalla (Girona) -Urban sanitation -	301	—	50.00	116	601	120	—	421	332
Empresa Mixta de Limpieza de la Villa de Torrox, S.A. Pz. de la Constitución, 1 – Torrox (Málaga) -Urban sanitation -	300	—	50.00	119	600	430	—	333	228
Empresa Mixta de Medio Ambiente de Rincón de la Victoria, S.A. Pz. Al Andalus, 1 – Rincón de la Victoria (Málaga) -Urban sanitation -	301	—	50.00	—	601	299	—	481	176
Gestión Integral de Residuos Sólidos, S.A. Santa Amalia, 2 – Valencia -Urban sanitation -	4,732	—	49.00	87	781	1,514	61	223	77
Global Vía Infraestructuras, S.A. Paseo de la Castellana, 141 (Edificio Cuzco) IV – Madrid -Infrastructure management -	529,570	—	50.00	—	957,274	141,858	—	4,725	(12,845)
Ingeniería Urbana, S.A. Saturno, 6 – Alicante -Urban sanitation -	3,786	—	35.00	904	6,064	5,309	—	4,111	2,508
Pallars Jussà Neteja i Serveis, S.A. Pau Casals, 14 – Tremp (Lleida) -Urban sanitation -	25	—	40.80	11	60	5	—	21	20
Proactiva Doña Juana E.S.P.S.A Calle 98 nº 9-03 of. 804 Ed. Torre Sancho Santa Fe de Bogotá (Colombia) -Urban sanitation -	284	38	Direct 23.75 Indirect 27.05	—	2,250,000 (Pc)(*)	934,782 (Pc)(*)	—	(905,175) (Pc)(*)	(898,409) (Pc)(*)

FINANCIAL STATEMENTS

Company	Carrying amount		% shareholding	Dividends received	Capital	Reserves	Other equity items	2010 profit/(loss)	
	Assets	Impairment						Operation	Continuing operations
Proactiva Medio Ambiente, S.A. Cardenal Marcelo Espínola, 8 – Madrid -Urban sanitation -	119,542	76,499	50.00	—	56,250	10,420	—	1,876	8,245
Realia Business, S.A. Paseo de la Castellana, 216-85 Madrid -Real estate	67,637	—	Direct 27.20 Indirect 3.00	—	66,570	501,268	(2,787)	(6,613)	(29,294)
Servicios Urbanos de Málaga, S.A. Ulises, 18 – Madrid -Urban sanitation -	1,610	—	51.00	229	3,156	435	—	503	503
Suministros de Agua de Queretaro S.A. de C.V. Santiago de Queretaro (Mexico) - Water management	4,367	—	Direct 24.00 Indirect 2.75	—	347,214 (Pm)(*)	153,172 (Pm)(*)	—	141,689 (Pm)(*)	135,586 (Pm)(*)
TOTAL	**735,809**	**76,537**		**1,613**					

(*) (Pc): Colombian pesos (Pm): Mexican pesos.

NOTE:

- Of the companies listed above, only Realia Business, S.A. is a publicly-traded company. The price of its shares at the balance sheet date was 1,56 euros. The average share price for the last quarter of the year was 1,55 euros.
- Pursuant to the terms of article 155 of the Revised Text of the Capital Companies Act, during the year the Company proceeded to notify the investee companies in which it had acquired a direct or indirect stake of more than 10%.

FINANCIAL STATEMENTS

APPENDIX IV REPORT OF THE BOARD OF DIRECTORS OF FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. ON THE PAYMENT OF AN INTERIM DIVIDEND OUT OF 2010 PROFITS

Pursuant to the terms of article 277 of the Revised Text of the Capital Companies Act, which stipulates that the Directors must provide an accounting statement demonstrating that there is sufficient liquidity to pay an interim dividend, it is hereby made known that:

1. At 31 October 2010, the profits earned by FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A., net of taxes, totalled EUR 92,700 thousand.
2. The cash-flow, net of taxes, generated by the Company during the first ten months of fiscal year 2010 was EUR 155,800 thousand.
3. The Company's cash balance at 31 October 2010 was EUR 242,510 thousand which demonstrates that there is sufficient liquidity, i.e., sufficient funds available to pay an interim dividend.

Therefore, considering that there have been no significant changes in the information, the Directors have determined that there is sufficient liquidity to pay an interim dividend of EUR 91,022 thousand against 2010 profits.

The number of shares entitled to receive a dividend payment is obtained by deducting the treasury stock at the time of the dividend payment from the 127,303,296 shares making up the share capital.

It is therefore proposed that the following interim dividend be approved for payment against FY 2010 profits:

Gross % of each share entitled to dividend payment	**71.5 %**
Gross dividend per share (€)	**0.715**

The Company will withhold any legally-mandated personal or corporate income tax from the gross dividend payment.

The Board unanimously resolves:

1. To approve the report of the Directors transcribed above and
2. To pay an interim dividend against 2010 profits in the amount indicated in the Directors' Report, to be paid on 4 January 2011, which will be duly announced.

Madrid, 16 December 2010

MANAGEMENT REPORT

FOMENTO DE CONSTRUCCIONES Y CONTRATAS S.A.

MANAGEMENT

MANAGEMENT REPORT

01. BUSINESS, EVOLUTION DURING THE YEAR AND DIVIDENDS

The Company's core business is to provide general services, which include mainly the collection and treatment of solid waste, the cleaning of public streets and sewer systems, the maintenance of green areas and buildings, water treatment and distribution and other complementary services. The Company also owns 99% of the unique Torre Picasso building and manages the rental of office and commercial space located in that building.

Fomento de Construcciones y Contratas, S.A. is the Parent of the FCC Group, which comprises a broad spectrum of Spanish and foreign subsidiaries and associates that engage in activities such as construction, urban cleaning and integrated water cycle services, car parks, street furniture, passenger transport, passenger and aircraft ground handling, logistics, cement, real estate, power, infrastructure management, etc. The reader is advised to see the Group's consolidated information for the most accurate reflection of the year's economic events.

The financial and economic information in this Directors' Report has been prepared pursuant to the terms of the Commerce Code and the Revised Text of the Capital Companies Act.

The figures in this report are expressed in millions of euros.

Company performance in 2010

Main aggregates	2010	2009	Variation Absolute	Variation %
Revenue	1,681.0	1,557.9	123.1	7.9%
Profit from operations	409.4	397.1	12.3	3.1%
Margin %	24.4%	25.5%		
Finance income (expense)	(198.4)	(116.6)	(81.8)	70.2%
Profit before taxes	211.0	280.5	(69.5)	-24.8%
Net profit /(loss)	200.0	254.9	(54.9)	-21.5%
Dividend per share (euros)	1.43	1.43		

Revenue increased in 2010 by 7.9% to EUR 1,681.0 million. This includes the dividends received from subsidiaries which totalled EUR 257.0 million, compared to EUR 176.4 million the year before.

Operating results totalled EUR 409.4 million, which represents a 3.1% increase over the previous year's figure of EUR 397.1 million.

Financial losses totalled EUR 198.4 million, which represents a 70.2% increase over the previous year's figure of EUR 116.6 million.

Net profit for the year was EUR 200.0 million, which is 21.5% less than the year before.

Dividends

The Board of Directors proposes the distribution of a complementary dividend of EUR 0.715 per share, representing 71.5% of the par value of the shares outstanding at the date of payment, and the allocation of the remaining profit to unrestricted reserves. Previously, on 4 January 2011, an interim dividend of EUR 0.715 per share was paid by resolution of the Board of Directors at the meeting held on 16 December 2010.

02. ACQUISITION OF TREASURY SHARES

At the end of 2010, Fomento de Construcciones y Contratas, S.A. held 3,182,582 shares of treasury stock representing 2.50% of the share capital valued at EUR 89,130 thousand.

At year-end, Asesoría Financiera y de Gestión, S.A. (Afigesa), a wholly-owned subsidiary of Fomento de Construcciones y Contratas, S.A. possessed 9,432,369 shares of Fomento de Construcciones y Contratas, S.A., which represented 7.4% of the registered share capital with a net carrying value of EUR 194,766 thousand.

According to article 148, part D of the revised text of the Capital Companies Act, the changes in the number of shares held during the year are detailed below.

	FCC, S.A.	Asesoría Financiera y de Gestión, S.A.	FCC Group
At 31 December 2009	3,182.582	6,131,961	9,314,543
Purchases or additions	—	3,302,013	3,302,013
Sales or disposals	—	(1,605)	(1,605)
At 31 December 2010	**3,182,582**	**9,432,369**	**12,614,951**

03. RESEARCH AND DEVELOPMENT

The FCC Group is an active participant in research, development and technological innovation activities. The Group's R+D+i activities extend to those aspects which are directly or indirectly related to the Group's business activities.

In the Servicies area, in the field of environmental services, work continued on a number of research products that had begun years before. For example, in the field of waste elimination, progress was made in the development of alternative fuels obtained from waste which are now being used in a number of processing plants (Salamanca, Vitoria); in the machinery sector, work continued on the development of a new collecting-compacting vehicle with a low forward cab, dual side loading and dual elevator, with independent press operation for the collection of recyclable waste.

New projects were also undertaken in different fields of research. As far as new machinery was concerned, work continued on three projects related to urban sanitation vehicles:

- Design and creation of a new 5.2 tn self-propelled chassis with a maximum width of 2 metre for hard-to-reach places, with a side loading mechanism for up to 3 containers, electrically propelled by an asynchronous AC engine current and special batteries.

The following projects were undertaken in the area of waste treatment:

- Bio+ Project: Although originally scheduled to begin in 2009, work did not actually begin on this project until 2010, which strives to optimize the eco-efficiency of the urban waste treatment process through the development of a model that makes it possible to monitor the different biomethanisation technologies on an industrial scale in addition to conducting a pilot test on thermal hydrolysis prior to anaerobic digestion.
- Project for the development of liquid fuel using a procedure that transforms waste containing organic carbon for applications in waste treatment plants. The waste is transformed using a low pressure catalytic conversion to obtain four types of liquid fuel (biodiesel, kerosene, naphtha and fuel oil) and a combustible gas similar to biogas.

In the Water sector in 2010, in keeping with the Company's strategic plans, the research and de development to obtain sustainable technologies focused on the following objectives:

- Quality (drinking water supply, re-use of wastewater, desalination and metering)
- Sustainability (reduced energy usage, use of sludge as a resource and alternative treatments)
- Comprehensive management (management systems, collection of resources and communications)

The most notable developments in the pursuit of these objectives were as follows:

- Work in progress
  - Technology for a membrane reactor (MBR) in Vigo. In collaboration with the University of Santiago de Compostela, 3R and the el Centro Superior de Investigaciones Científicas (CSIC).
  - Hybrid Bacilus System (HYBACS)/Moving Bed Biofilm Reactor (MBBR) technology for nutrient elimination (Ávila). In collaboration with Bluewater Bio.
  - Anaerobic Ammonium Oxidation technology (ANAMMOX) in Vigo. In collaboration with the Universities of Vigo and Santiago de Compostela.
  - Advanced Sludge Digestion (Loiola - San Sebastián). In collaboration with the Centro de Estudios e Investigaciones Técnicas de Guipúzcoa (CEIT) and Aguas del Añarbe.
  - Microalgae pilot plant (Arcos de la Frontera). In collaboration with the University of Cádiz, Iberdrola and Bio-Oil.
  - Sustainable sludge recovery (Salamanca). In collaboration with the Centro de Estudios e Investigaciones Técnicas de Guipúzcoa (CEIT) and the Universities of Valladolid and Salamanca.
  - Balanced Score Card (BSC) solution for customer management (Madrid).
  - Billing-CRM (Customer Relationship Management) solution in Madrid.
- UNE 166.002:2006 Certification (Unification of Spanish Standards). After successfully being audited by AENOR (Spanish Standardisation and Certification Association), in the month of December Aqualia received certification for its "Project Management and R+D+I System".
- Aqualia R+D+i Forum. In the month of November, Aqualia's Marketing and Communications Department organised this event to review the company's activities in the field of technological innovation and increase the level of communications with different public and private agents in relation to these activities. This forum was attended by representatives of Canal de Isabel II, Empresa Metropolitana de Abastecimiento y Saneamiento de Aguas de Sevilla (EMASESA), Asociación

MANAGEMENT REPORT

Tecnológica para el Tratamiento del Agua (ATTA), Universidad de Valladolid, Instituto Madrileño de Estudios Avanzados (IMDEA), and ITT (leading manufacturer of submersible pumps) as well as the Director of FCC's Innovation Management and members of Aqualia's R+D+i Work Group.

- New projects. In 2010, work got underway on two large-scale technological innovation projects focusing on the use of microalgae in wastewater treatment processes:
- "Algae to Biofuel" Project presented to the European Union's Framework Programme 7 (FP7).
- "Cenit Vida" Project presented as part of the National Strategic Consortia in Technical Research of the Centre for Industrial and Technical Development (CDTI).

Two new R+D+i projects also got underway in the field of **industrial waste**:

The first one is the "Marine-Fuel Research Project" in collaboration with the Azti-Tecnalia Technology Centre which will focus on conducting experimental tests with alternative fuels obtained from recycled oil for use by fishing fleets.

The other project which is being carried out in collaboration with the Technological Research Centre of the Innovarcilla Foundation seeks to determine the viability of reusing different types of waste in ceramic paste.

Versia continued to work on the **urban furniture** projects that had begun years before:

TEC-MUSA (Technologies for Sustainable and Accessible Urban Mobility) has undertaken the development of a series of technologies for incorporation into passenger and cargo vehicles in city settings with low or no emissions and advanced conditions of accessibility and communication with clients through a multidisciplinary consortium, association and research groups. In 2010, the following milestones were achieved in accordance with the plan submitted to the Ministry of Science and Innovation:

- Formation of the work groups for each one of the sub-projects.
- Preparation of technical reports.
- Justification, audit and presentation to the Ministry of the expenses incurred in 2009.
- Receipt of the grant for 2009.
- Detailed definition of the plans for each one of the sub-projects.
- Analysis of needs and definition of specifications.

The Ministry announced the end of the Singular and Strategic Projects which means that the project will cease to be subsidized before it has concluded, although an extension has been granted to March 2011 to complete the tasks budgeted in 2010.

EPISOL (Electric vehicles powered by fuel cell and solar energy): Project to develop a light urban vehicle featuring hybrid electric propulsion which, in the first phase, will be equipped with a heat engine and, in a subsequent phase, will have a highly-efficient and low-cost fuel cell, using solar power in both cases. Each model of the vehicle has a system that enables it to be connected to the electricity mains in order to recharge the battery. Thus, at the start of each journey the batteries are fully charged and the demands placed on the heat engine and/or fuel cell are greatly reduced.

The project is broken down into the following phases:

- PHASE 1. Bi-hybrid vehicles, standard configuration with MEP engine (gasoline combustion engine) + solar power: the thermal engine activates a generator that charges the batteries which supply power to the electric engine in charge of transmitting power to the drive shaft. Solar panels are included as an additional energy source and regenerative brake.
- PHASE 2. Tri-hybrid vehicle, series configuration: in this model, the vehicle has a thermal engine (MEP) and generator plus a hydrogen fuel cell that keeps the batteries charged, meaning that the thermal engine needs to be started less frequently. This model also includes the solar panels as an additional energy source and the regenerative brake.
- PHASE 3. Tri-hybrid vehicle, standard configuration: in this model, the MEP engine is replaced with a H2 (hydrogen) combustion engine. The rest of the components and functions remain that same as in phase 2.
- PHASE 4. Bi-hybrid vehicle, standard configuration: in the final version of this vehicles, the H2 combustion engine is eliminated and the fuel cell is replaced with a more powerful one. The fuel cell provides power to the batters and the electric traction engine. This model also includes the solar panels as an additional energy source and the regenerative brake.

In 2010 CEMUSA continued to collaborate with INSIA (University Institute for Automotive Research at the Universidad Politécnica de Madrid), conducting optimisation tests of the tri-hybrid energy management system and gathering data on actual usage conditions, obtaining satisfactory results on the approval tests which are currently awaiting administrative approval. This work has been certified as a R+D project.

MANAGEMENT REPORT

The prototype was presented at the International Ecological Automobile and Sustainable Mobility Show.

Forthcoming objectives include increasing battery capacity and moving forward with the subsequent phases defined in the project plan.

C-CYCLES: Development of an unattended bicycle hire system. The system functions with smart cards and features payment by credit card. Internet connection. The project responds to the need for sustainable urban mobility promoting multi-modal transport. The following milestones were achieved in 2010:

- Conclusion of the basis development of the system:
  - Management programme and database
  - Control units for derbi and terminal. Software and communications
- Solar-powered light station
- Commencement of pilot testing

Pilot testing will be completed in 2011 at which time the final plans will be launched. Work is ongoing on other features: power bikes, solar energy.

LED ILLUMINATION PROJECTS: The LED illumination projects which aim to reduce energy consumption and, therefore, greenhouse gas emissions. Parallel to the LED illumination projects, studies are being performed relating to the reduction of light pollution. Having achieved the first objective of using just 28% of the energy of fluorescent lighting, we are now working to reduce that consumption to 16%.

PHOTOVOLTAIC SOLAR ENERGY PROJECTS: Development of a photovoltaic solar power system that includes the development of a solar photovoltaic system which, together with illumination using LEDs, will allow greenhouse gas emissions to be reduced to zero and in certain cases to reduce network connection costs. The following work was completed in 2010:

- "Poste bus" prototypes and development of bus stop hoardings with semi-translucent solar panels and electronics
- Conclusion of NY bus hoarding project
- Development of light station for solar bikes.

Research continues into flexible cells with the idea of making the system more efficient.

DIGITAL ADVERTISING PROJECTS: The aim is to implement a digital advertising system incorporating LCD screens and the technology required for them to be viewed properly outdoors. Must be equipped with an effective heat evacuation system. The following work was done in 2010:

- Installation and commissioning of LCD screens for a project to digitalise the rear and sides of 8 newsstands in NYC.
- Definition of a project to digitalise the rear and crowns of newsstands on Las Ramblas in Barcelona using LED screens.

The following projects were carried out in 2010 in the Logistics sector:

VOICE PICKING: New voice recognition technology for order preparation. The development phase is over. The technology has been tested with satisfactory results and now is in full use.

PLV: A computer tool for covering the new market channel of promotional materials for pharmaceutical laboratories. The tool was successfully implemented in 2010.

CONTROL PANEL: Development of a software tool for extracting statistical data which improves the management and productivity of the Consumer Unit. The tool was 80% operation in 2010 and is expected to be fully operational in the first half of 2011.

APPOINTMENT SCHEDULING: A customised software programme developed to manage the new customs activity, "Customs Inspection Point". The tool is intended to support Customs Officials in the container inspection process. It has been fully operational since July 2010.

In the **Conservation and Systems**, the Company focused its efforts on the development of the AVANZA technology platform, to which a number of services were added for the shadow toll highways and tunnels projects. The most important milestones achieved in relation to the AVANZA software included:

- Multi-tunnel user interface.
- Advanced integrated DAI services
- Integration of dynamic weighing subsystem.
- Video verification software.
- Advanced incident management.
- Advanced management of the tunnel operation manual.

In field equipment, both functional features and electronics have been improved.

The **Airport Handling** sector focused on the development of the Groundstar tool to optimise process planning and control in the aeronautics sector which will replaced the current

MANAGEMENT REPORT

"handlnet" system. This new system is much more versatile, can communicate with other systems and adds resources management tools which the previous system did not have.

It includes the following modules:

- Flight programming manager (Seasonal FIP)
- Human resources planning
- Shift management
- Billing modules that includes the CRM module (contracts, control of services rendered and billing) and SAP interface

In 2010, plans were devised to implement the same project in Belgium.

For the year 2011 there are plans to begin the implementation in the first half of 2011 and a second phase that will begin in October 2011 and end in May 2012.

During the first phase, the current system, Handnet, will be replaced and the rest of the modules will be implemented in the second phase.

FCC Construcción, S.A. and its subsidiaries, aware of just how important activities of this Investigation, Technology, Development and Innovation are to maintaining a competitive edge in the market and to continuously improving the quality of their work, have implemented policies that actively promote research, development and technological innovation.

In keeping with this, FCC Construcción, S.A. participates in the European Construction Technology Platform, the E2B Association (Energy Efficient Buildings), the ENCORD Group (European network of construction companies which promotes research and development efforts) and the Spanish Construction Technology Platform. The aim of these organisations is to bring research centres, universities and industry together to work side-by-side on research, development and technological innovation projects.

Noteworthy among the projects carried out in 2010 are the following:

ARFRISOL, for the development of bioclimatic architecture and solar energy.

OLIN, which studies the qualities and treatment of embankment and subgrade materials for the construction of sustainable linear works.

URBAN TUNNELS, a project that researches new methodologies for analysing, designing and building tunnels in urban areas.

CLEAM, which focuses on clean, efficient and environmentally-friendly construction.

EXPLOSIVES, which investigates the conditions for designing and building terminal parking garages at risk of terrorist attack.

DAMAGES TO BRDIGES, which conducts low-cost dynamic tests for maintaining bridges subjected to uncontrolled environmental loads using wireless sensors.

CEMESFERAS, which researches vitreous spherical microparticles with cementing properties.

BALI, which focuses on acoustically efficiency and health buildings.

RS which researches sustainable building renovation.

DEPÓSITOS, which is designing a system for the storage of bitumen modified with unused tyres for plants that make hot asphalt mix.

ECORASA, which researches new ways to reuse construction and demolition debris on the same construction as fill material for sewer trenches.

VITRASO, which diagnoses the predicts sound transmission paths in construction.

In 2010, the management of the **Cementos Portland Valderrivas** Group continued to promote the research of new products with enhanced added value and/or new markets. As a result, eight new cements have been developed with highly competitive advantages such as shorter hardening times, resistance to adverse external conditions, lower impact of the production process on the the environment and the ability to neutralise certain pollutants.

In 2010, the Group's R+D+i Department received public grants for eight research projects, most focusing on the development of new materials. The number of projects which competed for and received public financing broke was record-setting for CPV in terms of both the quantity and quality of the financing obtained.

The benchmarking for cement factories which began in 2009 continued in 2010 with the analysis of technical and management aspects which need to be monitored continuously by the company in order to make improvements.

Corporate Engineering and the Operations Department have brought about significant fuel savings in most of the cement factories by replacing petcoke with fuels derived from waste.

The Innovation Management Department was created in 2010 with the mission of coordinating the innovation function within the **FCC Group** and optimising the public funding available for this.

Agreements have been signed with a number of public and private research centres to reinforce FCC's commitment to innovation.

In 2010, AENOR certified the FCC Group's activities according to UNE 166002.

04. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

Financial risk refers to changes in the value of financial instruments contracted by the Group due to political, market and other factors, and the effect of such changes on the consolidated balance sheet. The FCC Group's risk management philosophy is consistent with its business strategy, as it strives for maximum solvency and efficiency at all times. In that regard, the Group has set out stringent financial risk management and control criteria for identifying, measuring, analysing and controlling the risks faced in the course of FCC's operations. This risk policy is correctly integrated into the Group's organisational structure. In keeping with the risk control policy, hedging transactions arranged by the FCC Group are not speculative but, rather, aim to cover the transaction risks.

In order to adopt the optimal position for the Group's interests, it implements an active risk management policy; it constantly monitors the market and adopts positions depending mainly on the asset being financed. Given the nature of the Group's activities, closely linked to inflation, its financial policy consists of ensuring that both its current financial assets, which to a large extent provide natural hedging for its current financial liabilities, and the Group's debt are partially tied to floating interest rates. Even so, the FCC Group performed interest rate hedging transactions, ending the year with various hedging instruments of varying maturities. In compliance with the policy of classifying original instruments as hedges, the FCC Group has arranged interest rate hedges, mainly swaps (IRSs), in which the Group companies pay a fixed interest rate and receive a floating rate.

As a result of the FCC Group's positioning in international markets, it is exposed to exchange rate risks in its net foreign currency positions with respect to both the euro and other foreign currencies when the investment and financing of an activity cannot be arranged in the same currency. The FCC Group's general policy is to mitigate, as far as possible, the adverse effect on its financial statements of exposure to foreign currencies, with regard to both transactional and purely equity-related changes. The FCC Group therefore manages the effect that foreign exchange risk can have on both the balance sheet and the income statement.

The Group actively manages its foreign exchange risk by arranging financial transactions in the same currency as that in which the related asset is denominated. In that regard, the Group strives always to finance its activities in the local currency as this creates a natural hedge between cash flows and financing. However, this is occasionally not possible where the currency of the country of origin of the investment is weak and long-term financing cannot be obtained in that currency. In these cases, financing is obtained either in the currency of the consolidated Group or in the most closely-related foreign currency.

The FCC Group operates in various markets in order to obtain the financing it needs, thereby mitigating liquidity risk. Despite the adverse situation reigning in the financial markets throughout 2010, the FCC Group has remained extremely well positioned and has anticipated any potential adversity by paying close attention to trends in those factors that may help to resolve liquidity shortfalls in the future and to the various sources of financing and their characteristics.

MANAGEMENT REPORT

05 OUTLOOK FOR 2011

Set forth below are the prospects for 2011 for the various lines of business composing the FCC Group. The construction and services backlog as of 31 December 2010 , which amounted to EUR 35,309 million, guarantees the continuation of a high level of activity over the coming years.

Generally speaking, the **Services** area will see almost all of its economic and financial variables affected in 2011 by the general economic crisis, particularly in Spain. On the contrary, the outlook for the International area calls for a significant upturn starting in 2012.

Strict cost reduction policies continued in 2010 and will continue in future fiscal years.

In the **Environmental** sector, despite the current stagnation, the group expects a level of activity in 2011 similar to that seen in 2010 which will allow it to maintain its current market share with investments levels that are expected to be similar to the previous year.

The main objective is to maintain the most significant contracts already in place, which will entail certain renewals and extensions in an attempt to grow in the field of solid urban waste treatment and elimination.

As mentioned above, in the **International** arena, business is expected to pick up starting in 2012.

In the United Kingdom – where the Group has been operating in the waste collection and urban sanitation sector through Focsa Services UK since 1989 – with the acquisition of WRG in 2006 the Group has become one of the leading operators in the sector. Significant growth is expected in new, complementary activities, particularly PFIs (Private Financing Initiatives). The portfolio of contracts of this kind is expected to growth throughout 2011.

The Allington incinerator is in the process of resolving certain technical problems which will improve the plant's performance and bring it to full operating capacity in 2011.

In the **Industrial Waste** sector, the downward trend of recovery material prices continues albeit with a certain improvement in the volumes processed. Therefore, the positive evolution seen in the final months of 2010 is expected to continue and to become even more significant at the end of 2011 or early 2012.

An important contract got underway in Spain in 2010 which involves the decontamination of soil in at the Flix reservoir in Tarragona. Noteworthy on the international front is the remediation of contaminated soil in Siracusa (Italy). All of this has resulted in significant growth in this sector compared to the year before.

The group's presence in the US in the business of waste derived from the gas and oil industry is expected to grow in 2011 through the companies FCC Environmental, International Petroleum Corp. and Apex. Work will also begin in 2011 on a new project for refining used oil in oil-based lubricants.

In Italy, the work that began in the month of December to decontaminate polluted soil in Syracuse will continue next year.

In Portugal, more than 80,000 tn of contaminated soil will be cleaned up through the subsidiary Ecodeal thanks to a recently awarded contract.

In Spain, work will commence on four new projects:

- Treatment of unused tyres on the Canary Islands
- Recovery of foundry waste and conversion into iron and steelwork aggregate for Arcelor Mittal in Guipúzcoa
- Conclusion of the construction and operation of a new controlled dump for non-hazardous industrial waste in Cantabria through the subsidiary Iacan
- Finally, toward the 4th quarter of the year, implementation of a plant in Cataluña for waste recovery plant and conversion into alternative fuel for the Corporación Uniland cement company.

In the **Water Sector**, Aqualia continues to be the leading full-service water operator in the Spanish market. At the same time, Aqualia has continue to reinforce its international presence through a geographical diversification strategy that was first implemented four years ago.

In 2011, given the generalised economic crisis in Spain, household water consumption is expected to remain flat while industrial consumption and new business will see a decline. On the other hand, the company's presence in consolidated regions of the international market has and will continue to allow it to minimise the impact of the Spanish crisis by getting a foothold in new markets as they gradually open up and allows companies with expertise to resolve their historical problems with the management of this resource.

Throughout 2010, the Company was awarded a number of lucrative international contracts, including one for the construction of an aqueduct and water supply system in San Luís de Potosí (Mexico) and another for the construction and operation of a treatment plant with a capacity of 250,000m3/day in Cairo (Egypt). Another notable international achievement was the agreement reached with the European Bank for Reconstruction and Development (EBRD) to form a joint investment vehicle with Aqualia in order to bid on projects related to the water cycle in countries falling within the

MANAGEMENT REPORT

catchment area of the EBRD and to jointly study potential investments in the companies that currently manage the water systems in those countries.

In the domestic market, the company has been awarded a number of new contracts and renewed or extended others with different municipalities; moreover, in keeping with its diversification policy, the company has begun providing related services to athletic facilities such as: Reception and customer care services, cleaning, maintenance, consulting and management of indoor swimming pools in Vendrell, (Tarragona) and management of sporting activities with the construction of the Water and Health Centre in San Lorenzo de El Escorial (Madrid). The Company has also entered into or renewed service agreements with irrigation associations such as: Contract for the supply of irrigation water and maintenance of irrigation facilities for the Vingalis Irrigation Association (Tarragona) and renewal of the operation, conservation and maintenance agreement with the Garrigues Irrigation Association (Lérida).

In the international market, the Company was awarded two new contracts in Portugal: A water supply, sanitation and water treatment contract in Cartaxo and a water supply and sanitation contract in Fundao. Aqualia Infraestructuras was awarded a contract to modernise the filtering system at the Los Berros water treatment plant in Cutzamala (Mexico) and a contract to build Candelaria water treatement plant in Chile.

At the beginning of 2011, the order book for the Service Area totalled EUR 25,325 million which is equivalent to almost seven years of production.

For 2011, Versia foresees a slight decline in earnings as a result of the sale in December 2010 of the companies pertaining to the Vehicle Inspection business and the assets associated with the underground parking business in, both part of the asset rotation policy defined by the FCC Group. This decline in earnings will be attenuated to a large extent by expected increases in: Urban Furniture in both the domestic and international markets thanks to the recovery taking place in the sector and the increases in advertising spaces installed in New York; and in the Conservation and Systems sector thanks primarily to new sewer maintenance contracts.

Profit margins will suffer the effects of the sale of the assets mentioned above, since the profit margins they contributed were higher than average for the Area, despite a significant increase in the profits generated in the Urban Furniture area due to increase sales and in the Logistics area due to the cost-containment policies implemented in recent years and new lines of business.

In the Construcción area, the turnover in 2011 from domestic business will be lower than in 2010 due to the stagnation of residential construction caused by the real estate crisis and budget restrictions in the public sector that will affect civil engineering work.

To offset the weakness of the domestic markets, companies are focusing heavily on international business, as a result of which the revenues obtained from international business are expected to by higher in 2011 than they were in 2010.

The company's international business is handled primarily through the Alpine group of companies based in Austria which operates in numerous Central and Eastern European countries and is supplemented with the American market business which is handled through investee companies operating primarily in Central America and Mexico.

The order book in the construction area at the beginning of 2011 was EUR 9,984 million.

In the Cement area, the world economy is clearly in the recovery stages, albeit with different geographical areas and countries recovering at different rates, following the economic crisis that began at the end of 2008. As far as the situation and specific problems of western economies and emerging countries are concerned, it is believed that the US could take a bit longer to achieve stable growth, but because of the flexibility of its economy it is likely to once again play a leading role in the recovery of world economic growth.

Europe in general and the European Union in particular are also in the process of consolidating their economic growth, albeit with sharper differences between countries. The problems with sovereign debt and their implications for the stability of the euro are going to condition and limit these economies' ability to grow.

Overall, the evolution of the world economy in general and that of the European Union in particular will enable the Spanish economy to grow more than originally expected due to the strong performance of foreign demand.

With this outlook for 2011, the sales forecast for the Cement area will depend to a large extent on the economic recovery in the United Stated and Spain. Both the North American and Spanish cement markets are at historical minimums, although the deceleration process began to see some relief towards the end of last year. Renewed market stability will result in a stabilisation of prices, with upward pressure due to rising costs. These forecasts are in line with what both Oficemen and the Portland Cement Association (PCA) of the United States are saying.

Once the political situation in Tunisia is stabilised the good results obtained in 2010 can be maintained.

As a continuation of the Plan 100+, which saw stated objectives achieved a year in advance, the Area will now launch the 2011 Excellence Plan focused in increasing EBITDA and generating cash. To do so, the area will continue the policy of reducing

MANAGEMENT REPORT

recurring costs but with greater emphasis on new sources of corporate revenue with the development of new types of cements with higher margins, among other initiatives. Investments in the different business areas will remain at 2010 levels, with priority being placed on the investments in energy recovery technology (CO2-energy costs) and occupational safety.

Following the acquisitions in 2008 and 2009 in the photovoltaic (20 MW in production), wind (420.7 MW in production) and thermosolar (49.9 MW under construction) areas, in 2010 FCC Energía continued to implement the 2010 strategic plan (PLAN 10), following the guidelines set out by the FCC Group. Specifically, this implementation took the form of:

- Construction and operation of a 49.9 MW thermosolar power plant in the province of Córdoba which is scheduled to be completed in the first quarter of 2011.
- Award of 99 MW in the wind power public tender sponsored by the Autonomous Community of Cataluña which is currently in the initial stages.
- Award of 48 MW in the wind power public tender sponsored by the Autonomous Community of Galicia which is currently in the initial stages.
- Presentation of offers for Zone C for 155 MW in the wind power public tender sponsored by the Autonomous Community Aragón; currently awaiting final decision.

In 2011, the immediate objectives of FCC Energía are:

- Presentation of offers for zones D and E in the wind power public tender in Aragón, competing for 79.2 and 100 MW of power, respectively.
- As part of Phase E of the aforementioned public tender, the company is also seeking authorisation to install 9.30 MW of power at the Valdeconejos plant owned by S.E. ABADÍA.
- Commencement of energy efficiency activities.
- Continuation of the activities to develop the MWs awarded in the Cataluña and Galicia public tenders in addition to any MWs awarded in Aragón.

It is the intention of FCC Energía to analyse opportunities for growth in the renewable energy sector as they arise, either by taking part in new projects or by presenting bids for new power contracts in Spain, Eastern European EU member countries and the United States. All of these geographical areas have two common denominators: they offer the legal safeguards necessary to commit to medium term investments and their governments have expressed a political will to promote the development of renewal energies.

06. ADDITIONAL INFORMATION IN COMPLIANCE WITH ARTICLE 116.BIS OF THE STOCK MARKET ACT 24/1988 OF 28 JULY ACCORDING TO THE WORDING CONTAINED IN LAW 6/2007 OF 12 APRIL

a) The capital structure, including the securities not listed on an EU regulated market, if any, of the different classes of shares and, for each class of shares, the rights and obligations conferred and the interest percentage in capital they represent

The share capital of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. is established at ONE HUNDRED AND TWENTY-SEVEN MILLION THREE HUNDRED AND THREE THOUSAND TWO HUNDRED AND NINETY-SIX (127,303,296) euros, represented by ONE HUNDRED AND TWENTY-SEVEN MILLION THREE HUNDRED AND THREE THOUSAND TWO HUNDRED AND NINETY-SIX (127,303,296) fully subscribed and paid shares of EUR 1 par value each, all of the same class and series and represented by book entries. Each share carries the right to one vote.

b) Restrictions on the transferability of securities

There are no bylaw restrictions as to the transferability of the shares other than those established in the Revised Text of the Capital Companies Act.

c) Significant direct and indirect holdings in capital

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.L. is controlled by B 1998, S.L. This company owns 59,871,785 shares directly (47.031%) and 8,653,815 shares indirectly (6.798%, through its subsidiary AZATE, S.A.), representing 53.829% of the share capital.

MANAGEMENT REPORT

The Royal Bank of Scotland Group PLC owns 4,330,938 shares indirectly, representing 3.402% of the share capital, through:
- The Royal Bank of Scotland PLC with 4,323,586 shares (3.396%).

d) Restrictions on voting rights

There are no restrictions on voting rights.

e) Shareholders agreements

Parties to the shareholder agreement	% of share capital affected	Brief description of agreement
Doña Esther Koplowitz Romero de Juseu	52.483	Relevent event of 30/07/2004
		www.cnmv.es (See note).
Doña Esther Koplowitz Romero de Juseu	52.483	Relevent events of 13/01/2005
		www.cnmv.es (See note).
Doña Esther Koplowitz Romero de Juseu	52.483	Relevent events of 13/01/2005
		www.cnmv.es (See note).
Doña Esther Koplowitz Romero de Juseu	52.483	Relevent events of 19/07/2007
		www.cnmv.es (See note).
Doña Esther Koplowitz Romero de Juseu	52.483	Relevent events of 26/12/2007
		www.cnmv.es (See note).
Doña Esther Koplowitz Romero de Juseu	53.829	Relevent events of 04/02/2008
		www.cnmv.es (See note).
Doña Esther Koplowitz Romero de Juseu	53.829	Relevent events of 12/07/2010
		www.cnmv.es (See note).

NOTE: On 30 July 2004, the acquisition of a portion of the ownership interest of EK in B 1998, S.L. by Inversiones Ibersuizas, S.A., Inversiones San Felipe, S.L., Cartera Deva, S.A. and the French Peugeot family through the company Simante, S.L. was published on the CNMV website as a Significant Event.

On 13 January 2005, the agreement between Dominum Dirección y Gestión, S.A., Sole-Shareholder Company (wholly-owned by Esther Koplowitz Romero de Juseu) and Larranza XXI, S.L. (belonging to the Bodegas Faustino group) to transfer a portion of the former's minority stake in B 1998, which directly and indirectly owns 52.483% of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. to the latter was reported as a significant event.

Also on 13 January 2005, the agreement between Dominum Dirección y Gestión, S.A., Sole-Shareholder Company (wholly-owned by Esther Koplowitz Romero de Juseu) and Inversiones Ibersuizas, S.A., Inversiones San Felipe, S.L., Ibersuizas Holdings, S.L., Cartera Deva, S.A., Arzubi Inversiones, S.A. and EBN Banco de Negocios, S.A. for the "transfer to the latter of a minority interest held by the former in B 1998, S.L., which directly or indirectly holds 52.483% of the share capital of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A." was published as a Significant Event.

On 19 July 2007, "the modifying novation of the shareholders agreements of B 1998, S.L., which did not modify the total direct and indirect ownership interest of Esther Koplowitz Romero de Juseu in B 1998, S.L., the agreements between the parties relating to the management of B 1998, S.L. or, indirectly, of Fomento de Construcciones y Contratas, S.A. or any provision relating to the control of the two companies" was published as a Significant Event.

On 26 December 2007, "the reorganisation of the ownership interests in B 1998, S.L. whereby Esther Koplowitz Romero de Juseu, through the wholly-owned company DOMINUM DIRECCIÓN Y GESTIÓN, S.A., executed a purchase and sale agreement with IBERSUIZAS HOLDINGS, S.L., effective 30 January 2008, for 10.55% of the share capital of B 1998, S.L., holder of 52.483% of the share capital of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.", was published as a Significant Event.

The price of the transfer amounted to EUR 381.5 million, thereby attributing a value of EUR 55.94 per share to the underlying FCC shares. This transaction, performed at the request of Esther Koplowitz, who thus increased her ownership interest in FCC, implies the divestment by the Ibersuizos Group of its holding in B 1998, S.L. (and consequently in the FCC Group). Ibersuizas Holdings, S.L. ceased being party to the shareholders' agreement regulating the relationships between shareholders of B 1998, S.L. On the same date, 30 January 2008, Ibersuizas Holdings, S.A. resigned from the board of directors of B-1998, S.L. and Ibersuizas Alfa, S.L. resigned from the board of directors of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.

A regulatory disclosure was published on 4 February 2008 announcing Esther Koplowitz's acquisition of Ibersuizas Holding's stake in B1998, S.L., FCC's main shareholder (53.829%). This agreement was reached on 24 December 2007.

MANAGEMENT REPORT

The following relevant event was published on 12 July 2010: "Businesswoman Esther Koplowitz has reached an agreement with Simante, S.L. to acquire the latter's stake in the B-1998 S.L. for 88 million euros.

Under the agreement, Simante will transfer its shares in B-1998 to Dominum Dirección y Gestión S.A. The transaction, which accounts for 5.7% of B-1998's share capital, will take place in the month of September".

Following this transaction, the shareholder structure of B 1998, S.L. stands as follows:

Esther Koplowitz (directly or indirectly): 89.65%

Eurocis, S.A. 5.01%

Larranza XXI, S.L. 5.34%

Total 100.00%

Noteworthy in the aforementioned Significant Events are the main agreements reached by Esther Koplowitz and the Investors regarding the control of the companies (FCC and B 1998, S.L.) since the respective acquisitions:

- Mrs. Esther Koplowitz will continue to control B 1998, S.L. and therefore Azate, S.A. and FCC.
- The Board of Directors of B 1998 S.L. shall be made up of twelve directors and the Investors taken as whole shall be entitled to appoint a maximum of four directors but under no circumstances may they appoint more than one-third of the Board of Directors of B 1998 S.L.
- Mrs. Esther Koplowitz shall in all cases be entitled to appoint the majority of the members of the Board of Directors of FCC and its subsidiaries. As a group, the Investors may appoint up to three members but never more than one-third of the total Board of Directors of FCC.
- Mrs. Esther Koplowitz shall be entitled to appoint the Chairman of the Board of Directors and the Chief Executive Officer of FCC and at least two-thirds of the members of the Executive Committee.
- The pay-out of FCC shall be a minimum of 50%.

A series of agreements were reached between Esther Koplowitz and the investors aimed at protecting the latter's' investments in B 1998, S.L. in their position as minority shareholders, as follows:

RELATING TO B 1998, S.L:

In relation to B 1998, S.L., and without prejudice to the fact that, as a general rule, resolutions (of the shareholders at their Assembly or of the Board of Directors) are subject to the approval by a simple majority of the holders of the share capital, certain special situations are excepted for which the approval must be agreed:

- Amendments of the bylaws which lead to the transfer abroad of the registered office, changes in the company object or capital increases or reductions unless these transactions are imposed by operation of law or, in the case of capital reductions, they are performed through the acquisition of shares of B 1998 S.L. owned directly or indirectly by Esther Koplowitz or Dominum Dirección y Gestión, S.A., by B 1998 S.L. for the retirement thereof, or are performed through the retirement of B 1998, S.L. shares owned directly or indirectly by EK or by Dominum Dirección y Gestión, S.A. with a charge to reserves, to which according to bylaw and non-bylaw provisions only Esther Koplowitz is entitled;
- Transformations, mergers or spin-offs of any nature or the global assignment of assets and liabilities;
- The dissolution or liquidation of B 1998, S.L;
- The waiver of pre-emption rights in capital increases and the exclusion of shareholders;
- Any modification of the system used to manage B 1998, S.L.;
- The establishment or modification of the dividends policy agreed by the Investors with respect to the statutory and non-statutory rights associated with the shares owned by the Investors;
- The disposal or encumbrance in any manner of any material assets of B 1998, S.L. and specifically FCC shares or shares of any other companies that B 1998, S.L. holds or may hold in the future;
- Any increase in annual overheads exceeding the amount recognised in the company's balance sheet at 31 December 2003 plus the annual general CPI growth and plus two percentage points. This calculation excludes the remuneration received by B 1998, S.L. as a director of FCC ("FCC Board remuneration") and the remuneration earned by the members of the Board of Directors of B 1998, S.L. to the extent that they do not exceed the remuneration of the directors of FCC;
- The granting or maintenance of powers of attorney that permit the disposal by any means of FCC shares;

- The arrangement of borrowings for B 1998, S.L. and the obtainment or granting of guarantees for more than a total of EUR 500,000;
- The creation or acquisition of directly-owned subsidiaries (excluding, in all cases, FCC subsidiaries) or the acquisition of ownership interests in other companies than those currently held by B 1998, S.L.

RELATING TO FCC:

In relation to FCC and without prejudice to the fact that, as a general rule, resolutions (of the shareholders at their Assembly or of the Board of Directors) are subject to the approval by a simple majority of the holders of the share capital, certain special situations are excepted for which the approval must be agreed:

- Amendments of the bylaws which lead to the transfer abroad of the registered office or capital increases or reductions, unless these transactions are imposed by operation of law.
- The change of the company object to the extent that it implies the inclusion of activities that are not related or linked to the construction, services, cement or real estate lines of business.
- Transformations, mergers or spin-offs of any nature
- Mergers of FCC Construcción, S.A., Cementos Portland Valderrivas, S.A. and FCC Servicios, S.A. whereby B 1998, S.L. no longer indirectly holds more than 50% of the voting rights of the post-merger entity.
- The disapplication of pre-emption rights in capital increases.
- Any modification of the management system.
- The disposal, encumbrance or acquisition in any manner of any material FCC assets outside the Company's object or of any material assets included in the company object of FCC with a total or combined value of at least EUR 700,000 thousand (increased annually in line with CPI growth) or any significant modification of the current structure of the FCC Group or of assets which represent more than 10% of the Group's consolidated assets.
- Any transactions that may involve or represent a change in the equity of FCC of over 20% or over 10% of the FCC Group's consolidated assets.
- The granting of powers permitting the disposals, encumbrances or acquisitions of any manner described above. However, this does not limit in any manner the right of Esther Koplowitz to appoint and remove the Chief Executive Officer of FCC.
- The arrangement of borrowings for FCC and the obtainment or granting of guarantees by FCC (excluding, in all cases, guarantees relating to the ordinary course of business and project finance arrangements) which in total exceed 2.5 times the EBITDA per the latest consolidated income statement of FCC.

If Esther Koplowitz and the Investors were unable to reach an agreement for the adoption of resolutions relating to the aforementioned special situations, the required measures would be taken to maintain the pre-existing situation.

For additional information, please consult the full text of the shareholders' agreements which are available on the CNMV website as Regulatory Disclosures dated 30 July 2004, 13 January 2005, 19 July 2007, 26 December 2007, 4 February 2008 and 12 July 2010.

Full information relating to the shareholders agreements is posted on the website at www.fcc.es.

f) Rules applicable to the appointment and replacement of the members of the administrative body and the amendment of the Company's bylaws

The related provisions are the Board Regulations, which in Chapter IV on the Appointment and Removal of Directors establishes the articles applicable to the appointment and removal of the members of the Board of Directors:

Article 16. Appointment, confirmation and re-election of Directors:

The proposals for the appointment or re-election of directors that the Board of Directors submits to the shareholders at the General Assembly for their consideration and the resolutions regarding appointment adopted by the Board by virtue of the powers of cooptation statutorily attributed to it must concern persons of renowned integrity and solvency with the appropriate technical qualifications and experience and shall be approved by the Board following a proposal made by the Nomination and Remuneration Committee, in the case of independent directors, and based on a prior report of this Committee, in the case of the other directors.

As soon as the General Assembly call notice is published, the Board of Directors must post on its website the following information on the proposed candidates for appointment or confirmation as directors:

(i) The candidate's professional profile and biography

(ii) Other Boards of Directors of which he/she is a member, irrespective of whether the company in question is listed or not

MANAGEMENT REPORT

(iii) The category of director, as applicable, stating, in the case of proprietary directors, the shareholder at whose request they have been appointed, re-elected or with whom they have ties;

(iv) Date of his/her first appointment as Company director and also dates of subsequent appointments;

(v) Company shares and derivative financial instruments for which the Company's shares are the underlying held by the director whose office is to be confirmed or who is to be re-elected, or who is the candidate that is to take office as director for the first time. This information shall be kept updated.

The Secretary of the Board of Directors shall provide each new director with a set of the Company's bylaws, these Regulations, the Internal Rules of Conduct, the latest consolidated and individual financial statements and directors' report approved by the shareholders at the Annual General Assembly, the auditors' reports relating thereto and the latest economic and financial information reported to the market. The Secretary shall also inform new directors of the names of the present auditors and their contact persons.

All directors must sign a receipt with respect to this documentation, agreeing to familiarise themselves with it and to faithfully fulfil their obligations as director..

The Company shall establish guidance programmes to enable directors to gain quick and adequate knowledge of the Company and its Group and also of the rules of corporate governance. It shall also offer refresher programmes on such information when the circumstances call for it.

Article 17. Appointment of independent directors

The appointment of independent non-executive directors shall be restricted to persons that satisfy the conditions indicated in Article 6.2. a) of these Regulations.

Without prejudice to remaining on the Board of Directors, a director who has had this status for an uninterrupted period of 12 years may not hold office as an independent director. However, following a favourable report from the Nomination and Remuneration Committee, the Board may propose to the shareholders at the General Assembly that the director maintains his/her classification as independent even though the aforementioned circumstance is met.

Article 18. Term of office

1. Directors shall hold office for the period established in the Company bylaws, which in no case may exceed six years, notwithstanding their re-election to office.
2. The directors appointed by co-optation will hold office until the next General Assembly is held. This period of time will not count toward the term established in the preceding paragraph.
3. Directors whose mandates expire or who cease to sit on the Board for any reason may not render services to FCC competitors for two years.
4. The Board of Directors, at its discretion, may waive or reduce this limitation for outgoing directors."

Article 19. Re-election Directors.

Before any re-election of directors is submitted for consideration to the shareholders at the General Assembly, the Nomination and Remuneration Committee must issue a report appraising the quality of work and dedication to the position in the preceding term of office of the proposed directors.

Article 20. Removal of Directors

1. Directors shall vacate office when the term for which they were appointed has elapsed or when the shareholders at the General Assembly, by virtue of the powers attributed to them by law or in the bylaws, so resolve.
2. The directors must tender their resignation to the Board of Directors and officially resign at the Board's request in the following cases:
   a) When they vacate the positions or offices or cease to perform the functions that were associated with their appointment as executive directors.
   b) In the case of proprietary directors, where the shareholder at whose request they were appointed transfers in full the ownership interest held in FCC or where such interest is reduced to a level that requires a reduction in the number of proprietary directors.
   c) When they are affected by any situation of legal incompatibility or prohibition.
   d) When the Board itself requests the director's removal, with the majority vote of at least two-thirds of its members:
      - When they have been seriously admonished by the Board for failing to perform their obligations, after a prior proposal or report from the Nomination and Remuneration Committee, or
      - When their permanence on the Board may jeopardise the Company's credibility and reputation, and directors must inform the Board of any criminal charges against them and any subsequent events during trials. In any event, should any directors be prosecuted or an order to

commence trial be issued against them for any of the corporate offences specified in Article 124 of the Spanish Companies Law, the Board shall examine the case at its earliest convenience and, in view of the specific circumstances, shall decide whether or not the directors should present their resignation, providing reasoned disclosure thereon in the Annual Corporate Governance Report.

3. The Board of Directors may not propose the removal of any independent directors before the period established in the bylaws for their appointment has elapsed, except where there is just cause, in the opinion of the Board, following a prior report from the Nomination and Remuneration Committee. Specifically, it shall be deemed that there is just cause where directors fails to discharge the duties inherent to their position or they are subject to any of the circumstances described in Article 6.2.a of these Regulations, whereby they are barred from appointment as independent directors.

4. When as a result of their resignation or for some other reason directors vacate their position before their term of office has concluded, they shall explain the reasons in a letter submitted to all the members of the Board. Directors' vacation of office shall also be disclosed in the Annual Corporate Governance Report as a significant event, together with the reasons therefore. Particularly, where the directors' resignation is due to significant or repeated resolutions adopted by the Board, on which the directors have expressed serious reservations and as a result thereof have opted to resign, this circumstance shall be expressly stated in the letter addressed to the other members of the Board.

The rules for amending the Company's Articles of Association are set forth in Article 17 of that document:

Article17. The General Meeting

The ordinary and extraordinary General Assembly shall be considered validly convened when: On the first Assembly date announced, when the shareholders present or represented possess at least fifty percent of the share capital with voting rights. On the second Assembly date called, the General Assembly shall be considered validly convened when the shareholders present or represented possess at least forty-five percent of the share capital with voting rights.

In order for the General Shareholders' Assembly to validly decide on bond issues, capital increases or decreases, transformations, mergers and spinoffs and, in general, any amendment to the Articles of Association, shareholders possessing at least fifty percent of the share capital with voting rights must be present or represented at the Assembly on the first announced date. On the second announced Assembly date, shareholders possessing forty-five percent of the share capital will suffice.

When the shareholders in attendance or represented on the announced Assembly date account for less than fifty percent of the subscribed capital with voting rights, resolutions may only be validly passed with the favourable vote of two-thirds of the share capital present or represented at the Assembly.

g. The powers of the members of the Board of Directors and in particular, those relating to the possibility of issuing or repurchasing shares

A) Baldomero Falcones Jaquotot, as the Chairman and Chief Executive Officer, is vested with the following powers:

To open and close accounts.- To open and close all manner of demand deposits, savings accounts or term deposits, at official or private banks, including the Bank of Spain, savings banks and other credit or financial institutions. To acquire, alienate, cancel and pledge certificates of deposit. To hire and cancel safe deposit boxes at banks and other financial institutions.

To draw on accounts.- To sign cheques, acquire banking cheques, buy and sell foreign currencies, order transfers, money transfers and payments and, in any manner, withdraw amounts from demand deposits and other accounts in official and private banks, including the Bank of Spain, savings banks and other credit or financial institutions.

To route payments through bank accounts.- To make standing orders for payments, bills, bills of exchange and other trade notes in any kind of accounts at official or private banks, including the Bank of Spain, savings banks and other credit or financial institutions.

To arrange credit facilities and loans.- In his capacity as borrower, to arrange credit facilities, loans and financial discounts, secured or unsecured with progress billings or invoices for works and services performed, as well as any other personal guarantee, with official or private banks, including the Bank of Spain, savings banks and other credit or financial institutions and also with any individual or legal entity, establishing the interest, terms, fees, covenants and conditions he may freely stipulate. To receive and repay in full or in part the amount of such loans or credit facilities and, in connection therewith, to postpone, divide and amend conditions subsequent. To modify, renew and repay fully or partially the aforementioned credit facilities or loans and, as a means of documentation, to sign the related policies and agreements and accept, issue or endorse, as the case may be, bills of exchange and other documentation that may be required. To request, arrange, modify and cancel the opening of any manner of simple or documentary letters of credit.

MANAGEMENT REPORT

Credit facilities and loans as lender.- In his capacity as lender, to arrange credit facilities and loans, secured or unsecured with personal guarantees or security interests, establishing the interest, terms, fees, covenants and conditions he may freely stipulate and in connection therewith to postpone, divide and amend conditions subsequent. To modify, renew and repay fully or partially the aforementioned credit facilities or loans and, as a means of documentation, to sign the related policies and agreements and accept, issue or endorse, as the case may be, bills of exchange and other documentation that may be required. To request, arrange, modify and cancel the opening of any manner of simple or documentary letters of credit.

To endorse certificates.- To endorse or pledge to official or private banks, including the Bank of Spain, savings banks and other credit or financial institutions, progress billings for construction work or services performed and that should be received by the state, autonomous community governments or bodies, provincial governments, island councils, municipal councils or joint local authority bodies or any other public or private entity.

To pay amounts into all manner of accounts.

To make collections.- To collect accounts receivable, irrespective of their amount, origin or nature, from the state, autonomous community governments, provincial governments, island councils, municipal councils, or joint local authority bodies or any other public or private individual or legal entity, signing the related receipts or letters of payment, for full amounts or amounts delivered on account, and also to receive amounts in the form of repayable advances.

To make assignments of trade receivables (factoring).

To make collections by means of documents made out to the Company.- To collect accounts receivable, irrespective of their origin or nature, from the state, autonomous community governments, provincial governments, island councils, municipal councils, or joint local authority bodies or any other public or private individual or legal entity, signing the related receipts or letters of payment, for full amounts or amounts delivered on account, and also receive amounts in the form of repayable advances. This power may be exercised exclusively when the payment is made by cheque, promissory note, bill of exchange or any other trade note made out to the Company holding the account receivable or at its order.

To issue and negotiate trade notes.- To issue, draft, negotiate, endorse and collect bills of exchange, money orders and letters of instruction and to collect and endorse promissory notes, cheques and banking cheques, to prepare re-draft accounts and demand protests or the control of the aforementioned trade notes.

To request statements.- To request statements of accounts from official or private banks, including the Bank of Spain, savings banks and other credit or financial institutions.

To approve statements.- To approve or contest statements of accounts of official or private banks, including the Bank of Spain, savings banks and other credit or financial institutions.

To arrange surety bonds for the principal.- To request and arrange surety bonds for the Company, as principal, with official or private banks, including the Bank of Spain, savings banks and other credit, financial or insurance entities through the provision by the latter entities of guarantees, bonds, surety bonds, rights in rem and other guarantees.

To provide surety bonds and guarantee the Principal and its investees.- To request and arrange surety bonds for the principal and also guarantee its investees with official or private banks including the Bank of Spain, savings banks and other credit, financial or insurance entities, through the provision by the latter entities of technical bonds, i.e. guarantees relating to contracts (provisional or final bonds), guarantees in the form of certificates for the procurement of machinery in project contracts or for the provision of services or supplies, signing such documents as might be freely stipulated between them for such purpose.

To accept trade notes and sign promissory notes.- To accept bills of exchange and other trade notes and to sign promissory notes.

To make and withdraw deposits.- To provide all manner of guarantees, provisional and final deposits in cash, securities, sureties, acknowledged or any manner of receivables to secure contracts, bids or tenders at the General Deposit Agency and at any of its offices and also at any state, autonomous community government or body, provincial government, island council, municipal council or joint local authority body or other public or private entity, including individuals. To replace redeemed securities with any others. To receive the amount of the coupons relating to such securities. To request the return of provisional and final sureties, guarantees and deposits, withdrawing both the cash and the sureties, the guarantees and securities deposited, receiving the interest earned on such guarantees and deposits and to discharge them and, as appropriate, to sign receipts, payment orders and such other public and private documents as may be appropriate in each case.

To make payments.- To pay any amounts that are owed, demanding receipts, letters of payment and the appropriate slips. To assign the management of invoice payments to credit institutions (reverse factoring).

To make bids and take part in tenders.- To bid and take part in all manner of auctions, tenders, price-based invitations to tender and any other class of tender

MANAGEMENT REPORT

that may called. To make the appropriate bids for such purpose, even jointly or jointly and severally with other bidding entities, whether they be individuals or legal entities, as well as economic interest groupings (EIGs) or joint ventures or any other type of association.. To sign such public or private documents as may be required, including plans, projects and any other relating to the bid or tender.

Representation at the opening of sealed envelopes at tenders – To attend acts at which bids are opened in connection with any class of tender called by public or private entities, whether they be individuals or legal entities and also to submit to the Board of the contracting body or entity such claims, reservations or observations as he sees fit and to sign the related documents that are issued.

To enter into agreements for the execution of projects, the provision of services and the sale of supplies.- To enter into agreements, assign them, amend them, terminate them and, if appropriate, rescind them with any public or private individual or legal entity, the state, autonomous community governments, provincial governments, island councils, municipal councils or joint local authority bodies, provided that the subject-matter of such agreements is the execution or provision, by the principal, of all manner of projects, services, supplies and also agreements of any type relating to concessions, leases and administrative arrangements. To accept all manner of awards made to the principal. To negotiate and agree to prices under dispute, changes or increases therein. To request the final settlement of such agreements.

Laying out ground plans of projects.- To be present at the verification of ground plans and at the delivery of provisional or final works, irrespective of their nature and the contracting entity, be it a public or private individual or legal entity, the state, autonomous community government, provincial government, island council, municipal council, or joint local authority or individual, signing such documents as may be necessary or advisable and making the representations and expressing the reservations that he deems fit.

To buy and enter into agreements.- To enter into agreements, to amend, terminate and, as the case may be, to rescind the acquisition and supply of materials or fixtures, the provision of services and also the execution of all manner of projects or portion thereof and the provision of services by third parties.

Water, electricity and telephone supplies.- To arrange the supply and connections for water, gas, electricity and telephone with the utilities companies.

Insurance.- To arrange, amend, surrender, pledge, terminate, rescind and settle all classes of insurance, signing the policies and contracts with the insurance companies in the conditions deemed appropriate and to receive from the insurance companies the compensation that may be applicable.

Authorisations for international trade.- To make all manner of applications to official bodies to request concessions, permits or licences on imports and exports, without any limitation, and in connection with such concessions, permits and licences, to file documents, appear at procedures and proceedings, receive notices and file appeals.

To receive correspondence.- To receive all manner of correspondence, the documents of declared-value items, money transfers and packages. To collect goods, packages, letters or any other manner of remittance from the customs and carrier and railway companies, making the relevant claims, where appropriate.

To sign correspondence.- To sign postal, telegraphic or any other manner of correspondence.

To issue certificates.- To issue appraisal reports and progress billings for projects or services performed.

Collective bargaining.- To negotiate and sign collective labour agreements, irrespective of their scope.

Industrial relations.- To open work centres, hire, amend, renew, terminate and, as the case may be, rescind employment contracts, setting with the employees the financial, working and any other manner of conditions deemed appropriate. Sign the related employment contracts. Initiate disciplinary proceedings and adopt the appropriate measures. Perform all manner of formalities, dealings and actions and procedures with the Ministry of Employment, Social Security offices, employment offices, trade unions and other bodies, filing and signing such submissions, requests and documents as may be required. Have dealings with the employment inspectors in any proceeding or review conducted by or filed with them.

Employment proceedings.- To appear before the labour courts, the higher courts of justice, the National Appellate Court, the Supreme Court or any administrative or court body in employment-related matters. Hold conciliation hearings, with or without settlement. Settle matters or differences, file requests, documents and submissions, as claimant or defendant, empowering him expressly to answer interrogatories and ratify them in such procedures and investigations as may be required in this respect and to take such other steps as he deems fit.

To develop and divide properties into lots.- To develop and divide properties into lots, request the approval for subdivision plats and newly built estates, the segregation and re-grouping of land lots and to accept them and, in general, to take part in all procedures envisaged under the Land and Urban Planning Law and supplementary legislation and in the municipal bylaws. To assign by any means real estate for development purposes. To set boundaries and mark limits, make

MANAGEMENT REPORT

property groupings, segregations and divisions. Request registrations, entries for property features that are greater or lesser in reality than the description thereof and modifications of boundaries, new descriptions and all manner of registry entries. To apply for construction permits, to make declarations of new construction, construct buildings under condominium property arrangements or any other type of association, to set the ownership shares thereof and to draft the bylaws and regulations, if applicable. To divide common properties and accept awards.

Rights in rem on real estate properties.- To arrange, accept, amend, redeem and discharge mortgages, usufructs, annuities, easements and all manner of rights in rem on real estate properties.

To lease properties of third parties – In his capacity as lessee, to arrange the lease of all manner of properties, even where the lease cannot be registered at the Property Registry, and also to renew, assign, amend, terminate and, as the case may be, rescind the related agreements.

To lease properties.- To lease all manner of real estate properties, even where the lease cannot be registered at the Property Registry. To execute, renew, amend, terminate and, as the case may be, rescind the related agreements. To evict tenants and lessees.

Real estate finance leasing.- To enter into agreements, assign them, amend them, terminate them, and as the case may be, rescind them with any individual or public or private legal entity, provided the subject-matter of such agreements is the performance of finance lease transactions relating to real estate.

The purchase and sale of vehicles and movable property.- To purchase, sell, exercise the retrospective right of first refusal, exchange and, by any means, to acquire or alienate, simply or subject to conditions, with deferred price, received price or in cash, all manner of movable properties (except the purchase and sale of company shares) and vehicles, without exception. Pay or receive, as the case may be, the price of acquisitions or sales. Set up or accept rights in rem as security interest and express conditions subsequent on such movable properties or vehicles and, in the event of sale, to accept any manner of guarantees as might be provided to secure the deferred price of the sale of such movable properties and vehicles.

To determine, himself, freely and without any restriction or limitation whatsoever, the conditions under which the acquisitions, alienations and exchanges in question are to be carried out and, for the purposes in question, to take all manner of steps and perform all manner of formalities and acts at the traffic authorities, tax offices, municipal councils, customs and other public and private bodies, without exception.

To lease vehicles and movable properties of third parties.- In his capacity as lessee, to arrange the lease of all manner of vehicles and movable properties and also to execute, renew, amend, terminate and, as the case may be, rescind the related agreements.

To assign vehicles and movable properties on a lease basis.- To lease all manner of vehicles and movable properties and also to execute, renew, amend, terminate and, as the case may be, rescind the related agreements.

Finance lease of movable properties.- To enter into agreements, assign them, amend them, terminate them and, as the case may be, rescind them with any public or private individual or legal entity, provided that the subject-matter of such agreements is the performance of finance lease transactions relating to movable properties.

Rights in rem on movable properties.- To set up, accept, modify, redeem and discharge security interests, pledges, usufructs and all manner of rights in rem on movable properties.

To purchase credits and other intangible rights.- To purchase and, in any other manner, to acquire in a single payment or in instalments and in the conditions he deems fit, all manner of credits and other intangible rights, provided that such credits and rights are not represented by securities or securities registered in the book entry trading system.

Sale of credits and other intangible rights.- To sell, alienate, pledge and in any manner to encumber, transfer, in a single payment or in instalments, and in the conditions he deems fit all manner of credits and other intangible rights, provided that such credits and rights are not represented by securities or securities registered in the book entry trading system.

To form companies.– To form civil law partnerships and mercantile companies. To subscribe shares, debt securities and other equity interests and to pay out amounts in cash or in any assets.

To waive pre-emption rights on share issues, debt securities and other equity interests. To accept exchanges, conversions and redemptions. To approve, accept and amend bylaws and shareholders agreements relating to shareholder relationships or with respect to the company, which supplement, replace or modify the contents of the rights and obligations of the shareholders under the bylaws. To appoint, accept, waive, remove and replace positions of representation, administration, management, direction and that of attorneys, setting the authority in each case and appointing managers and members of the managing bodies and other offices, being able, as appropriate, to designate, remove and replace third persons as representatives of the principal company in the discharge of the duties of the office for which they were appointed.

To form joint ventures and other associations.- To form, renew, amend, alter the form of, dissolve and liquidate associations, economic interest groupings, joint ventures or any kind of associations. To subscribe shares and pay out amounts in cash or in any other assets. To waive pre-emption rights on share issues. To accept exchanges, conversions and redemptions. To approve, accept and amend bylaws and members agreements relating to member relationships or with respect to the association, which supplement, replace or modify the contents of the rights and obligations of the members under the bylaws. To appoint, accept, waive, remove and replace positions of representation, administration, management, direction and that of attorneys, setting the authority in each case and appointing managers and members of the managing bodies and other offices, being able, as appropriate, to designate, remove and replace third persons as representatives of the principal company in the discharge of the duties of the office for which they were appointed.

Representation before the governing bodies of companies and other associations.- To attend and vote at Annual, Extraordinary or Universal Assembly of shareholders, exercising all the rights and fulfilling all the obligations intrinsic to the status of shareholder. To approve or contest, as the case may be, company resolutions.

To attend and vote at Boards of Directors' Assembly, committees or any other managing bodies of companies, joint ventures, economic interest groupings or any other type of association, approving and contesting the resolutions adopted, as the case may be.

To discharge the positions and assignments for which he has been appointed on the governing boards of companies, joint ventures, economic interest groupings or any manner of association, exercising the rights and fulfilling the obligations intrinsic thereto.

Representation.- To represent the principal in proceedings, appeals, procedures and claims, irrespective of their nature or amounts, in dealings with the state, autonomous community governments or bodies, provincial governments, island councils, municipal councils or joint local authority bodies, courts, tribunals, the public prosecutor's office and, in general, any other jurisdiction, and thereat to institute, monitor, follow through to completion, as claimant, defendant or in any other capacity, all manner of proceedings, acts of settlement, hearings and civil, criminal, administrative, economic-administrative and judicial review proceedings, of a governmental or tax nature and at all levels and jurisdictions. To lodge petitions and bring actions and exercise exceptions in whatsoever proceedings, processes and appeals, including cassation appeals and other extraordinary appeals. Where required, to give personal confirmation and to respond to interrogatories and, in general, to carry out such court and out-of-court actions as may be supplementary to the proceeding in hand. To file and desist from filing appeals to the state, autonomous community governments or bodies, provincial governments, island councils, municipal councils or joint local authority bodies or any public or private corporations or bodies, that in any way violate or may violate the principal's rights, making such representations and executing such documents as may be required in exercising such powers. To appear before all manner of entities and before them to sign and monitor such proceedings, submissions, petitions and documents as may be necessary.

Settlement.- To settle all manner of issues and differences and to discontinue actions and appeals, under the conditions, agreements and obligations deemed fit except for transactions entailing the acquisition or alienation of real estate properties or rights in rem. To agree, settle and give commitments in respect of all credits, rights and actions, disputes and differences.

Arbitration.- To submit the resolution of all manner of disputes and differences to arbitration. To execute the deed relating to the appointment of the arbitrators, establishing the matters to be submitted for resolution in the terms and conditions he deems fit. To accept the arbitral award that is handed down or to file legal appeals and, in general, to perform and grant whatsoever is permitted in matters of arbitration under current law.

To empower lawyers and court procedural representatives.- To grant powers of attorney to litigate or any special procedural powers he deems appropriate, including the powers of delegation, and to revoke them when he sees fit.

To accept the acknowledgement of debts and dation in payment – To accept the acknowledgment of debt by third parties and the guarantees that are offered and provided, whether they be pledges or security interests, mortgages or antichreses, or the award of movable or immovable properties, establishing in all cases the agreements, clauses and conditions he deems fit. To accept as payment of debts all manner of movable and immovable properties and rights at their appraisal value or at the value freely agreed and in the conditions he sees fit.

Attendance at creditors' Assembly.- As representative of the company and exercising all its rights, to attend the insolvency proceedings of its debtors, as provided for in Insolvency Law 22/2003, of 9 July, and particularly, to designate, in the event of the company itself being designated insolvency manager by a third of the creditors, a professional satisfying the legal conditions for his appointment by the insolvency judge, as provided for in Article 27 of the Law and to abide by the

MANAGEMENT REPORT

Assembly proposals and to attend insolvency creditors' Assembly in a speaking and voting capacity, accepting or rejecting the meetings' proposal and the guarantees offered to secure claims, in accordance with Articles 103, 108, 121 of the same Law. To take part in the implementation of the meeting's proposal and, as the case may be, in the insolvency liquidation. In general, for all the foregoing, to exercise the actions and rights that are appropriate therefore and the powers statutorily granted to the creditors.

To request notarial documents.- To request all manner of notarial documents. To bring proceedings of title, for resuming successive train of title, of release from charges and notarial documents of verification. To issue, accept and answer notarial notifications and demands. To execute deeds of clarification or rectification.

Tax returns.- To sign returns, details or any other forms relating to taxation or levies.

To buy securities.- To buy and, in any other manner, to acquire, by means of a single payment or in instalments and in the conditions he deems fit, treasury bills, debentures, bonds, company shares and securities. To evidence their acquisition and holding and to receive them. To make and submit representations.

To sell securities- To sell, alienate, pledge and, in any other manner, to encumber and transfer, by means of a single payment or in instalments and in the conditions he deems fit, treasury bills, bonds, company shares and securities. To convert, exchange and deliver them, to make representations and to file claims.

Purchase of treasury shares.- In compliance with the requirements of Article 75 and Additional Provision One of the Revised text of the Capital Companies Act and within the limits and under the conditions established by the shareholders at the General Assembly that authorised the transaction, to buy and in any manner to acquire treasury shares of the principal, in a single payment or in instalments.

Sale of treasury shares.- To sell, alienate, pledge and, in any other manner, to encumber and transfer treasury shares of the principal, by means of a single payment or in instalments and in the conditions he deems fit.

To guarantee and provide sureties for third parties- To guarantee and provide sureties for third parties and to such end provide, on behalf of the principal, all manner of guarantees including mortgage guarantees and security interests.

Purchase of real estate properties.- To purchase, to exercise the retrospective right of first refusal and, by any other means, to acquire, purely or subject to conditions, with deferred price (be it represented or not by bills of exchange), received price or in cash, all manner of real estate properties and rights in rem. To give and discharge the collateral he deems fit to secure deferred prices, including mortgages that encumber the acquired asset and express conditions subsequent or any combination thereof or other guarantees. With respect to the guarantees provided, to establish schemes for their discharge, automatically or unilaterally on the purchaser's part, to accept, modify and exercise purchase options on immovable properties and other rights in rem.

Sale of real estate units.- To sell, exchange or, by any means, to alienate, purely or under conditions, with deferred or received price or in cash, all manner of immovable properties and rights in rem. To accept the personal guarantees and collaterals that he sees fit to secure deferred prices, including pledges, mortgages and express conditions subsequent or any combination thereof or other guarantees. To collect the deferred price, to grant letters of payment and discharge such guarantees. With respect to the guarantees provided, to establish schemes for their discharge, automatically or unilaterally on the purchaser's part. To grant, modify and waive purchase options on immovable properties and other rights in rem.

Sale of real estate developments.- To sell residential properties, business premises, offices, storerooms, car parks and other real estate units, setting the prices, the manner of payment and the interest, as the case may be, that he deems appropriate.

Delegation of powers of attorney- To delegate the aforementioned powers of attorney fully or partially to the persons he sees fit. To limit, restrict or amend the contents of each of the powers in the cases and in the manner he deems necessary. To revoke powers that have been conferred, irrespective of the person or company body that granted them, even if they were granted by the Board of Directors, the directors or the Executive Committee, with the attorney retaining all and every one of the powers delegated to him.

MANAGEMENT REPORT

In connection with the possibility of issuing or repurchasing shares, in accordance with the aforementioned description, he may with his sole signature:

- sell and purchase treasury shares
- purchase and sell securities

B) The Director Felipe Bernabé García Pérez, as the Secretary General, has been vested with the following powers (non-delegation of powers):

Powers that require just one signature:

- Representation at tender openings
- Water, electricity and telephone service
- Foreign trade licenses
- Receives correspondence
- Signs correspondence
- Leases property from third parties
- In rem rights to movable property
- Incorporates companies
- Sets up joint ventures and other associations
- Represents the company before governing bodies of businesses and other associations
- Representation
- Transaction
- Arbitration
- Empowers attorneys
- Recognised debts and payments
- Attends Assembly of creditors
- Requests notarised instruments
- Files tax returns

Powers that required the signature of another person vested with the same powers:

- Purchases and contracts
- Insurance
- In rem rights to movable property
- Property leases
- Financial leasing
- Purchase and sale of vehicles and furnishings
- Leases vehicles and furnishings from third parties
- Lease vehicles and furnishings to third parties
- Financial leasing

h. Significant agreements concluded by the Company that may come into effect, may be amended or terminated in the event of a change of control in the Company as a result of a takeover bid and their effects, except when disclosure may have a serious adverse effect on the Company. This exception shall not apply when the Company is legally required to disclose this information

None.

MANAGEMENT REPORT

i. Agreements between the Company and its directors, management personnel or employees which provide for termination benefits when the latter resign or are dismissed without justification or if the employment relationship ends as a result of a takeover bid.

The Company has not established any pension plans to complement the social security pension benefits. In accordance with the amended text of the Pension Plans and Pension Funds Act, the company has outsourced its employee pension obligations, in the very few cases that obligation exist.

Prior approval of the Executive Committee, in the past an insurance policy was arranged and the premium paid to cover the payment of benefits relating to death, permanent occupational disability, retirement bonuses and pensions and other situations for, among other employees, certain executive directors and executives. In particular, the contingencies giving rise to indemnity are those that entail the extinction of the employment relationship for any of the following reasons:

a) Unilateral decision of the Company.

b) Dissolution or disappearance of the Parent for whatever cause, including merger or spin-off.

c) Death or permanent disability.

d) Other causes of physical or legal incapacity.

e) Substantial change in professional terms and conditions

f) Resignation of the executive on reaching 60 years of age, at the request of the executive and with the consent of the Company.

g) Resignation of the executive on reaching 65 years of age, by unilateral decision of the executive.

The company has subsequently offered certain executives, at the time of hiring, an indemnity clause which would take effect only if the employment relationship were cancelled unilaterally by the company before a minimum period of time has elapsed. Clauses of this nature are also contained in the contracts signed with the Chairman and CEO, with the approval of the Board of Directors.

AUDIT REPORT

AUDIT

Deloitte.

Deloitte, S.L.
Plaza Pablo Ruiz Picasso, 1
Torre Picasso
28020 Madrid
España

Tel.: +34 915 14 50 00
Fax: +34 915 14 51 80
www.deloitte.es

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Shareholders of
FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.:

1. We have audited the financial statements of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A., which comprise the balance sheet at 31 December 2010 and the related income statement, statement of changes in equity, statement of cash flows and notes to the financial statements for the year then ended. The Directors are responsible for the preparation of the Company's financial statements in accordance with the regulatory financial reporting framework applicable to the Company (identified in Note 2 to the accompanying financial statements) and, in particular, with the accounting principles and rules contained therein. Our responsibility is to express an opinion on the financial statements taken as a whole based on our audit work performed in accordance with the audit regulations in force in Spain, which require examination, by means of selective tests, of the evidence supporting the financial statements and evaluation of whether their presentation, the accounting principles and policies applied and the estimates made comply with the applicable regulatory financial reporting framework.

2. In our opinion, the accompanying financial statements for 2010 present fairly, in all material respects, the equity and financial position of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. at 31 December 2010, and the results of its operations and its cash flows for the year then ended, in conformity with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein.

3. The accompanying Directors' report for 2010 contains the explanations which the Directors consider appropriate about the Company's situation, the evolution of its business and other matters, but is not an integral part of the financial statements. We have checked that the accounting information in the directors' report is consistent with that contained in the financial statements for 2010. Our work as auditors was confined to checking the directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the Company's accounting records.

DELOITTE, S.L.
Registered in ROAC under no. S0692

Miguel Laserna Niño
28 February 2011

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.