Financial **statements**

Consolidated group

Consolidated balance sheet

Fomento de Construcciones y Contratas, S.A. and subsidiaries (consolidated group)

ASSETS		31/12/08		31/12/07
NON-CURRENT ASSETS		**11,831,837**		**13,582,328**
Intangible assets (Note 5)		3,300,189		3,263,438
Concessions (Note 7)	359,149		356,752	
Goodwill	2,556,385		2,551,272	
Other intangible assets	384,655		355,414	
Property, plant and equipment (Note 6)		6,109,483		6,120,890
Land and buildings	1,664,162		1,641,506	
Plant and other items of property, plant and equipment	4,445,321		4,479,384	
Investment property (Note 6)		263,919		2,335,502
Investments accounted for using the equity method (Note 8)		1,109,140		887,142
Non-current financial assets (Note 10)		457,827		501,335
Deferred tax assets (Note 18)		552,842		416,045
Other non-current assets		38,437		57,976
CURRENT ASSETS		**8,760,411**		**9,594,495**
Non-current assets held for sale (Note 14)		7,367		30,539
Inventories (Note 11)		1,575,256		2,685,863
Trade and other receivables		5,499,162		5,189,257
Trade receivables for sales and services (Note 12)	4,975,888		4,728,618	
Other receivables (Note 12)	472,269		454,699	
Current tax assets (Note 18)	51,005		5,940	
Other current financial assets (Note 10)		215,236		160,289
Other current assets		54,729		30,602
Cash and cash equivalents (Note 13)		1,408,661		1,497,945
TOTAL ASSETS		**20,592,248**		**23,176,823**

The accompanying Notes 1 to 28 and Appendixes I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2008

at 31 December 2008 (thousands of euros)

EQUITY AND LIABILITIES		31/12/08		31/12/07
EQUITY (NOTE 15)		**3,196,154**		**4,250,499**
Equity attributable to the Parent		2,546,907		2686,162
Shareholders' equity	2,952,670		2,773,301	
Share capital	127,303		130,567	
Retained earnings and other reserves	2,707,042		2,368,869	
Treasury shares	(118,926)		(325,332)	
Profit for the year attributable to the Parent	337,184		737,851	
Interim dividend	(99,933)		(138,654)	
Valuation adjustments	(405,763)		(87,139)	
Minority interests		649,247		1,564,337
NON-CURRENT LIABILITIES		**8,760,475**		**9,480,361**
Grants		65,928		61,768
Non-current provisions (Note 17)		821,429		871,107
Non-current financial liabilities (Note 16)		6,872,318		7,483,471
Debt instruments and other marketable securities	142,929		138,869	
Bank borrowings	6,037,627		6,790,457	
Other financial liabilities	691,762		554,145	
Deferred tax liabilities (Note 18)		1,000,004		1,062,282
Other non-current liabilities		796		1,733
CURRENT LIABILITIES		**8,635,619**		**9,445,963**
Current provisions (Note 17)		91,918		82,371
Current financial liabilities (Note 16)		2,224,890		2,639,936
Debt instruments and other marketable securities	745		477	
Bank borrowings	1,901,426		2,235,674	
Other financial liabilities	322,719		403,785	
Trade and other payables		6,302,732		6,641,763
Payable to suppliers	4,121,962		4,242,554	
Other payables	2,149,382		2,267,639	
Current tax liabilities (Note 18)	31,388		131,570	
Other current liabilities		16,079		81,893
TOTAL EQUITY AND LIABILITIES		**20,592,248**		**23,176,823**

The accompanying Notes 1 to 28 and Appendixes I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2008.

Consolidated income statement

Fomento de Construcciones y Contratas, S.A. and subsidiaries (consolidated group) at 31 December 2008 (thousands of euros)

	31/12/08	31/12/07
Revenue (Notes 21 and 22)	14,016,295	13,423,189
In-house work on assets	85,370	87,829
Other operating income (Notes 21 and 22)	375,119	101,713
Changes in inventories of finished goods and work inprogress	(61,412)	(5,603)
Procurements (Note 21)	(6,987,241)	(6,223,143)
Staff costs (Note 21)	(3,260,766)	(2,965,737)
Other operating expenses	(2,426,540)	(2,488,332)
Depreciation and amortisation charge (Notes 5 and 6)	(723,984)	(684,107)
Allocation to profit or loss of grants related tonon-financial non-current assets and other grants	7,013	3,827
Impairment and gains or losses on disposals of non-current assets	(80,012)	6,382
Other gains or losses	2,666	3,204
PROFIT FROM OPERATIONS	**946,508**	**1,259,222**
Finance income (Note 21)	109,061	107,568
Finance costs (Note 21)	(593,657)	(497,028)
Change in fair value of financial instruments (Note 21)	(15,573)	12,844
Exchange differences	1,182	(14,470)
Impairment and gains or losses on disposals of financial instruments (Note 21)	30,167	321,210
FINANCIAL LOSS	**(468,820)**	**(69,876)**
Results of companies accounted for using the equity method (Note 8)	12,641	62,957
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	**490,329**	**1,252,303**
Income tax (Note 16)	(94,294)	(332,211)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	**396,035**	**920,092**
CONSOLIDATED PROFIT FOR THE YEAR	**396,035**	**920,092**
Profit attributable to the Parent	337,184	737,851
Profit attributable to minority interests	58,851	182,241
EARNINGS PER SHARE (Note 15)		
Basic	€2.71	€5.76
Diluted	€2.71	€5.76

The accompanying Notes 1 to 28 and Appendixes I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2008.

Consolidated statement of changes in equity

A) Consolidated statement of recognised income and expense
Fomento de Construcciones y Contratas, S.A. and subsidiaries (consolidated group) at 31 December 2008 (thousands of euros)

		31/12/08		31/12/07
CONSOLIDATED PROFIT FOR THE YEAR		396,035		920,092
Income and expenses recognised directly in equity		(353,476)		(97,387)
Arising from revaluation of financial instruments	1,758		(26,701)	
Arising from cash flow hedges	(212,500)		(7,006)	
Translation differences	(184,085)		(117,009)	
Companies accounted for using the equity method	(60,595)		12,890	
Tax effect	101,946		40,439	
Transfer to profit or loss		(11,554)		(1,386)
Arising from cash flow hedges	(16,127)		(1,885)	
Companies accounted for using the equity method	(44)		-	
Tax effect	4,617		499	
TOTAL RECOGNISED INCOME/(EXPENSE)		**31,005**		**821,319**
Attributable to the Parent		28,197		658,255
Attributable to minority interests		2,808		163,064

Consolidated statement of changes in equity

B) Consolidated statement of changes in total equity

	SHARE CAPITAL (Note 15)	SHARE PREMIUM AND RESERVES (Note 15)	INTERIM DIVIDEND (Note 15)
EQUITY AT 31 DECEMBER 2006	**130,567**	**2,094,007**	**(130,191)**
Total income and expenses for the year			
Transactions with shareholders or owners			
Capital increases/(reductions)			
Distribution of dividends		268,619	(8,463)
Treasury share transactions (net)			
Increases/(Decreases) due to business combinations			
Other transactions with shareholders or owners			
Other changes in equity		6,243	
EQUITY AT 31 DECEMBER 2007	**130,567**	**2,368,869**	**(138,654)**
Total income and expenses for the year			
Transactions with shareholders or owners			
Capital increases/(reductions)	(3,264)		
Distribution of dividends		469,472	38,721
Treasury share transactions (net)		(206,289)	
Increases/(Decreases) due to business combinations			
Other transactions with shareholders or owners			
Other changes in equity		74,990	
EQUITY AT 31 DECEMBER 2008	**127,303**	**2,707,042**	**(99,933)**

The accompanying Notes 1 to 28 and Appendixes I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2008. In particular, Note 15 "Equity" explains this statement.

Fomento de Construcciones y Contratas, S.A. and subsidiaries (consolidated group) at 31 December 2008 (thousands of euros)

TREASURY SHARES (Note 15)	PROFIT FOR THE YEAR ATTRIBUTABLE TO THE PARENT (Note 15)	VALUATION ADJUSTMENTS (Note 15)	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	MINORITY INTERESTS (Note 15)	EQUITY
(9,263)	**535,511**	**(7,543)**	**2,613,088**	**747,298**	**3,360,386**
	737,851	(79,596)	658,255	163,064	821,319
				237	237
	(535,511)		(275,355)	(118,195)	(393,550)
(316,069)			(316,069)		(316,069)
				751,395	751,395
			6,243	20,538	26,781
(325,332)	**737,851**	**(87,139)**	**2,686,162**	**1,564,337**	**4,250,499**
	337,184	(308,987)	28,197	2,808	31,005
			(3,264)	113	(3,151)
	(737,851)		(229,658)	(117,986)	(347,644)
206,406			117		117
				(704,479)	(704,479)
				(59,775)	(59,775)
		(9,637)	65,353	(35,771)	29,582
(118,926)	**337,184**	**(405,763)**	**2,546,907**	**649,247**	**3,196,154**

Consolidated cash flow statement

Fomento de Construcciones y Contratas, S.A. and subsidiaries (consolidated group) at 31 December 2008 (thousands of euros)

		31/12/08		31/12/07
Profit before tax from continuing operations		490,329		1,252,302
Adjustments for		1,359,057		706,925
Depreciation and amortisation charge	723,984		684,107	
Other adjustments to profit (net)	635,073		22,818	
Changes in working capital		(459,374)		(370,384)
Other working capital flows		(284,673)		(336,750)
Dividends received	24,407		30,489	
Income tax recovered/(paid)	(268,816)		(367,432)	
Other collections/(payments) in operating activities	(40,264)		193	
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		**1,105,339**		**1,252,093**
Payments due to investments		(1,765,817)		(1,848,350)
Group companies, associates and business units	(578,039)		(410,994)	
Property, plant and equipment, intangible assets and investment property	(1,092,301)		(1,337,297)	
Other financial assets	(95,477)		(100,059)	
Proceeds from disposals		284,121		698,481
Group companies, associates and business units	59,900		587,437	
Property, plant and equipment, intangible assets and investment property	170,852		86,594	
Other financial assets	53,369		24,450	
Other cash flows from investing activities		(153,154)		177,661
Interest received	48,092		46,557	
Other collections/(payments) in investing activities	(201,246)		131,104	
TOTAL CASH FLOWS FROM INVESTING ACTIVITIES		**(1,634,850)**		**(972,208)**
Collections of shareholders' contributions		230		(315,877)
Issues/(repayments)	113		192	
(Acquisition)/disposal of treasury shares	117		(316,069)	
Proceeds and (payments) relating to financial liability instruments		1,384,807		1,091,925
Issues	2,843,692		2,548,219	
Repayments and redemptions	(1,458,885)		(1,456,294)	
Dividends and returns on equity instruments paid		(368,960)		(383,413)
Other cash flows from financing activities		(561,654)		(568,296)
Interest paid	(520,614)		(403,980)	
Other collections/(payments) in financing activities	(41,040)		(164,316)	
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES		**454,423**		**(175,661)**
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**(14,196)**		**(2,177)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(89,284)**		**102,047**
Cash and cash equivalents at beginning of year		1,497,945		1,395,898
Cash and cash equivalents at end of year		1,408,661		1,497,945

The accompanying Notes 1 to 28 and Appendixes I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2008.

Notes to the consolidated financial statements

Fomento de Construcciones y Contratas, S.A. and subsidiaries (consolidated group)
at 31 December 2008

Appendix

01. The FCC Group

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

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

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

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

— **Energy**: this area began operating at the end of 2008 and 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 highly active in the real estate business through the operation of the Torre Picasso building (wholly owned by the Parent) and its minority shareholding in Realia Business, which engages mainly in housing development and office rental both in Spain and abroad. The Group also operates infrastructure concessions (motorways, tunnels, marinas, railways, tramways and buildings for a variety of uses) mainly through its ownership interest in the Global Vía Infraestructuras Group.

Foreign operations, which represent approximately 42% of the FCC Group's revenue (35% in 2007), are carried on mainly in the European, US and Latin American markets.

02. Basis of presentation of the consolidated financial statements, basis of consolidation and accounting policies

a) Basis of presentation

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

The consolidated financial statements for 2008 were prepared from the accounting records of Fomento de Construcciones y Contratas, S.A. and of its investees. These records, determined in accordance with the local regulations referred to in the following paragraph, were adapted to IFRSs by each of the companies included in the scope of consolidation using the established operating procedures and systems that enable the consolidation process to be performed and supported in accordance with IFRS requirements.

With respect to local regulations, it should be noted that the companies resident in Spain are governed by Spanish accounting legislation which, as regards the accounting regulations applicable to individual companies, is based on Royal Decree 1514/2007 approving the new Spanish National Chart of Accounts and on the industry charts of accounts implementing the former Chart of Accounts, to the extent that they do not infringe current legislation.

The income tax expense is determined, pursuant to current Spanish tax legislation, on the basis of the profit calculated in accordance with Spanish accounting regulations, adjusted using certain accounting policies applicable for the sole purpose of obtaining the taxable profit for income tax purposes. 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. The consolidated financial statements of this Tax Group are prepared in accordance with current tax legislation.

The 2008 IFRS consolidated financial statements of the FCC Group were formally prepared by the Board of Directors of Fomento de Construcciones y Contratas, S.A. and will be submitted for approval by the shareholders at the Annual General Meeting. However, no changes are expected to be made to the consolidated financial statements as a result of compliance with this requirement.

In order to uniformly present the various items composing these consolidated financial statements, accounting standardisation criteria were applied to the individual financial statements of the companies included in the scope of consolidation. In general, in 2007 and 2008 the reporting date of the financial statements of the companies included in the scope of consolidation was the same as that of the Parent, i.e. 31 December.

In 2008, within the scope of the alternatives permitted by IAS 31 in respect of the consolidation of joint ventures, the Group changed the method for the jointly controlled entities from proportionate consolidation (used until 2007) to that of accounting for these entities using the equity method. Consequently, in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the 2007 financial statements presented for comparison purposes in the accompanying consolidated financial statements were restated and, therefore, they differ from those included in the 2007 statutory consolidated financial statements approved by the shareholders at the Annual General Meeting. The Group also restated all the comparative information contained in the accompanying consolidated financial statements. The consolidation method used by the FCC Group for jointly operated contracts, such as unincorporated joint ventures (UTEs), was the same as in previous years, i.e. proportionate consolidation.

In 2008 the FCC Group presented a consolidated statement of recognised income and expense for the first time as a result of the early application of the amendments to IAS 1. Pursuant to IAS 1, the Group prepared, for comparison purposes, the consolidated statement of recognised income and expense for 2007. This statement was not prepared for the 2007 consolidated financial statements approved by the shareholders at the Annual General Meeting.

The consolidated financial statements are expressed in thousands of euros.

b) Basis of consolidation

Subsidiaries

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

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

Goodwill is determined as indicated in Note 5 below.

Joint ventures

The Group participates in joint ventures through investments in companies controlled jointly by one or more FCC Construcción Group companies with other non-Group companies (see Note 8) and interests in unincorporated joint ventures (Spanish UTEs), joint property entities and economic interest groupings (see Note 9).

Through the application of the option provided for in IAS 31, the Group chose to account for the investments in jointly controlled entities using the equity method.

Jointly operated contracts, such as unincorporated joint ventures mainly in the construction and services areas, and joint property entities are included 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.

Associates

The companies listed in Appendix III, over which Fomento de Construcciones y Contratas, S.A. does not exercise control but does have significant influence, are 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, except in the case of the construction of assets for concession operators, as described in Note 7 below and in Note 21, "Revenue and Expenses", where reference is made to the recognition of results on the basis of the stage of completion in the construction activity.

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 scope of consolidation

Appendix IV shows the changes in 2008 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 3 to these consolidated financial statements ("Changes in the Scope of Consolidation") sets forth the most significant inclusions therein.

c) Accounting policies

The accounting policies applied in the FCC Group's consolidated financial statements are described in the respective notes to these consolidated financial statements; however, there are certain common accounting policies applicable to several headings in these consolidated financial statements which are described below:

Estimates made

In the Group's consolidated financial statements for 2008 and 2007, estimates were occasionally made in order to quantify certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- Distribution of the cost of the business combinations (see Note 3)
- The impairment losses on certain assets (see Notes 5 and 6)
- The useful life of the intangible assets and property, plant and equipment (see Notes 5 and 6)
- The measurement of goodwill (see Note 5)
- The amount of certain provisions (see Note 17)
- The assumptions used in the actuarial calculation of the post-employment benefit liabilities and obligations (see Notes 17 and 19).
- The fair value of the derivatives (see Note 24).

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

The FCC Group's consolidated financial statements were prepared so that they present fairly the Group's consolidated equity and financial position at 31 December 2008 and 2007 and the results of its operations, the changes in the consolidated equity and the consolidated cash flows in the years then ended.

Impairment testing of property, plant and equipment and intangible assets

Intangible assets with finite useful lives 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 lives must be tested for impairment at least once a year in order to recognise possible impairment losses.

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

The recognition or reversal of impairment losses on assets 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 inflows and outflows from financing activities and income tax payments, and the cash inflows and outflows arising from scheduled future improvements or enhancements of the assets of these cash-generating units. To discount the cash flows, a pre-tax discount rate was applied that reflects current market assessments of the time value of money and the risks specific to each cash-generating unit.

The estimated cash flows were obtained from projections prepared by management of each CGU including 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.

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.

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.

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.

d) Standards and interpretations issued but not yet in force

Standards and interpretations applicable in 2008

IFRIC 11 IFRS 2 - Group and Treasury Share Transactions and the amendments to IAS 39/IFRS 7, Reclassification of Financial Assets, became effective for the first time in 2008. The adoption of these new interpretations and amendments was taken into due consideration in the Group's consolidated financial statements.

Standards and interpretations issued but not yet in force

At 31 December 2008, the most significant standards and interpretations that had been published by the International Accounting Standards Board (IASB) but had not yet come into force, either because their effective date is subsequent to the date of the consolidated financial statements or because they had not yet been adopted by the European Union, were as follows:

		Obligatory Application in the Years Beginning on or After
Standards and Amendments to Standards:		
IFRS 8	Operating Segments	1 January 2009
Revision of IAS 23	Borrowing Costs	1 January 2009
Revision of IAS 1	Presentation of Financial Statements	1 January 2009
Revision of IFRS 3 (1)	Business Combinations	1 July 2009
Amendment to IAS 27 (1)	Consolidated and Separate Financial Statements	1 July 2009
Amendment to IFRS 2	Vesting Conditions and Cancellations	1 January 2009
Amendment to IAS 32 and IAS 1 (4)	Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009
Amendment to IFRS 1 and IAS 27 (4)	Cost of an Investment in a Subsidiary in the Separate Financial Statements of a Parent	1 January 2009
Amendment to IAS 39 (1)	Eligible Hedged Items	1 July 2009
Interpretations		
IFRIC 12 (1)	Service Concession Arrangements	(3)
IFRIC 13	Customer Loyalty Programmes	1 January 2009 (2)
IFRIC 14	IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2009 (2)
IFRIC 15 (1)	Agreements for the Construction of Real Estate	1 January 2009
IFRIC 16 (1)	Hedges of a Net Investment in a Foreign Operation	1 October 2008
IFRIC 17 (1)	Distributions of Non-Cash Assets to Owners	1 July 2009

1. Standards and interpretations not yet adopted by the European Union at 31 December 2008.
2. Date of obligatory application as approved in the Official Journal of the European Union.
3. This interpretation is awaiting endorsement. As announced by the EU's Accounting Regulatory Committee (ARC), it will foreseeably be approved for use in the EU with a new effective date which would defer obligatory application until 2010 (in theory the IASB had initially established 1 January 2008 as the effective date.)
4. Endorsed on 21 and 23 January, respectively.

The directors have assessed the potential impact of applying these standards in the future and estimate that their entry into force will not have a material impact on the consolidated financial statements

03. Changes in the scope of consolidation

The most noteworthy changes in the scope of consolidation in 2007 and 2008 were as follows:

Accounting for the Realia Business Group using the equity method

In 2007 the FCC Group obtained control of the Realia Business Group, which was therefore fully consolidated. Control of the Realia Business Group was obtained through the execution of certain agreements with Caja Madrid, the other reference shareholder of Realia Business, S.A. which, like the FCC Group, held an ownership interest of 49.17% prior to the flotation of the company.

These agreements are included in the Shareholder Agreement executed on 8 May 2007 which established, inter alia, the following:

a) Formation of the holding company RB Business Holding, S.L., owned 50% each by Fomento de Construcciones y Contratas, S.A. and Caja Madrid.

b) Contribution by the FCC Group and Caja Madrid of shares representing 25.50% of the share capital of Realia to RB Business Holding, S.L., as a result of which the latter held an ownership interest of 51% in Realia Business, S.A.

c) Appointment by the FCC Group of most of the directors and management of RB Business Holding, S.L. and Realia Business, S.A., without prejudice to the protection rights held by Caja Madrid and the mechanism for the resolution of deadlocks provided for in the aforementioned agreement. The protection rights are evidenced by the fact that certain matters require a supermajority in order to be validly approved.

On 6 June 2007, the public offering of Realia Business, S.A. was launched and its shares were admitted to listing on the Madrid, Barcelona, Valencia and Bilbao stock exchanges and included in the Spanish Stock Market Interconnection System. The shareholder agreements which modified the balance of the shareholder structure that had existed since the incorporation of Realia in 2000 were thus fully implemented.

In the aforementioned public offering, the FCC Group companies Fomento de Construcciones y Contratas, S.A., Corporación Financiera Hispánica, S.A. and Grucycsa, S.A. disposed of shares representing 21.52% of the capital of Realia Business, S.A., giving rise to gains before tax for the Group of EUR 258.5 million, as described in Note 21 ("Revenue and Expenses").

At the end of this process, Fomento de Construcciones y Contratas, S.A. and the subsidiaries Corporación Financiera Hispánica, S.A. and Grucycsa, S.A. owned a combined direct and indirect holding of 27.7% in Realia Business, S.A.

Consequently, the Realia Business Group was fully consolidated in the 2007 consolidated financial statements from 6 June, the date on which the FCC Group obtained control of this group by virtue of the aforementioned shareholder agreements, which were conditional upon the admission to listing of the Realia Business, S.A. shares.

Although this transaction implied the obtainment of control of the Realia Business Group, it remained outside the scope of IFRS 3 Business Combinations, since control was obtained exclusively through a contract, i.e. the aforementioned Shareholder Agreement. The transaction reference date for the purposes of asset valuation was 1 January 2000, the date on which the only exchange transaction took place, i.e. when the reference shareholders incorporated Realia Business, S.A. and contributed the aforementioned assets.

The detail of the assets and liabilities included in the FCC Group on full consolidation of the Realia Business Group at 6 June 2007, the effective date of implementation of the Shareholder Agreement, is as follows:

ASSETS	
Non-current assets	**2,115,620**
Investment property	1,888,605
Other property, plant and equipment	41,528
Intangible assets	1,006
Investments in associates	106,209
Non-current financial assets	70,363
Other non-current assets	7,909
Current assets	**1,546,861**
Inventories	1,361,561
Trade and other receivables	78,286
Other current financial assets	15,576
Cash and cash equivalents	91,438
Non-current assets classified as available for sale	**15,734**
TOTAL ASSETS	**3,678,215**

EQUITY AND LIABILITIES	
Equity	**705,607**
Minority interests	705,607
Non-current liabilities	**728,615**
Bank borrowings and other non-current financial liabilities	655,397
Non-current provisions	26,124
Other non-current liabilities	47,094
Current liabilities	**2,042,552**
Bank borrowings and other current financial liabilities	1,359,894
Trade payables and other current liabilities	677,054
Current provisions	5,604
TOTAL EQUITY AND LIABILITIES	**3,476,774**

ASSETS - LIABILITIES	201,441
Carrying amount of the FCC Group's investment in the Realia Group	201,441

The 2007 consolidated financial statements reflected the Realia Group's activities on the basis of the consolidation method used in each of the periods referred to above, i.e. from January to May profit after tax was accounted for using the equity method, whereas from June to December it was fully consolidated, and the various changes or flows for this seven-month period were included in the income statement and the cash flow statement.

In 2008, in view of the crisis, the financial management of the Realia Business Group took on additional importance as the main weapon to combat the significant drop in demand, excess supply and the international financial crisis, which had a highly adverse impact on the real estate market. In this context, priority was given to the financial management of the business over the shareholder agreement which gave the FCC Group control of the Realia Business Group and, therefore, a novation of the shareholder agreement was signed on 8 May 2007 and came into force on 31 December 2008, giving rise, inter alia, to the following amendments:

— The dissolution and liquidation of Realia Business Holding, S.L. whereby each of the parties is the direct owner of 50% of the shares of Business Holding, S.L., in addition to the ownership interests held by them in Realia Business, S.A.

— The shareholder agreement and the related novation shall be terminated after the dissolution of Realia Business Holding, S.L.

In addition to the novation agreement, on 29 December 2008 Fomento de Construcciones y Contratas, S.A., through the wholly-owned subsidiary Afigesa, S.A., signed a securities loan with a bank for 2.3% of the share capital of Realia Business, S.A., equivalent to 6,400,000 shares. The maturity may be determined by either of the parties or is otherwise established at 364 days and the associated value of the loan, secured by the shares, is EUR 10.6 million (EUR 1.8 per share). Under the loan agreement, Fomento de Construcciones y Contratas, S.A. also undertakes to pay the bank any cash distributed by Realia Business, S.A., and Fomento de Construcciones y Contratas, S.A. retains the voting rights and ownership of the shares.

In accordance with the foregoing, the Realia Business Group is accounted for in the accompanying consolidated financial statements using the equity method and the income and expenses for 2008 are fully consolidated.

The detail, by main heading, of the fully consolidated income and expenses in 2008 is as follows:

Revenue	402,298
Operating expenses	233,966
Profit from operations	50,794
Loss before tax	(40,501)
Loss after tax	(28,610)

Change in the consolidation method used for jointly controlled entities

On 13 September 2007, the International Accounting Standards Board (IASB) published Exposure Draft (ED) 9, which proposes to replace IAS 31 Interests in Joint Ventures with a new standard. The deadline for comments ended in 2008 and the new standard is expected to be approved by the IASB in 2009. The expected amendments include the elimination of the proportionate consolidation method as an alternative for jointly controlled entities.

In compliance with the alternatives offered by IAS 31, in 2008 the FCC Group opted to account for jointly controlled entities using the equity method rather than proportionate consolidation, the method it used until 2007. The equity method is a method of accounting, whereby an ownership interest is initially recorded at cost and adjusted thereafter for the post-acquisition changes in the venturer's share of net assets of the entity. The profit or loss for the year of the venturer includes the venturer's share of the profit or loss of the jointly controlled entity.

Also, the FCC Group considers that accounting for jointly controlled entities using the equity method contributes to a fairer presentation of the Group's equity and financial position since the main jointly controlled entities are managed by the FCC Group in a different manner from the subsidiaries, whose assets, liabilities, income and expenses are included in the consolidated financial statements and in whose day-to-day management the Group plays an active role. By contrast, the jointly controlled entities are managed in a similar way to associates, i.e. mainly through the Group's participation in the respective Boards of Directors and without direct influence in the day-to-day management and, therefore, the exclusion of their assets, liabilities, income and expenses provides a fairer presentation of the FCC Group.

As a result of this change in the consolidation method used for the jointly controlled entities, the Group restated the financial statements at 31 December 2007, which did not have any impact on the net profit for the year or on the equity attributable to the Parent.

The detail of the amounts that were restated as a result of the change in the consolidation method and which were proportionately consolidated in the information included in the approved financial statements for 2007 is as follows:

	2007 Restated	2007	Difference
Revenue	13,423,189	13,880,633	(457,444)
Profit from operations	1,259,222	1,299,378	(40,156)
Profit before tax	1,252,302	1,269,617	(17,315)
Current assets	9,594,495	9,858,876	(264,381)
Non-current assets	13,582,328	13,823,772	(241,444)
Current liabilities	9,445,963	9,677,470	(231,507)
Non-current liabilities	9,480,361	9,744,869	(264,508)

Most significant acquisitions

Accounting principles and policies

The acquired companies were included in the accompanying consolidated financial statements pursuant to IFRS 3 Business Combinations, the salient details of which are as follows:

a) 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.

b) On acquisition, the financial statements of the acquiree and its subsidiaries at the acquisition date are included in the Group.

c) The assets and liabilities of the acquirees 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.

d) The positive difference between the acquisition cost and the percentage share of the equity of the subsidiary, adjusted as a result of the recognition at fair value of the assets and liabilities net of taxes, is recognised as goodwill.

e) If control is obtained in a business combination by means of more than one transaction (e.g. through successive purchases), the goodwill arising from each transaction is treated separately and the reserves relating to the adjustment to fair value of previously held interests, at the date on which control is obtained, are recognised in equity.

Following is a detail of the acquisitions in 2008 and 2007, indicating the following data for each acquiree: name, 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.

2008

Financial Statements Included - Business Combinations	Hydrocarbon Recovery Service	International Petroleum Corp. of Delaware	SKY Sierresita Cortijo I	SKY Sierresita Cortijo II
Date of acquisition	March	March	September	September
% of ownership (nominal)	100%	100%	100%	100%
ASSETS				
Non-current assets	103,953	9,715	69,375	69,375
Property, plant and equipment	27,245	2,926	54,875	54,867
Intangible assets	76,708	6,789	14,500	14,508
Current assets	13,366	2,704	8,795	8,793
Inventories	3,212	553	-	-
Trade and other receivables	9,304	1,428	8,780	8,781
Other current financial assets	845	723	-	-
Cash and cash equivalents	5	-	15	12
TOTAL ASSETS	**117,319**	**12,419**	**78,170**	**78,168**
EQUITY AND LIABILITIES				
Equity	110,527	11,979	78,004	78,002
Non-current liabilities	1,826	-	-	-
Bank borrowings and other non-current financial liabilities	1,826	-	-	-
Current liabilities	4,966	440	166	166
Bank borrowings and other current financial liabilities	707	-	-	-
Trade payables and other current liabilities	4,259	440	166	166
TOTAL EQUITY AND LIABILITIES	**117,319**	**12,419**	**78,170**	**78,168**

Allocations at Fair Value	Hydrocarbon Recovery Service	International Petroleum Corp. of Delaware	SKY Sierresita Cortijo I	SKY Sierresita Cortijo II
ASSETS				
Property, plant and equipment	6,280	-	-	-
Intangible assets	5,441	-	13,897	13,910
TOTAL ALLOCATIONS TO ASSETS	**11,721**	**-**	**13,897**	**13,910**
TOTAL NET ALLOCATIONS	**11,721**	**-**	**13,897**	**13,910**

Goodwill	Hydrocarbon Recovery Service	International Petroleum Corp. of Delaware	SKY Sierresita Cortijo I	SKY Sierresita Cortijo II	Corporación Uniland Group
Cost of acquisition	110,527	11,979	78,004	78,002	135,635
Equity attributable to the Parent	(64,389)	(8,509)	(64,107)	(64,092)	(60,564)
Goodwill of the acquiree	13,408	1,743	-	-	-
DIFFERENCE ON ACQUISITION	**59,546**	**5,213**	**13,897**	**13,910**	**75,071**
Total net allocations	(11,721)	-	(13,897)	(13,910)	-
Allocation to goodwill on consolidation	47,825	5,213	-	-	75,071

Noteworthy with respect to the table above was the exercise of put options representing 6.29% of the capital of Corporación Uniland, S.A. under the agreement to purchase this company entered into by the Cementos Portland Valderrivas Group in 2006, which included an additional put option for the seller on 22.50% of the capital, exercisable over a five-year term. At 2008 year-end, options representing 8.18% of the capital had yet to be exercised.

As part of the Group's business plan, FCC Energía was incorporated with a share capital of EUR 4 million. This company is the head of the Group's energy area in which Sky Sierresita Cortijo I and Sky Sierresita Cortijo II were included.

With respect to the requirements of IFRS 3, had the business combinations been performed at the beginning of 2008, their effect on the Group's revenue and consolidated profit would not have been significant.

Also in 2008, within the framework of the agreements with Caja Madrid, 14 concession operators owned by the Group with a consolidated value of EUR 65,593 thousand were contributed to Global Vía Infraestructuras, S.A., the entity jointly controlled with Caja Madrid, giving rise to a gain for the year of EUR 14,699 thousand (see Note 22).

2007

Financial Statements Included - Business Combinations	**Gonzalo Mateo Group**	**Gen Air Handling, S.L.U. (*)**	**Nasozena, S.L.**
Date of acquisition	August	April	July
% of ownership (nominal)	100 %	100 %	75 %
ASSETS			
Non-current assets	25,542	6,649	55,215
Property, plant and equipment	1,788	217	55,215
Intangible assets	23,609	6,425	-
Non-current financial assets	145	3	-
Other non-current assets	-	4	-
Current assets	7,606	1,979	6,998
Inventories	1,493	-	5,835
Trade and other receivables	3,942	1,434	1,069
Other current financial assets	1,551	-	-
Cash and cash equivalents	620	545	94
Total assets	33,148	8,628	62,213
EQUITY AND LIABILITIES			
Equity	24,954	7,050	42,139
Non-current liabilities	4,774	47	5,546
Bank borrowings and other non-current financial liabilities	295	46	-
Other non-current liabilities	4,479	1	5,546
Current liabilities	3,420	1,531	14,528
Bank borrowings and other current financial liabilities	154	-	13,367
Trade payables and other current liabilities	3,266	1,531	1,161
TOTAL EQUITY AND LIABILITIES	**33,148**	**8,628**	**62,213**

These financial statements include the allocations at fair value and goodwill shown in the tables below:

Allocations at Fair Value	Gonzalo Mateo Group	Gen Air Handling, S.L.U. (*)	Nasozena, S.L.
ASSETS			
Property, plant and equipment	-	-	21,552
Intangible assets	14,714	3,298	-
Inventories	-	-	2,480
TOTAL ALLOCATIONS TO ASSETS	**14,714**	**3,298**	**24,032**
EQUITY AND LIABILITIES			
Other non-current liabilities (deferred taxes)	4,414	-	5,546
TOTAL ALLOCATIONS TO LIABILITIES	**4,414**	**-**	**5,546**
TOTAL NET ALLOCATIONS	**10,300**	**3,298**	**18,486**

(*) Absorbed by Flightcare, S.L. on 1 October 2007.

Goodwill	Gonzalo Mateo Group	Gen Air Handling, S.L.U. (*)	Nasozena, S.L.	Corporación Uniland Group
Cost of acquisition	24,954	7,050	31,609	126,690
Equity attributable to the Parent	(5,761)	(636)	(17,776)	(54,868)
DIFFERENCE ON ACQUISITION	**19,193**	**6,414**	**13,833**	**71,822**
Total net allocations	(10,300)	(3,298)	(18,486)	-
Allocation attributable to minority interests	-	-	4,653	-
Allocation to goodwill on consolidation	8,893	3,116	-	71,822

(*) Absorbed by Flightcare, S.L. on 1 October 2007.

With respect to the requirements of IFRS 3, had the business combinations been performed at the beginning of 2007, their effect on the Group's revenue and consolidated profit would not have been significant.

04. Distribution of profit

In 2008 the FCC Group paid dividends totalling EUR 368,960 thousand (2007: EUR 383,413 thousand), as shown in the accompanying cash flow statement, the detail being as follows:

	2008	2007
Shareholders of Fomento de Construcciones y Contratas, S.A.	265,054	265,071
Minority shareholders of the Cementos Portland Valderrivas Group	69,980	60,106
Minority shareholders of the Realia Business Group	31,995	55,254
Other minority shareholders of the other companies	1,931	2,982
	368,960	**383,413**

At the Annual General Meeting of Fomento de Construcciones y Contratas, S.A. held on 18 June 2008, the shareholders approved the distribution of the profit for 2007 through a total dividend of EUR 2.13 gross per share, equal to a total payment of EUR 274,232 thousand to the Parent's shareholders. The shareholders of Fomento de Construcciones y Contratas, S.A. received this amount through the payment of an interim dividend in January 2008 amounting to EUR 138,654 thousand (2007: EUR 130,137 thousand), equal to 106.5% gross of the par value of the shares, i.e. EUR 1.065 per share (2007: EUR 1 per share), and the payment of a final dividend in July 2008 amounting to EUR 135,578 thousand (2007: EUR 136,702 thousand), equal to 106.5% gross of the par value of the shares, i.e. EUR 1.065 per share (2007: EUR 1.05 per share).

On 18 December 2008, 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 78.5% gross of the par value of the shares, i.e. EUR 0.785 per share. The total amount of this dividend, EUR 99,933 thousand, was paid on or after 9 January 2009 on outstanding shares carrying dividend rights.

In addition, to complete the dividend out of the 2008 profit of EUR 337,184 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 0.785 per share which, together with the interim dividend, gives a total dividend of EUR 1.57 per share.

05. Intangible assets

The detail of the intangible assets and of the related accumulated amortisation at 31 December 2008 and 2007 is as follows:

	Cost	Accumulated Amortisation	Impairment	Carrying Amount
2008				
Concessions (Note 7)	519,523	(159,037)	(1,337)	359,149
Goodwill	2,594,389	-	(38,004)	2,556,385
Other intangible assets	595,649	(210,956)	(38)	384,655
	3,709,561	**(369,993)**	**(39,379)**	**3,300,189**
2007				
Concessions (Note 7)	495,132	(137,043)	(1,337)	356,752
Goodwill	2,576,510	-	(25,238)	2,551,272
Other intangible assets	512,277	(156,770)	(93)	355,414
	3,583,919	**(293,813)**	**(26,668)**	**3,263,438**

Intangible assets are measured at acquisition cost less any accumulated amortisation and any accumulated impairment losses.

None of the intangible assets recognised were generated internally and, except for goodwill, all have a finite useful life. The intangible assets are amortised over their useful lives, i.e. the period over which it is estimated they will generate income, on the basis of the pattern of use in the case of concessions and on a straight-line basis in the case of other intangible assets.

The amortisation charge for 2008 and 2007 is included under "Depreciation and Amortisation Charge" in the accompanying consolidated income statement.

At 31 December 2008 and 2007, there were no noteworthy intangible assets title to which was restricted.

Concessions and other intangible assets

The changes in these headings in the consolidated balance sheet in 2008 and 2007 were as follows:

	Concessions	Other Intangible Assets	Accumulated Amortisation	Impairment
BALANCE AT 31/12/06	**484,636**	**487,162**	**(229,576)**	**(1,373)**
Additions or charge for the year	19,001	12,492	(73,387)	(28)
Disposals or reductions	(705)	(4,198)	2,947	20
Changes in the scope of consolidation, translation differences and other changes	(2,021)	11,457	8,383	(69)
Transfers	(5,779)	5,364	(2,180)	20
BALANCE AT 31/12/07	**495,132**	**512,277**	**(293,813)**	**(1,430)**
Additions or charge for the year	14,982	19,587	(77,894)	21
Disposals or reductions	(485)	(4,822)	1,880	-
Changes in the scope of consolidation, translation differences and other changes	9,887	66,047	2,055	34
Transfers	7	2,560	(2,221)	-
BALANCE AT 31/12/08	**519,523**	**595,649**	**(369,993)**	**(1,375)**

"Concessions" includes most notably the amounts paid to obtain the concessions held by the Group to carry on its business activities: water supply services, operation of landfills, etc. (see Note 7).

In 2008 the most significant changes related to new water service concessions.

"Changes in the Scope of Consolidation, Translation Differences and Other Changes" relates mainly to the amounts included relating to the business combinations in the year, specifically the allocation of the value of the licences associated with the PV businesses acquired (Sierresita Sky I and Sierresita Sky II), amounting to EUR 27,807 thousand, and those relating to the Hydrocarbon Group, totalling EUR 5,441 thousand (see Note 3).

Concessions are amortised on the basis of the pattern of consumption over the concession term, which ranges on average from 25 to 50 years.

"Other Intangible Assets" includes the investments relating to operating contracts and licences, mainly in the Environmental Services, Versia and Cement areas, and customer lists, future income from backlogs and contracts acquired through business combinations, which are amortised systematically over the period in which they are expected to contribute revenue to the Group.

Goodwill

Goodwill is calculated as the difference between the acquisition cost of the Parent's direct or indirect investment in a subsidiary and its proportional share of the equity of the subsidiary based on the percentage of ownership at the acquisition date, after adjustment, solely for consolidation purposes, for the recognition at fair value of the subsidiary's property plant and equipment and intangible assets that qualify for recognition as assets and whose market value differs significantly from their carrying amount. This process may be carried out or modified during a period of one year from the purchase date.

Goodwill is not amortised; however, as indicated in Note 2-c), 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, calculated as described in the foregoing paragraph, less any accumulated impairment losses.

The changes in goodwill in the accompanying consolidated balance sheet in 2008 and 2007 were as follows:

BALANCE AT 31/12/06		**2,467,902**
Additions:		
Corporación Uniland	71,822	
Realia Business, S.A.	11,602	
Gonzalo Mateo Group	8,893	
Cementos Portland Valderrivas, S.A.	6,700	
Flightcare, S.L. (Gen Air Handling S.L.U.)	3,116	
Elcen Obras Servicios y Proyectos, S.A.	2,700	
Other	4,288	109,121
Allocation to assets:		
Waste Recycling Group	35,924	
Alpine Bau Group	28,582	
Flightcare Italia, SpA	(7,896)	56,610
Translation differences:		
Waste Recycling Group	(76,544)	
Other	(3,168)	(79,712)
Impairment losses		(2,649)
BALANCE AT 31/12/07		**2,551,272**
Additions:		
Corporación Uniland Group	75,071	
. A.S.A. Group	8,450	
M&S Group	6,748	
Cementos Portland Valderrivas, S.A.	3,663	
Gestión de Aguas del Norte, S.A.	1,252	
Hydrocarbon Recovery Services, Inc.	47,825	
International Petroleum Corp. of Delaware	5,213	
Other	3,340	151,562
Changes in the scope of consolidation, translation differences and other changes:		
Waste Recycling Group	(192,118)	
Aqualia Gestión Integral del Agua, S.A.	80,410	
Realia Business Group	(11,602)	
Gonzalo Mateo, S.L.	(5,000)	
Other	701	(127,609)
Impairment losses:		
Flightcare Italia, SpA	(14,963)	
Cementos Lemona Group	(3,006)	
Other	(871)	(18,840)
BALANCE AT 31/12/08		**2,556,385**

A description of the main additions in 2007 and 2008, relating to the Corporación Uniland Group and the Hydrocarbon Recovery Service Group, is included in Note 3 ("Changes in the Scope of Consolidation") to these consolidated financial statements.

"Changes in the Scope of Consolidation, Translation Differences and Other Changes" includes most notably the effect of the loss of control of the Realia Business Group, the inclusion of which using the equity method reduced goodwill by EUR 11,602 thousand, and the effect of the depreciation of sterling against the euro, which gave rise to a reduction of EUR 192,118 thousand in the goodwill associated with the UK WRG Group, the original balance of which was EUR 875,173 thousand.

The breakdown of goodwill in the accompanying consolidated balance sheet at 31 December 2008 and 2007 is as follows:

	2008	2007
Corporación Uniland Group	825,857	750,786
Waste Recycling Group	644,906	835,104
Alpine Bau Group	262,103	261,368
Cementos Portland Valderrivas, S.A.	226,269	222,606
A.S.A. Abfall Service Group	138,036	129,586
Aqualia Gestión Integral del Agua, S.A.	80,410	-
Cementos Lemona Group	70,729	73,735
FCC Logística Group	58,956	58,956
Hydrocarbon Recovery Services	47,825	-
Ekonor Group	43,140	43,140
Giant Cement Holding, Inc.	25,639	24,273
Flightcare Italia, SpA	21,220	36,183
Marepa Group	16,432	16,432
Jaime Franquesa, S.A.	12,193	13,064
Tratamientos y Recuperaciones Industriales, S.A.	9,860	9,860
Gestiones Especializadas e Instalaciones, S.A.	7,410	7,410
M&S Group	6,748	-
Flightcare Belgium, Naamloze Vennootschap	6,064	6,064
Deneo Energía e Infraestructuras, S.A.	5,531	5,531
International Petroleum Corp. of Delaware	5,213	-
Canteras de Aláiz, S.A.	4,332	4,332
Elcen Obras Servicios y Proyectos, S.A.	4,287	4,287
Gonzalo Mateo Group	3,859	8,859
Papeles Hernández e Hijos Group	3,815	3,815
Cementos Alfa, S.A.	3,712	3,712
Áridos y Premezclados, S.A., Sole-Shareholder Company	3,704	3,704
Flightcare, S.L.	3,116	3,116
Realia Business, S.A.	-	11,602
Other	15,019	13,747
	2,556,385	**2,551,272**

06. Property, plant and equipment and investment property

Accounting principles and policies

a) Property, plant and equipment are stated at cost, except in the case of certain subsidiaries operating in the cement business, which revalued their property, plant and equipment pursuant to various laws predating the implementation of IFRSs, including Royal Decree-Law 7/1996 and several provincial laws. The effect of these revaluations on the consolidated income statement is not material. Also, the cost of property, plant and equipment includes the estimated present value of the cost of dismantling or retiring the related items.

Property, plant and equipment contributed by the companies acquired, as detailed in Note 3 to these consolidated financial statements, are recognised at the fair value thereof at the acquisition date.

b) Investment property is measured at the lower of acquisition cost and market value.

c) Group work on non-current assets is measured at production cost, except for the work performed for concession operators, which is measured at selling price since the related intra-Group results are not eliminated (see Note 7).

d) 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.

e) 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.

The borrowing costs capitalised in 2008 amounted to EUR 9,729 thousand (2007: EUR 7,690 thousand) and accumulated capitalised borrowing costs amounted to EUR 45,564 thousand (2007: EUR 39,351 thousand).

f) Finance charges in respect of finance leases are allocated to consolidated profit or loss for the year using the effective interest method over the lease payment schedule.

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

Natural resources and buildings	25-50
Investment property	75-100
Plant, machinery and transport equipment	5-15
Furniture and tools	7-12
Computer hardware	4
Other items of property, plant and equipment	5-10

Property, plant and equipment assigned exclusively to a non-concession contract are depreciated on a straight-line basis over the shorter of the years of useful life indicated above or the contract term. Property, plant and equipment assigned to concessions as defined in IFRIC 12 are depreciated on the basis of their pattern of use (see Note 7).

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

b) At least at every balance sheet date, the companies determine whether there is any indication that an item or group of items of property, plant and equipment is impaired so that, as indicated in Note 2-c), 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.

c) The companies consider that the periodic maintenance plans for their facilities, the cost of which is recognised as an expense in the year in which it is incurred, are sufficient to ensure delivery of the assets that have to be returned to the concession provider in good working order on expiry of the concession contracts and that, therefore, no significant expenses will arise as a result of their return.

Details of the consolidated balance sheet headings

The detail of the carrying amount of property, plant and equipment at 31 December 2008 and 2007 is as follows:

	Cost	Accumulated Depreciation	Impairment	Carrying Amount
2008				
Land and buildings	2,258,386	(562,786)	(31,438)	1,664,162
Land and natural resources	879,135	(73,642)	(30,439)	775,054
Buildings for own use	1,379,251	(489,144)	(999)	889,108
Plant and other items of property, plant and equipment	8,562,288	(4,084,736)	(32,231)	4,445,321
Plant	4,554,672	(2,083,418)	(15,164)	2,456,090
Machinery and transport equipment	2,509,809	(1,419,839)	(16,793)	1,073,177
Property, plant and equipment in the course of construction	554,355	-		554,355
Other property, plant and equipment	943,452	(581,479)	(274)	361,699
	10,820,674	**(4,647,522)**	**(63,669)**	**6,109,483**
2007				
Land and buildings	2,192,842	(520,789)	(30,547)	1,641,506
Land and natural resources	870,177	(61,708)	(29,554)	778,915
Buildings for own use	1,322,665	(459,081)	(993)	862,591
Plant and other items of property, plant and equipment	8,285,881	(3,776,498)	(29,999)	4,479,384
Plant	4,661,746	(1,992,370),	(991)	2,668,385
Machinery and transport equipment	2,319,674	(1,261,347)	(28,363)	1,029,964
Property, plant and equipment in the course of construction	438,593	-	-	438,593
Other property, plant and equipment	865,868	(522,781)	(645)	342,442
	10,478,723	**(4,297,287)**	**(60,546)**	**6,120,890**

The changes in 2008 and 2007 in property, plant and equipment accounts were as follows:

	Land and natural resources	Buildings for own use	Land and buildings	Plant	Machinery and transport equipment	Property, plant and equipment in the course of construction	Other property, plant and equipment	Plant and other items of property, plant and equipment	Accumulated depreciation	Impairment
BALANCE AT 31/12/06	**868,220**	**1,495,651**	**2,363,871**	**4,408,417**	**2,132,443**	**460,479**	**790,383**	**7,791,722**	**(3,949,975)**	**(70,467)**
Additions or charge for the year	18,079	31,007	49,086	132,298	272,683	342,627	103,493	851,101	(580,591)	1,792
Disposals or reductions	(1,992)	(13,510)	(15,502)	(17,402)	(116,541)	(5,334)	(38,595)	(177,872)	155,180	3,592
Changes in the scope of consolidation, translation differences and other changes	(12,098)	(194,369)	(206,467)	(201,459)	14,501	693	11,024	(175,241)	75,600	3,673
Transfers	(2,032)	3,886	1,854	339,892	16,588	(359,872)	(437)	(3,829)	2,499	864
BALANCE AT 31/12/07	**870,177**	**1,322,665**	**2,192,842**	**4,661,746**	**2,319,674**	**438,593**	**865,868**	**8,285,881**	**(4,297,287)**	**(60,546)**
Additions or charge for the year	4,846	26,632	31,478	98,418	239,490	403,036	100,834	841,778	(590,350)	(14,503)
Disposals or reductions	(891)	(9,050)	(9,941)	(31,818)	(102,643)	(26,664)	(48,867)	(209,992)	118,581	644
Changes in the scope of consolidation, translation differences and other changes	3,414	(22,156)	(18,742)	(421,879)	26,054	36,100	12,734	(346,991)	188,538	10,736
Transfers	1,589	61,160	62,749	248,205	27,234	(296,710)	12,883	(8,388)	(67,004)	-
BALANCE AT 31/12/08	**879,135**	**1,379,251**	**2,258,386**	**4,554,672**	**2,509,809**	**554,355**	**943,452**	**8,562,288**	**(4,647,522)**	**(63,669)**

The most significant change in "Property, Plant and Equipment" in 2008 was the effect of the fall in the sterling exchange rate against the euro (the Group's functional currency) on the net assets contributed by the UK WRG Group, totalling EUR 417,427 thousand, for which a balancing entry was recognised under "Equity – Valuation Adjustments" (see Note 15-d).

The most noteworthy additions include the EUR 99,080 thousand recognised under "Property, Plant and Equipment in the Course of Construction" relating to the modernisation of the cement plant in Keystone (USA). The total final budget for the work, which is expected to be completed in 2009, is EUR 190 million.

The period depreciation charge for 2008 and 2007 is included under "Depreciation and Amortisation Charge" in the accompanying consolidated income statement. This account includes EUR 590,350 thousand relating to the depreciation of property, plant and equipment (2007: EUR 580,951 thousand).

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

"Changes in the Scope of Consolidation, Translation Differences and Other Changes" includes the items of property, plant and equipment included in consolidation as detailed in Note 3 to these consolidated financial statements ("Changes in the Scope of Consolidation").

The Group companies take out the insurance policies they consider necessary to cover the possible risks to which their property, plant and equipment are subject. At 2008 year-end, the Parent considered that these risks were adequately covered.

Fully depreciated property, plant and equipment which, being in good working order, are used in production amounted to EUR 1,837 million at 31 December 2008 (31 December 2007: EUR 1,747 million).

Of the total property, plant and equipment in the accompanying consolidated balance sheet, EUR 4,805 million (2007: EUR 6,400 million) were located abroad, with accumulated depreciation of EUR 1,582 million (2007: EUR 1,838 million).

Investment property

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

The breakdown of "Investment Property" at 31 December 2008 and 2007 is as follows:

December 2008	Cost	Accumulated Depreciation	Impairment	Carrying Amount
Investment property	319,285	(55,366)	-	263,919

December 2007	Cost	Accumulated Depreciation	Impairment	Carrying Amount
Investment property	2,624,399	(282,524)	(6,373)	2,335,502

The detail of the changes in "Investment Property" in 2008 is as follows:

	Realia Business Group	Torre Picasso	Alpine Group	Total
BALANCE AT 31/12/06		67,727	-	67,727
Additions	182,619	175,296	-	357,915
Disposals	(23,398)	-	-	(23,398)
Depreciation charge and allowances	(16,522)	(2,404)	(84)	(19,010)
Changes in the scope of consolidation	1,943,820	1,656	22,767	1,968,243
Transfers	(15,975)	-	-	(15,975)
BALANCE AT 31/12/07	2,070,544	242,275	22,683	2,335,502
Additions	178,460	1,929	17	180,406
Disposals	(56,452)	-	(525)	(56,977)
Depreciation charge and allowances	(78,570)	(3,538)	(210)	(82,318)
Changes in the scope of consolidation	(2,192,152)	-	8	(2,192,144)
Transfers	78,170	-	1,280	79,450
BALANCE AT 31/12/08	**--**	**240,666**	**23,253**	**263,919**

Realia Business Group

The main change in 2008 is included under "Changes in the Scope of Consolidation" and relates to the effect of the change in the consolidation method used for the Realia Business Group. In 2007 the FCC Group controlled Realia Business, but now has significant influence over it, as a result of which the property assets that were fully consolidated in 2007 have been deducted.

2007

The most noteworthy additions in 2007 were the investments in various properties including the acquisition of a building in Paris for EUR 118,720 thousand and the effect of the inclusion of Nasozena, S.L., totalling EUR 55,215 thousand.

The fair value of the property assets contributed by the Realia Business Group in 2007 amounted to EUR 3,259,116 thousand. Fair value was determined by reference to market data furnished by independent external services and, therefore, at year-end the fair value reflected the market conditions of the investment property items at that date.

The only encumbrances on the Realia Business Group's property assets related to mortgage loans taken out on properties and amounted to EUR 45,617 thousand in 2007.

The minimum lease payments payable by the Realia Business Group's lessees under current leases, excluding common expenses, CPI-linked increases and future rent reviews, amount to EUR 650,232 thousand (2007: EUR 605,342 thousand), which fall due as follows:

	2008	2007
Within one year	152,006	134,060
Between one and five years	370,325	349,556
After five years	127,901	121,726
	650,232	**605,342**

Torre Picasso

The Torre Picasso building leases office space, commercial premises and parking spaces. In 2008 the FCC Group continued to hold the 100% ownership interest in the building which it acquired in 2007. The Parent estimates that the fair value of Torre Picasso, which at 2007 year-end amounted to EUR 860,000 thousand, based on the further 20% ownership interest acquired in 2007, had not changed by more than 10% at 2008 year-end since, based on the long-term agreements with tenants, the Parent considers that the value in use of the building had not decreased significantly.

Torre Picasso's income and profit were as follows:

	2008	2007
Rental income	26,173	21,759
Transfer of costs to tenants	6,948	7,389
Profit net of taxes	11,160	10,960

The minimum future lease payments receivable by the lessors under current leases amount to EUR 87,032 thousand (31 December 2007: EUR 118,217 thousand), which fall due as follows:

	2008	2007
Within one year	26,196	27,439
Between one and five years	59,434	88,021
After five years	1,402	2,757
	87,032	**118,217**

Restrictions on title to assets

Of the total property, plant and equipment in the consolidated balance sheet at 31 December 2008, there are restrictions on title to assets amounting to EUR 2,048,254 thousand (31 December 2007: EUR 1,727,058 thousand), the detail being as follows:

	Cost	Accumulated Depreciation	Carrying Amount
2008			
Buildings, plant and equipment	2,931,645	(1,298,109)	1,633,536
Other items of property, plant and equipment	594,454	(179,736)	414,718
	3,526,099	**(1,477,845)**	**2,048,254**
2007			
Buildings, plant and equipment	2,764,042	(1,365,651)	1,398,391
Other items of property, plant and equipment	493,699	(165,032)	328,667
	3,257,741	**(1,530,683)**	**1,727,058**

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 16, which discloses the various financing methods used, and to revertible assets assigned to the operation of concessions and other contracts.

The increase in assets subject to restrictions on title with respect to 2007 was due mainly to the increase in the Group's activity in the water concessions area.

Non-current asset purchase commitments

In the course of their business activities, the Group companies had formalised property, plant and equipment purchase commitments amounting to EUR 91,041 thousand at 31 December 2008 (31 December 2007: EUR 274,593 thousand), the detail being as follows:

	2008	2007
Investment property	-	121,497
Buildings for own use	200	6,095
Plant	86,551	124,389
Machinery and transport equipment	2,725	22,411
Other items of property, plant and equipment	1,565	201
	91,041	**274,593**

In addition, the property, plant and equipment investment commitments that will be fulfilled in future years in accordance with the contractual terms and conditions of the concessions operated by the Group companies are disclosed in Note 7.

Finance leases

The detail of the finance leases at the end of 2008 and 2007 and of the related cash flows is as follows:

	MOVABLE PROPERTY	REAL ESTATE	TOTAL
2008			
Carrying amount	291,090	18,829	309,919
Accumulated depreciation	99,060	3,634	102,694
Original cost of the assets	390,150	22,463	412,613
Finance costs	35,468	7,085	42,553
Capitalised original cost of the assets	425,618	29,548	455,166
Lease payments paid in the year	(147,847)	(5,745)	(153,592)
Lease payments paid in prior years	(127,379)	(984)	(128,363)
Lease payments outstanding, including purchase option	150,392	22,819	173,211
Unaccrued finance charges	(11,330)	(4,661)	(15,991)
Present value of lease payments outstanding, including purchase option	139,062	18,158	157,220
Contract term (years)	2 to 5	10	
Value of purchase options	7,651	11,071	18,722

	MOVABLE PROPERTY	REAL ESTATE	TOTAL
2007			
Carrying amount	236,807	7,500	244,307
Accumulated depreciation	80,625	1,448	82,073
Original cost of the assets	317,432	8,948	326,380
Finance costs	22,834	2,584	25,418
Capitalised original cost of the assets	340,266	11,532	351,798
Lease payments paid in the year	(115,282)	(512)	(115,794)
Lease payments paid in prior years	(95,089)	(1,159)	(96,248)
Lease payments outstanding, including purchase option	129,895	9,861	139,756
Unaccrued finance charges	(6,570)	(2,074)	(8,644)
Present value of lease payments outstanding, including purchase option	123,325	7,787	131,112
Contract term (years)	2 to 5	10	
Value of purchase options	4,343	4,215	8,558

The increase in assets held under finance leases in 2008 arose mainly from the investments required for the execution of service contracts.

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

The detail, by maturity, of the reconciliation of the total amount of the lease payments to their present value at the balance-sheet dates (31 December 2008 and 2007) is as follows:

	Within One Year	Between One and Five Years	After Five Years	Total
2008				
Lease payments outstanding, including purchase option	72,463	77,699	23,049	173,211
Unaccrued finance charges	(3,967)	(9,442)	(2,582)	(15,991)
Present value of lease payments outstanding, including purchase option	68,496	68,257	20,467	157,220
2007				
Lease payments outstanding, including purchase option	87,435	42,513	9,808	139,756
Unaccrued finance charges	(2,410)	(5,075)	(1,159)	(8,644)
Present value of lease payments outstanding, including purchase option	85,025	37,438	8,649	131,112

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 2008 no expense was incurred in connection with contingent rent.

07. Investments in concessions

The investments in concession businesses result in the existence of various assets which are included under several headings in the consolidated balance sheet and, accordingly, they are discussed in other Notes. This Note presents an overview of all the Group's investments in these businesses.

These investments include the concession right, recognised as an intangible asset (see Note 5), investments made in the property, plant and equipment (see Note 6) required to operate the service provided under the concession and investments in concessions accounted for using the equity method (see Note 8).

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.

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. Also, concession contracts usually provide for the obligation to purchase or construct these non-current assets, fully or in part, and to maintain them.

Revenue from performing the service may be received directly from the users or, sometimes, through the concession grantor itself. The prices for providing the service are regulated by the concession grantor.

Accounting principles and policies

In 2006 the International Accounting Standards Board (IASB) issued a definitive interpretation on the accounting treatment for concessions which will be applicable once it has been adopted by the European Union, a process that was ongoing at the balance sheet date (see Note 2-d). In both 2008 and 2007 the FCC Group applied the most relevant aspects of the accounting principles and policies contained in this interpretation, which are indicated below, except with respect to the classification of assets as intangible assets or non-current financial assets.

a) When a substantial period of time is required for the construction and start-up of the non-current assets assigned to the concession, the related borrowing costs accrued during that period are capitalised.

b) When the assets come into service, the accrued borrowing costs are allocated to the income statement.

c) The depreciation and 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 depreciated or amortised on the basis of the cubic metres of water consumed. The assets of the transport infrastructure business, of lesser importance for the Group, are depreciated or amortised on the basis of the number of vehicles, the pattern used to determine the consumption of the infrastructure.

d) When the concession assets are constructed by Group companies, the results arising from the construction work are recognised by reference to the stage of completion, in accordance with the accounting policies described in Note 21, "Revenue and Expenses".

Detail of concessions

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" (including loans granted to associates) in the accompanying consolidated balance sheets at 31 December 2008 and 2007.

	Concession	Property, Plant and Equipment	Concession Operator Joint Ventures and Associates	Total Investment
2008				
Water services	497,066	519,744	78,663	1,095,473
Motorways and tunnels	-	-	388,569	388,569
Other	22,457	79,827	42,802	145,086
TOTAL	519,523	599,571	510,034	1,629,128
Depreciation and amortisation	(159,037)	(187,904)	-	(346,941)
Impairment	(1,337)	(200)	-	(1,537)
	359,149	**411,467**	**510,034**	**1,280,650**
2007				
Water services	479,710	492,834	12,276	984,820
Motorways and tunnels	-	-	278,593	278,593
Other	15,422	116,452	100,060	231,934
TOTAL	495,132	609,286	390,929	1,495,347
Depreciation and amortisation	(137,043)	(193,664)	-	(330,707)
Impairment	(1,337)	-	-	(1,337)
	356,752	**415,622**	**390,929**	**1,163,303**

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 254,437 thousand (2007: EUR 177,281 thousand).

The concession operators are also obliged to hold restricted cash reserves, known as reserve accounts, included under "Other Non-Current Financial Assets" (see Note 10).

08. 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 3, were 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.

	Acquisitions and Disbursements	Profit (Loss) for the Year	Dividends Paid	Changes in Fair Value of Financial Instruments Recognised in Reserves
BALANCE AT 31/12/06	-	-	-	-
Desarrollo Urbanístico Sevilla Este, S.L.	-	(1,655)	-	-
Alpine Group investees	-	-	-	-
Autovía Necaxa-Tihuatlan, S.A. de C.V.	17,063	-	-	-
Layetana Front Marítim, S.L.	6,250	31	-	-
Cedinsa Eix del Llobregat, S.A.	3,797	11	-	2,232
Urbs Index et Causidicus, S.A.	2,820	(262)	-	3,374
Cedinsa Concesionaria, S.A.	5,095	(65)	-	-
Concesionaria Hospital Son Dureta, S.A.	3,972	(93)	-	-
Suministros Aguas de Queretaro, S.A.	2,650	36	-	-
Concesiones Aeroportuarias, S.A.	2,340	(40)	-	-
Metro Málaga	1,355	15	-	-
Nova Bocana Barcelona	1,289	(3)	-	15
Port Sur Castellón, S.A.	1,307	(6)	-	(11)
Nova Bocana Business, S.A.	1,021	-	-	-
Madrid 407 Sociedad Concesionaria, S.A.	-	(169)	-	1,131
Tranvía de Parla, S.A.	1,054	(335)	-	11
A.S.A. Group investees	-	1,732	(1,515)	-
Tranvía Metropolitá, S.A.	-	1,042	(1,143)	432
Realia Business Group	-	31,386	(6,045)	-
Autopista de la Costa Cálida C.E.A., S.A.	4,648	(3,839)	-	242
Autovía del Camino, S.A.	-	(1,013)	-	3,904
Terminal Polivalente de Castellón, S.A.	1,350	(422)	-	-
Concesiones de Madrid, S.A.	-	1,371	(1,398)	-
Globalvía Group	31,250	(11,713)	-	-
Proactiva Group	-	3,595	-	-
Zabalgarbi, S.A.	-	2,784	-	-
Mercia Waste Management, Ltd.	-	2,913	-	-
FCC Connex Group	-	6,728	(5,500)	-
Uniland Group investees	-	14,177	-	-
Ace Edifer	-	2,010	-	-
Other	4,030	14,741	(15,172)	(190)
Total 2007	91,291	62,957	(30,773)	11,140
BALANCE AT 31/12/07				
Cedinsa Group	5,226	(141)	-	(561)
Nova Bocana Barcelona, S.A.	3,160	-	-	(1,026)
Desarrollo Urbanístico Sevilla Este, S.L.	-	-	-	
Urbs Index et Causidicus, S.A.	-	(286)	-	(8,787)
M50 (Concession) Limited	-	-	-	(5,203)
Cedinsa Eix del Llobregat, S.A.	-	(1,498)	-	(3,992)
Autovía Nexaca-Tihuatlan	-	439	-	(2,611)
Concesionaria Hospital Son Dureta, S.A.	4,436	-	-	(5,071)
Realia Business Group	-	-	-	
Globalvía Group	-	(20,167)	-	(6,778)
Uniland Group investees	715	10,240	(1,745)	-
Proactiva Group	-	2,988	(1,726)	-
Zabalgarbi, S.A.	1,565	2,770	-	-
Madrid concessions	-	-	-	-
Other	11,423	18,296	(14,894)	(10,371)
Total 2008	26,525	12,641	(18,365)	(44,400)
BALANCE AT 31/12/08	**26,525**	**12,641**	**(18,365)**	**(44,400)**

These changes include most notably translation differences and the adjustments to reserves arising from changes in the fair value of the cash flow hedges arranged by the associates.

In the years ended 31 December 2008 and 2007, there were no impairment losses, since the 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 the Appendixes to these consolidated financial statements.

The changes in 2008 and 2007 were as follows:

Sales	Changes in Consolidation Method and Transfers	Translation Differences and Other Changes	Value of the Investment	Loans Granted	Total
-	-	-	807,259	56,264	863,523
-	106,108	-	104,453	-	104,453
-	13,225	-	13,225	17,964	31,189
-	-	(1,488)	15,575	-	15,575
-	-	-	6,281	-	6,281
-	-	-	6,040	-	6,040
-	-	-	5,932	-	5,932
-	-	-	5,030	-	5,030
-	-	-	3,879	-	3,879
-	-	(116)	2,570	-	2,570
-	-	-	2,300	-	2,300
-	-	-	1,370	-	1,370
-	-	-	1,301	-	1,301
-	-	-	1,290	-	1,290
-	-	-	1,021	-	1,021
-	-	-	962	-	962
-	-	-	730	-	730
-	-	275	492	-	492
-	-	-	331	-	331
-	(321,797)	-	(296,456)	(516)	(296,972)
-	-	(15,848)	(14,797)	-	(14,797)
-	-	(2,920)	(29)	(1,695)	(1,724)
-	-	(1,141)	(213)	-	(213)
-	-	-	(27)	-	(27)
-	-	98,515	118,052	-	118,052
-	-	(2,143)	1,452	-	1,452
-	-	-	2,784	-	2,784
-	-	(371)	2,542	-	2,542
-	-	-	1,228	-	1,228
-	-	-	14,177	-	14,177
-	-	-	2,010	-	2,010
(130)	(5,012)	2,956	1,223	3,138	4,361
(130)	**(207,476)**	**77,719**	**4,728**	**18,891**	**23,619**
			811,987	75,155	887,142
-	-	-	4,524	259	4,783
-	-	-	2,134	-	2,134
-	(104,550)	-	(104,550)	-	(104,550)
-	-	-	(9,073)	-	(9,073)
-	-	(683)	(5,886)	-	(5,886)
-	-	-	(5,490)	-	(5,490)
-	-	(2,000)	(4,172)	-	(4,172)
-	-	-	(635)	-	(635)
-	168,894	-	168,894	-	168,894
-	186,815	-	159,870	-	159,870
-	(1,818)	(1,142)	6,250	-	6,250
-	-	(1,188)	74	-	74
-	-	-	4,335	-	4,335
-	(15,358)	-	(15,358)	-	(15,358)
(135)	(6,299)	4,616	2,636	18,186	20,822
(135)	**227,684**	**(397)**	**203,553**	**18,445**	**221,998**
(135)	**227,684**	**(397)**	**1,015,540**	**93,600**	**1,109,140**

The most significant changes in 2008 and 2007 relate mainly to the change in the consolidation method used for the Realia Business Group, from full consolidation in 2007 to the equity method in 2008, as a result of control being acquired in 2007 and subsequently lost, as indicated in Note 3.

The detail of the assets, liabilities, revenue and profit or loss for 2008 and 2007 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:

	2008	2007
Non-current assets	4,086,134	1,723,191
Current assets	1,587,377	731,668
Non-current liabilities	2,861,870	1,307,198
Current liabilities	1,575,015	561,841
Income statement		
Revenue	988,406	556,722
Profit from operations	106,321	63,735
Profit/(loss) before tax	(1,356)	42,096
Profit/(loss) attributable to the Parent	(328)	26,466

The associates engage mainly in the operation of concessions such as water services, motorways, tunnels and passenger transport. These companies are generally near the commencement of the concession term, as evidenced by the proportion of their debt with respect to their equity.

"Investments Accounted for Using the Equity Method" also includes the real estate business held by the Group through its ownership interest in the Realia Business Group, which contributes mainly investment property, housing developments and the related debt.

09. Jointly managed contracts

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 above.

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 2008 and 2007:

	Unincorporated joint ventures and joint property entities
2008	
Revenue	1,708,526
Gross profit from operations	99,891
Net profit from operations	77,168
Non-current assets	142,796
Current assets	1,433,582
Non-current liabilities	23,097
Current liabilities	1,238,601
2007	
Revenue	1,646,522
Gross profit from operations	134,633
Net profit from operations	105,967
Non-current assets	128,065
Current assets	1,556,447
Non-current liabilities	16,159
Current liabilities	1,261,502

At 2008 year-end, the property, plant and equipment purchase commitments made directly by the joint ventures amounted to EUR 1,007 thousand (2007: EUR 11,167 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 863,960 thousand (2007: EUR 888,689 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.

10. Non-current financial assets and other current 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.

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

- **Held-for-trading 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.

  Held-for-trading financial assets which are expected to be realised or to mature within no more than three months and whose realisation is not expected to give rise to significant costs are included under “Cash and Cash Equivalents” in the accompanying consolidated balance sheet.

- **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.

- **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, willing and experienced parties in an arm’s length transaction, i.e. fair value is the estimated market value.

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.

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 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 2008 and 2007 is as follows:

	2008	2007
Available-for-sale financial assets	75,343	76,458
Non-current loans	186,473	202,199
Held-to-maturity investments	15,786	20,291
Other financial assets	180,225	202,387
	457,827	**501,335**

a.1) Available-for-sale financial assets

Breakdown of the balance at 31 December 2008 and 2007:

	Effective Percentage of Ownership	Fair Value
2008		
Ownership interests of 5% or more:		
Eumex Group	50.00	13,499
World Trade Center Barcelona, S.A.	16.52	11,422
Vertederos de Residuos, S.A.	16.03	7,050
SCL Terminal Aéreo de Santiago, S.A.	14.77	4,088
Transportes Ferroviarios de Madrid, S.A.	24.38	-
WTC Almeda Park, S.A.	12.50	1,078
Build2Edifica, S.A.	15.45	901
Artscapital Investment, S.A.	10.83	-
Shopnet Brokers, S.A.	15.54	-
Other	-	3,070
Ownership interests of less than 5%:		
Xfera Móviles, S.A.	3.44	13,799
Alpine Bau Group investees	-	17,409
Other	-	3,027
		75,343
2007		
Ownership interests of 5% or more:		
Eumex Group	50.00	13,499
World Trade Center Barcelona, S.A.	16.52	11,422
Vertederos de Residuos, S.A.	16.03	5,767
Scutvias-Autoestradas Da Beira Interior, S.A.	13.33	4,098
SCL Terminal Aéreo de Santiago, S.A.	14.77	4,088
Transportes Ferroviarios de Madrid, S.A.	12.19	3,786
WTC Almeda Park, S.A.	12.50	1,828
Build2Edifica, S.A.	15.45	901
Artscapital Investment, S.A.	10.83	-
Shopnet Brokers, S.A.	15.54	-
Other	-	2,936
Ownership interests of less than 5%:		
Xfera Móviles, S.A.	3.44	8,638
Alpine Bau Group investees	-	15,644
Other	-	3,851
		76,458

The Group estimates the fair value of the investment in Xfera Móviles, S.A. at EUR 13,799 thousand, which means that EUR 20,373 thousand of the investment have been fully impaired, as well as EUR 3,641 thousand of the total EUR 17,440 thousand of participating loans granted.

At 31 December 2008, the Company had also provided guarantees for Xfera Móviles, S.A. totalling EUR 8,014 thousand. 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.

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 in 2006 have not changed.

The changes in the available-for-sale financial assets in 2008 and 2007 were as follows:

	Cost	Impairment	Disposals and Reductions	Changes in Scope of Consolidation, Translation Differences and Other Changes	Carrying Amount	Changes in Fair Value	Fair Value
BALANCE AT 31/12/06	-	-	-	-	67,933	15,528	83,461
Balance at 31/12/06							
Xfera Móviles, S.A.	23,770	-	-	-	23,770	(25,914)	(2,144)
Vertederos de Residuos, S.A.	-	-	-	-	-	1,413	1,413
CGEA Colombia, S.A.	-	-	(700)		(700)	-	(700)
Financial investments - Alpine Bau Group	2,620			(7,890)	(5,270)	-	(5,270)
Other	832	194	(319)	(1,120)	(413)	111	(302)
Total 2007	27,222	194	(1,019)	(9,010)	17,387	(24,390)	(7,003)
BALANCE AT 31/12/07	-	-	-	-	85,320	(8,862)	76,458
Xfera Móviles, S.A.	5,161	-	-	-	5,161	-	5,161
Vertederos de Residuos, S.A.	-	-	-	-	-	1,283	1,283
CGEA Colombia, S.A.	-	-	-	-	-	-	-
Financial investments - Alpine Bau Group	1,686	-	-	79	1,765	-	1,765
Scutvias-Autoestradas Da Beira Interior, S.A.	-	-	(4,098)	-	(4,098)	-	(4,098)
WTC Almeda Park, S.A.	-	-	(750)	-	(750)	-	(750)
Transportes Ferroviarios de Madrid, S.A.	-	-	-	(3,786)	(3,786)	-	(3,786)
Other	647	-	(92)	(1,510)	(955)	265	(690)
Total 2008	7,494		(4,940)	(5,217)	(2,663)	1,548	(1,115)
BALANCE AT 31/12/08	**-**	**-**	**-**	**-**	**82,657**	**(7,314)**	**75,343**

a.2) Non-current loans

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

	2010	2011	2012	2013	2014 and Subsequent Years	Total
Non-trade loans	20,222	8,940	10,387	11,158	107,245	157,952
Deposits and guarantees	2,894	297	247	1,207	23,876	28,521
	23,116	**9,237**	**10,634**	**12,365**	**131,121**	**186,473**

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.

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.

In 2008 there were no events that raised doubts concerning the recovery of these loans.

a.3) Other financial assets

This heading includes the put option on 8.18% of the shares of Corporación Uniland, S.A. (2007: 14.47%) whose shareholders are entitled to exercise the option over a maximum period of five years (2006-2011). This transaction, which forms part of the agreement for the acquisition of this company in 2006, enabled the Cementos Portland Valderrivas Group to raise its ownership interest in the Corporación Uniland Group to 65.36% (in 2007 it held 59.07%), as indicated in Note 3 ("Changes in the Scope of Consolidation") to these consolidated financial statements. In this connection, in accordance with IFRSs, after taking into account the options exercised in 2008, representing 6.29% of the shares, the FCC Group recognised a financial asset of EUR 100,977 thousand (2007: EUR 177,841 thousand) for the difference between the cost of exercising the option predetermined in the aforementioned agreement, amounting to EUR 171,070 thousand (2007: EUR 312,393 thousand) and the value of the minority interests of this holding, amounting to EUR 70,093 thousand (2007: EUR 134,552 thousand). In short, this financial asset represents the goodwill that will be paid if this acquisition is performed.

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.

The aforementioned minority shareholder has simultaneously granted FCC Construcción, S.A. a call option on its total ownership interest in Alpine Holding GmbH, exercisable at any time until 31 December 2012. In order to measure this option, whose value is tied to various profitability indicators (EBITDA), the Group used the best information available and the projected budgets and performance of the business and interest or discount rates, as a result of which the value of the option at 2008 year-end amounted to EUR 71,225 thousand (see Note 16).

This heading also includes EUR 7,409 thousand in respect of the measurement of the call option and cash flow swap arranged by the Parent in 2008 within the framework of the share option plan agreed with executives and executive directors (see Note 17).

b) Other current financial assets

The breakdown of the balance at 31 December 2008 and 2007 is as follows:

	2008	2007
Held-for-trading financial assets	**1,032**	**24,374**
Equity investment funds	115	23,700
Fixed-income investment funds	-	587
Corporate promissory notes and other	917	87
Held-to-maturity investments	**17,528**	**18,753**
Promissory notes	781	9,209
Government debt securities	11,070	3,962
Fixed-income investment funds	5,677	5,582
Other loans	**171,553**	**96,746**
Loans to non-Group third parties	46,258	47,741
Loans to associates	58,267	48,241
Deposits at banks	67,028	764
Deposits and guarantees given	**25,123**	**20,416**
	215,236	**160,289**

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 market return according to the term of each investment.

11. 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 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.

The breakdown of the inventories at 31 December 2008 and 2007 is as follows:

		2008		2007
Property assets		831,878		2,031,294
Realia Business	-		1,312,825	
Construction	825,343		712,037	
Other activities	6,535		6,432	
Raw materials and other procurements		606,524		567,177
Construction	357,793		337,807	
Cement	175,533		160,290	
Versia	41,113		40,625	
Environmental services	31,289		27,506	
Other activities	796		949	
Finished goods		55,765		53,545
Advances		81,089		33,847
		1,575,256		**2,685,863**

The main real estate products in the Construction area relate to land in Tres Cantos (Madrid) for EUR 480,008 thousand, plots in Sant Joan Despí (Barcelona) totalling EUR 55,351 thousand, properties in Badalona (Barcelona) amounting to EUR 43,970 thousand and properties in Vitoria and Ensanche de Vallecas (Madrid) totalling EUR 28,851 thousand and EUR 25,206 thousand, respectively.

At 31 December 2008, impairment losses on inventories totalled EUR 9,709 thousand (2007: EUR 22,661 thousand, of which EUR 9,263 thousand related to the Realia Business Group).

The detail of the cost of the Realia Business Group's property assets in 2007 is as follows:

Land and buildable plots of land	734,205
Construction work in progress	413,970
Completed buildings	126,083
Advances to suppliers	47,831
	1,322,089

In particular, the following are considered to be inventories:

— Land and other properties held for sale.

— Developments and construction work in progress at the production, construction or development phase and held for sale in the ordinary course of business. These include the costs incurred in property developments (or in parts of a development) construction of which was unfinished at year-end, most notably those relating to building plots, urban development and construction and other direct and indirect costs associated therewith, excluding finance and sales costs.

The main reduction in 2008 relates to the loss of control over the Realia Business Group and the change in the consolidation method to the equity method, which entailed the exclusion of net property assets totalling EUR 1,313 thousand that were included in 2007.

At 2008 year-end there were no material property asset sale or purchase commitments.

At 31 December 2008, there were no material differences between the carrying amount of the assets recognised and their fair value.

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.

12. Trade and other receivables

a) Trade receivables for sales and services

This heading in the accompanying consolidated balance sheet includes the present value of the uncollected revenue, valued as indicated in Note 21 ("Revenue and Expenses"), 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 2008 and 2007 is as follows:

	2008	2007
Progress billings receivable and trade receivables for sales	3,718,404	3,630,004
Amounts to be billed for work performed	941,885	895,163
Retentions	128,708	70,098
Production billed to associates not yet collected	186,891	133,353
Trade receivables for sales and services	4,975,888	4,728,618
Advances received on orders	(1,416,773)	(1,546,098)
TOTAL NET BALANCE OF TRADE RECEIVABLES FOR SALES AND SERVICES	**3,559,115**	**3,182,520**

The foregoing total is the net balance of trade receivables after considering the adjustments for the risk of doubtful debts amounting to EUR 170,053 thousand (31 December 2008: EUR 163,204 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 for land.

"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 21 ("Revenue and Expenses") 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 was reduced by EUR 358,940 thousand in this connection at 31 December 2008 (31 December 2007: EUR 241,575 thousand). 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 were sold for EUR 250,885 thousand (31 December 2007: EUR 107,112 thousand). This amount was deducted from the balance of "Amounts to Be Billed for Work Performed".

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.

b) Other receivables

The breakdown of "Other Receivables" at 31 December 2008 and 2007 is as follows:

	2008	2007
VAT refundable (Note 18)	187,900	166,648
Other tax receivables (Note 18)	49,211	56,274
Other receivables	228,409	229,437
Advances and loans to employees	6,749	2,340
TOTAL OTHER RECEIVABLES	**472,269**	**454,699**

13. 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, in the event of cash shortfalls, to use financing lines in the most efficient manner for the Group's interests.

The cash of the subsidiaries directly or indirectly wholly-owned by Fomento de Construcciones y Contratas, S.A. is managed on a centralised basis. The liquidity positions of these investees flow towards the head of the Group, which ultimately transfers these positions to Asesoría Financiera y de Gestión, S.A., the Group company wholly owned by Fomento de Construcciones y Contratas, S.A. responsible for achieving a return on any cash surpluses by making investments on the best possible terms, bearing in mind liquidity and safety limits at all times.

In accordance with IAS 7 Cash Flow Statements, the cash and cash equivalent position includes only items maturing in less than three months that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Consequently, these financial assets relate basically to very short-term, highly liquid investments with a high turnover whose immediate realisation would not give rise to significant costs.

The detail, by item, of "Cash and Cash Equivalents" is as follows:

	2008	2007
Cash	921,342	1,080,371
Financial deposits maturing within less than three months	207,196	36,064
Held-for-trading fixed-income securities	3,392	6,563
Held-to-maturity fixed-income securities	266,083	227,473
Credit facilities	171	70,001
Other financial assets maturing within less than three months	10,477	77,473
	1,408,661	**1,497,945**

The breakdown, by currency, of the cash and cash equivalent position in 2008 and 2007, including current financial assets (see Note 10), is as follows:

	2008	2007
Cash and cash equivalents	1,408,661	1,497,945
Other current financial assets	215,236	160,289
TOTAL	**1,623,897**	**1,658,234**

	2008	2007
Euro	1,304,589	1,330,550
US dollar	38,824	23,998
Pound sterling	93,938	162,345
Czech koruna	23,844	28,590
Latin American currencies	28,996	47,799
European currencies (excluding euro, sterling and koruna)	116,180	60,720
Other	17,526	4,232
TOTAL	**1,623,897**	**1,658,234**

14. Non-current assets held for sale

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

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. The sale should be expected to be completed within one year from the date of classification.

At 2007 year-end, the available-for-sale assets included in the accompanying financial statements were contributed by the Realia Business Group and related to four buildings located in Paris. These assets had no related liabilities.

At 31 December 2008, the Group had financial assets available for sale amounting to EUR 7,367 thousand related to projected divestments in the cement area, specifically in connection with the activities of Prefabricados Lemona.

15. Equity

The accompanying consolidated statements of changes in equity for the years ended 31 December 2008 and 2007 show the changes in equity attributable to the shareholders of the Parent and to the minority interests in those years.

I. Equity attributable to shareholders of the Parent

a) Share capital

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

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

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

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

The aforementioned company, B-1998, S.L., in which Esther Koplowitz Romero de Juseu, Simante, S.L., Larranza XXI, S.L. and Eurocis, S.A. have direct or indirect ownership interests of 83.927%, 5.726%, 5.339% and 5.008%, respectively, has certain commitments to its shareholders which are recorded and published by the Spanish National Securities Market Commission (CNMV) and in the FCC Group's Corporate Governance Report.

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

At the Annual General Meeting of 18 June 2008, the shareholders of Fomento de Construcciones y Contratas, S.A. resolved to reduce the Parent's capital through the retirement of 3,264,187 treasury shares. The impact on the share capital was equivalent to the par value of the shares, i.e. EUR 3,264 thousand.

At the Annual General Meeting held on 21 June 2005, the shareholders of Fomento de Construcciones y Contratas, S.A. resolved to authorise the Board of Directors to increase share capital over five years, including through the issuance of shares carrying no voting rights, in conformity with Article 153.1 b) of the Spanish Companies Law. Under this authorisation, these increases may not exceed an aggregate amount of EUR 63,651 thousand, i.e. one-half of the Parent's share capital.

b) Retained earnings and other reserves

The breakdown of "Retained Earnings and Other Reserves" in the accompanying consolidated balance sheet at 31 December 2008 and 2007 is as follows:

	2008	2007
Reserves of the Parent	886,950	757,818
Consolidation reserves	1,820,092	1,611,051
	2,707,042	**2,368,869**

b.1) Reserves of the Parent

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 detail at 31 December 2008 and 2007 is as follows:

	2008	2007
Share premium	242,133	242,133
Legal reserve	26,113	26,113
Reserve for treasury shares	-	8,156
Reserve for retired capital	6,034	2,770
Voluntary reserves	612,670	478,646
	886,950	**757,818**

Share premium

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

Legal reserve

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

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

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

At 31 December 2008, the Parent's legal reserve had reached the stipulated level.

Reserve for retired capital

This reserve includes the par value of the treasury shares retired in 2002 and 2008 with a charge to unrestricted reserves, in accordance with Article 167.3 of the Companies Law. The reserve for retired shares is restricted, unless the same requirements as those stipulated for capital reductions are met.

Voluntary reserves

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

b.2) Consolidation reserves

"Consolidation Reserves" in the accompanying consolidated balance sheet includes the reserves at fully consolidated companies and at companies accounted for using the equity method generated from the date on which the companies were acquired. The detail of the amounts included under "Consolidation Reserves" for each of the most significant companies at 31 December 2008 and 2007, including, where appropriate, their subsidiaries, is as follows:

	2008	2007
Cementos Portland Valderrivas Group	518,362	440,851
Afigesa Group	261,744	290,688
FCC Construcción Group	294,073	202,806
Corporación Financiera Hispánica, S.A.	160,020	100,221
Aqualia Gestión Integral del Agua, S.A.	137,758	34,166
FCC Medio Ambiente, S.A.	84,932	65,828
FCC Versia, S.A.	43,440	73,822
Alfonso Benítez, S.A.	33,217	30,367
Flightcare, S.L.	25,654	25,203
Fedemés, S.L.	13,727	13,045
Other and consolidation adjustments	247,165	334,054
	1,820,092	**1,611,051**

The share corresponding to the Parent of the reserve arising from the revaluation made at certain subsidiaries belonging to the cement line of business pursuant to Royal Decree-Law 7/1996 (as indicated in Note 6) amounted to EUR 24,024 thousand at 31 December 2008 (31 December 2007: EUR 23,335 thousand).

c) Treasury shares

"Treasury Shares" includes the shares of the Parent owned by it or by other Group companies, at the net amount resulting from the purchases and sales made.

On 18 June 2008, the shareholders at the Annual General Meeting of Fomento de Construcciones y Contratas, S.A. resolved to authorise the Board of Directors to derivatively acquire treasury shares and to authorise the subsidiaries to acquire shares of the Parent, all within the limits and in accordance with the requirements of Article 75 et seq. of the Spanish Companies Law.

The changes in treasury shares in 2008 and 2007 were as follows:

BALANCE AT 31 DECEMBER 2006	**(9,263)**
Acquisitions	(316,069)
BALANCE AT 31 DECEMBER 2007	**(325,332)**
Acquisitions	(69,084)
Sales related to coverage of the share option plan (Note 17)	102,043
Sales	7, 655
Retired in the capital reduction	165,792
BALANCE AT 31 DECEMBER 2008	**(118,926)**

The detail of treasury shares at 31 December 2008 and 2007 is as follows:

	2008		2007	
	Number of Shares	Carrying Amount	Number of Shares	Carrying Amount
Fomento de Construcciones y Contratas, S.A.	-	-	375,986	(8,156)
Compañía Auxiliar de Agencia y Mediación, S.A.	-	-	316,098	(1,107)
Asesoría Financiera y de Gestión, S.A.	2,682,260	(118,926)	5,046,871	(316,069)
TOTAL	**2,682,260**	**(118,926)**	**5,738,955**	**(325,332)**

At 31 December 2008, the shares of the Parent owned by it or by its subsidiaries represented 2.1% of the share capital (31 December 2007: 4.40%).

d) Valuation adjustments

The breakdown of "Valuation Adjustments" at 31 December 2008 and 2007 is as follows:

	2008	2007
Changes in fair value of financial instruments	(180,964)	(6,348)
Translation differences	(224,799)	(80,791)
	(405,763)	**(87,139)**

d.1) Changes in the 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 10) and of cash flow hedging derivatives (see Note 24).

The detail of the adjustments due to changes in the fair value of financial instruments at 31 December 2008 and 2007 is as follows:

		2008		2007
Available-for-sale financial assets		(2,897)		(5,641)
World Trade Center Barcelona, S.A.	3,363		3,363	
Vertederos de Residuos, S.A.	5,943		4,660	
SCL Terminal Aéreo de Santiago, S.A.	1,165		1,165	
Xfera Móviles, S.A.	(14,900)		(16,460)	
Other	1,532		1,631	
Financial derivatives		(178,067)		(707)
Global Vía Group	(34,384)		(4,059)	
Cementos Portland Valderrivas Group	(30,403)		8,909	
Fomento de Construcciones y Contratas, S.A.	(29,129)		-	
Azincourt Investment, S.L.	(24,952)		-	
Urbs Iudex et Causidicus, S.A.	(15,330)		(6,544)	
Portland, S.L.	(12,897)		-	
WRG Group	(11,669)		-	
Other	(19,303)		987	
		(180,964)		**(6,348)**

d.2) Translation differences

The detail of the amounts included under this heading for each of the most significant companies at 31 December 2008 and 2007 is as follows:

		2008		2007
USA				
Giant Cement Holding, Inc.	(16,088)		(21,462)	
Cemusa Group	(4,306)		(8,383)	
Other	148	(20,246)		(29,845)
Latin America				
Globalvía Group	(15,099)			
Corporación M&S Internacional C.A., S.A.	(3,666)		(1,322)	
Proactiva Group	(2,426)		(2,278)	
Cemusa Group	1,384		2,187	
Other	(882)	(20,689)	(3,658)	(5,071)
Egypt				
Egypt Environmental Services, S.A.E.	864		826	
Giza Environmental Services, S.A.E.	890	1,754	1,701	2,527
European Union				
Waste Recycling Group	(172,825)		(46,036)	
Dragon Alfa Cement Limited	(2,979)		(905)	
Other	(4,820)	(180,624)	3,134	(43,807)
Other				
Corporación Uniland Group	(4,716)		(4,985)	
Other	(278)	(4,994)	390	(4,595)
		(224,799)		**(80,791)**

In 2008 the depreciation of the pound sterling and of the main Latin American currencies gave rise to exchange losses.

Net investment abroad in currencies other than the euro represented approximately 40.7% of the FCC Group's equity (2007: 28.5%).

The detail, by geographical market, of this net investment, after translation to euros as described in Note 2-c), is as follows:

	2008	2007
United Kingdom	778,205	819,536
USA	338,207	260,745
Latin America	160,539	103,630
Other	23,013	27,348
	1,299,964	**1,211,259**

e) 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.

At the Group, the basic earnings per share and the diluted earnings per share are the same, since there are no options, warrants or equivalent or any other type of instrument convertible into ordinary shares or contracts that might have a dilutive effect on earnings per share.

The detail of the Group's basic and diluted earnings per share for 2008 and 2007 is as follows:

	2008	2007
Earnings per share		
Basic	EUR 2.71	EUR 5.76
Diluted	EUR 2.71	EUR 5.76

f) Interim dividend

On 17 December 2008, it was resolved to distribute to the shareholders of Fomento de Construcciones y Contratas, S.A. an interim dividend out of profit for 2008 equal to 78.5% gross of the par value of the shares, i.e. EUR 0.785 per share. The total amount of this dividend, EUR 99,933 thousand, was paid on or after 9 January 2009 on outstanding shares carrying dividend rights.

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 detail of the balances of the minority interests relating to the main companies at 31 December 2008 and 2007 is as follows:

	Equity		Profit or Loss	Total
	Share Capital	Reserves		
2008				
Cementos Portland Valderrivas Group	12,493	528,049	63,832	604,374
Alpine Bau Group	23	5,895	8,409	14,327
Other	11,482	16,875	2,189	30,546
	23,998	**550,819**	**74,430**	**649,247**
2007				
Realia Business Group	150,000	568,858	69,381	788,239
Cementos Portland Valderrivas Group	13,638	550,288	109,276	673,202
Alpine Bau Group	23	68,575	(1,255)	67,343
Other	18,554	12,160	4,839	35,553
	182,215	**1,199,881**	**182,241**	**1,564,337**

The main changes in "Minority Interests" presented in the accompanying consolidated statement of changes in equity are due to the exclusions from the scope of consolidation, detailed in Note 3 ("Changes in the Scope of Consolidation") to these consolidated financial statements, such as the Realia Business Group in 2008.

The share of the minority interests of Cementos Portland Valderrivas, S.A. in the reserve relating to the asset revaluation made by the cement companies pursuant to Royal Decree-Law 7/1996, as indicated in Note 6, amounted to EUR 10,257 thousand at 31 December 2008 (31 December 2007: EUR 10,946 thousand).

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 and profit before tax in the financial statements for 2008, if the option is exercised in 2009, or in those for 2010 if it is exercised in 2011. The exercise price for the minority shareholder's total ownership interest was estimated by the Group at EUR 131,000 thousand based on the best estimates of the aforementioned indicators and on the probably exercise date of the option, depending on the value of the indicators applicable at the time of exercise. The aforementioned minority shareholder has simultaneously granted FCC Construcción, S.A. a call option on its total ownership interest in Alpine Holding GmbH, exercisable at any time until 31 December 2012. The exercise price is based on the same parameters as those described above. As a result of these obligations, the Group reduced the consolidated value of the 20.73% of the Alpine Group included in minority interests, presenting the theoretical amount to be disbursed if the option is exercised as a financial liability and the difference between the two amounts as a non-current financial asset, since if the option were exercised this would correspond to an addition to the acquisition value of the ownership interest (see Note 16).

16. Non-current and current financial liabilities

The FCC Group's general policy is to provide all the Group companies with the financing that is best suited to the normal conduct of their business activities. In this connection, the Group companies are furnished with the credit facilities required to cater for their budgetary plans, which are monitored on a monthly basis. Also, risk is generally spread over various banks and the Group companies currently have credit facilities with more than 150 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 24).

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 term of the debt.

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.

These liabilities are measured at the fair value of the consideration received, i.e. at the amount of principal drawn down, plus the related unmatured accrued interest, which is taken to income on the basis of the amount of principal outstanding.

a) Non-current and current bank borrowings

The detail at 31 December 2008 and 2007 is as follows:

	Non-Current	Current	Total
2008			
Credit facilities and loans	4,586,777	1,513,654	6,100,431
Project financing loans with recourse	1,450,850	387,772	1,838,622
	6,037,627	**1,901,426**	**7,939,053**

	Non-Current	Current	Total
2007			
Credit facilities and loans	3,819,503	1,871,270	5,690,773
Project financing loans with recourse	2,970,954	364,404	3,335,358
	6,790,457	**2,235,674**	**9,026,131**

The main features of the most significant credit facilities and loans held by the Group are as follows:

— Syndicated credit facility totalling EUR 1,225 million arranged by the Parent on 8 May 2008. The facility is divided into two tranches: a long-term loan of EUR 735,000 thousand and a long-term credit facility amounting to EUR 490,000 thousand. The term of the loan is three years (extendable for a further two years), the same period as that projected for the "2008-2010 Strategic Plan". The loan has a single maturity, 8 May 2011, and bears interest at Euribor plus a spread established on the basis of the FCC Group's debt ratio as per the financial statements for each year. At 31 December 2008, the loan had been drawn down in full.

— 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 with three banks, maturing on 10 October 2013. The purpose of this loan was to finance the acquisition of Hydrocarbon Recovery Services Inc. and International Petroleum Corp.

  The agreement consists of three tranches:

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

  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. At 31 December 2008, the facility had been drawn down in full.

On 22 May 2008, a long-term syndicated credit facility for EUR 94,000 thousand was arranged with three banks, maturing in 2026. The purpose of this transaction is to finance the project for the construction, maintenance and operation of the A3 (Pk 70-177) and A31 (Pk 0-30) freeways. At 31 December 2008, the credit facility had been drawn down in full.

— On 31 July 2008, the Alpine Group arranged a syndicated credit facility of EUR 124,500 thousand with five banks, maturing on 31 July 2011 and renewable yearly from the third year for a maximum period of five years. The purpose of this transaction is to finance the expansion of the Alpine Group. Five banks participated in the credit facility and three in the provision of guarantees. The spread of the syndicated facility will be based on the net debt/EBITDA ratio. At 31 December 2008, the credit facility had been drawn down in full.

— 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. Another 12 companies participated in the transaction, the purpose of which is 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. The loan was drawn down on 8 January 2009 (see Note 27).

The agreement consists of two tranches:

a) A senior debt tranche of EUR 455,000 thousand.

b) A subordinated debt tranche of EUR 45,000 thousand already held by the acquiree.

— 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. Another four companies participated in the transaction, the purpose of which is to finance the acquisition of two PV farms with a total of 20 MW in Espejo (Córdoba). The interest rate is Euribor plus a spread calculated on the basis of the variation in the net financial debt/EBITDA ratio.

— On 29 December 2008, Cementos Portland Valderrivas arranged a long-term syndicated loan of EUR 90,000 thousand with another three companies, which matures in full in July 2012. The purpose of the transaction is to finance the purchase of the outstanding put options of Corporación Uniland. 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 2008, this loan had not been drawn down.

— 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, which initially stands at 0.375%. 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. Three banks participated in this loan. At 31 December 2008, the loan had been drawn down in full.

— Long-term syndicated financing facility of EUR 800,000 thousand arranged by the Parent with three banks in 2007 and maturing on 19 July 2012 with the possibility of an extension until 2014. At 31 December 2008, the facility had been drawn down in full.

The agreement consists of two tranches:

a) A long-term loan of EUR 280,000 thousand with a partial repayment of 50% one year prior to maturity.

b) 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, which initially stands at 0.325%.

Following is a detail of the amounts associated with projects financed through “Limited Recourse Project Financing Loans”:

	2008	2007
Realia Business Group	-	1,406,765
Waste Recycling Group	761,852	1,003,108
Cementos Portland Valderrivas Group	658,930	615,430
Other	417,840	310,055
	1,838,622	**3,335,358**

The main changes in the Group's borrowings relate to the reduction in the amounts contributed by the Realia Business Group which was fully consolidated in 2007 and contributed EUR 1,930 million. The net borrowings of the Realia Group at 31 December 2008 amounted to EUR 2,349 million.

The detail of the bank borrowings, by currency and amounts drawn down at 31 December 2008 and 2007, is as follows:

	Euro	US Dollar	Pound Sterling	Czech Koruna	Brazilian Real	Other	Total
2008							
Credit facilities and loans	5,254,877	323,202	219,525	199,073	20,944	82,810	6,100,431
Project financing loans with recourse	1,068,299	-	761,852	-	-	8,471	1,838,622
	6,323,176	**323,202**	**981,377**	**199,073**	**20,944**	**91,281**	**7,939,053**
2007							
Credit facilities and loans	3,830,673	135,151	283,593	21,000	26,690	1,393,666	5,690,773
Project financing loans with recourse	2,319,264	-	1,003,108	-	-	12,986	3,335,358
	6,149,937	**135,151**	**1,286,701**	**21,000**	**26,690**	**1,406,652**	**9,026,131**

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 (Severomoravské Vodovody a Kanalizace Ostrava, A.S.) and the assets of the Alpine Bau Group in the Czech Republic.

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

With regard to the 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.

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

The most significant items recognised under these headings include 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 68,849 thousand), repayable in a single maturity in 2013 and bearing interest tied 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, Severomoravské Vodovody a Kanalizace Ostrava, A.S. (SmVaK) issued non-convertible debentures amounting to CSK 2,000 million (EUR 74,080 thousand). These debentures, which were traded on the Prague Stock Exchange, mature in 2015 and bear nominal interest of 5%. As security for this issue, the Czech company is obliged not to grant additional pledges on its assets to third parties, not to sell assets above a certain cumulative value, and not to become indebted in excess of a certain amount. Furthermore, this company is obliged to maintain a certain debt coverage ratio, for which purpose an interest rate hedge transaction was arranged amounting to CSK 500 million (EUR 18,700 thousand), maturing in 2015.

c) Other non-current financial liabilities

	2008	2007
Non-current		
Obligations under finance leases	88,724	46,087
Borrowings - non-Group third parties	378,898	390,762
Liabilities relating to financial derivatives	181,678	42,103
Guarantees and deposits received	27,674	47,798
Other	14,788	27,395
	691,762	**554,145**

"Non Current Financial Liabilities – Other Financial Liabilities" in the balance sheet includes, on the one hand, EUR 171,070 thousand relating to the put option on 8.18% of the shares of Corporación Uniland, S.A., whose shareholders are entitled to exercise the option over a maximum period of five years (2006-2011), as discussed in Note 10-a.3 to these consolidated financial statements and, on the other hand, mainly the debts earmarked for the acquisition of non-current assets amounting to EUR 52,660 thousand (31 December 2007: EUR 102,421 thousand) which, as the case may be, bear interest at market rates.

It also includes EUR 131,000 thousand relating to the put option on 20.73% of the Alpine Group, as indicated in Note 15, and EUR 27,368 thousand relating to the fair value of the put option on FCC treasury shares associated with the share option plan for executives and executive directors indicated in Note 17.

d) Other current financial liabilities

	2008	2007
Current		
Obligations under finance leases	68,496	85,025
Interim dividend payable	113,096	134,167
Payable to non-current asset suppliers and notes payable	76,129	123,457
Payable to associates	21,633	29,483
Liabilities relating to financial derivatives	3,300	2
Guarantees and deposits received	13,150	16,287
Other	26,915	15,364
	322,719	**403,785**

"Current Financial Liabilities – Other Financial Liabilities" includes various debt items, including most notably that relating to the payment of the 2008 interim dividend, of which EUR 99,933 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:

	2010	2011	2012	2013	2014 and Subsequent Years	Total
2008						
Debt instruments and other marketable securities	-	-	-	68,849	74,080	142,929
Non-current bank borrowings	543,321	2,152,790	1,339,391	1,614,077	388,048	6,037,627
Other financial liabilities	74,125	192,936	31,867	89,199	303,635	691,762
	617,446	**2,345,726**	**1,371,258**	**1,772,125**	**765,763**	**6,872,318**

17. Non-current and current 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 finance costs in the consolidated income statement.

A significant portion of the environmental provisions is recognised by increasing the value of the assets relating to the environmental protection obligations acquired. Profit or loss is affected when the asset concerned is depreciated on the basis of the rates indicated in Note 6 ("Property, Plant and Equipment").

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.

The method applied to and the specific features of the Group's obligations relating to share-based payments at 31 December 2008 are detailed in this Note.

The detail of the provisions at 31 December 2008 and 2007 is as follows:

		2008		2007
Non-current		821,429		871,107
Long-term employee benefit obligations	97,321		84,654	
Dismantlement, removal and restoration of non-current assets	178,496		191,721	
Environmental actions	137,427		153,660	
Litigation	173,741		167,619	
Contractual and legal guarantees and obligations	68,040		73,658	
Other provisions	166,404		199,795	
Current		91,918		82,371
Construction contract settlement and project losses	81,818		74,827	
Termination benefits to site personnel	10,100		7,544	

The changes in "Provisions" in 2008 and 2007 were as follows:

	Non-Current Provisions	Current Provisions
BALANCE AT 31/12/06	949,565	49,053
Environmental expenses for the removal or dismantlement of assets	13,747	-
Provisions recognised/(reversed)	26,740	7,667
Amounts used	(40.002)	-
Changes in the scope of consolidation, translation differences and other changes	(78,943)	25,651
BALANCE AT 31/12/07	871,107	82,371
Environmental expenses for the removal or dismantlement of assets	41,220	-
Provisions recognised/(reversed)	9,535	14,923
Amounts used	(60,854)	(39)
Changes in the scope of consolidation, translation differences and other changes	(39,579)	(5,337)
BALANCE AT 31/12/08	**821,429**	**91,918**

The provisions recognised in 2008 include EUR 14,848 thousand (2007: EUR 15,810 thousand) relating to the adjustment for provision discounting.

"Environmental Expenses for the Removal or Dismantlement of Assets", in accordance with IAS 16 Property, Plant and Equipment, 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.

"Changes in the Scope of Consolidation, Translation Differences and Other Changes" includes the effect of the depreciation of the pound sterling against the euro on the dismantlement provisions contributed by the services business of the UK group WRG.

The timing of the expected outflows of economic benefits at 31 December 2008 arising from the obligations covered by non-current provisions is as follows:

	Within Five Years	After Five Years	Total
Long-term employee benefit obligations	14,144	83,177	97,321
Dismantlement, removal and restoration of non-current assets	103,343	75,153	178,496
Environmental actions	43,053	94,374	137,427
Litigation	54,112	119,629	173,741
Contractual and legal guarantees and obligations	63,619	4,421	68,040
Other provisions	70,670	95,734	166,404
	348,941	**472,488**	**821,429**

Long-term employee benefit obligations

"Non-Current Provisions" in the accompanying consolidated balance sheet includes the provisions covering the Group companies' obligations in respect of pensions and similar obligations such as medical and life insurance, as indicated in Note 19.

Provisions for litigation

Provisions for litigation cover the contingencies of the FCC Group companies acting as defendants in certain proceedings in relation to the liability inherent to the business activities carried on by them. The lawsuits, although numerous, represent scantly material amounts when considered individually and none of them are particularly noteworthy.

Environmental provisions

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

FCC Group management considers that the Group companies' contingencies relating to environmental protection and improvement at 31 December 2008 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 23 to these consolidated financial statements ("Information on the Environment") supplements the information set forth with respect to environmental provisions.

Contractual and legal 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.

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 21, and for the expenses arising from such projects from the date of their completion to the date of their definitive settlement, which are determined systematically as a percentage of the value of production over the term of the project based on experience in the construction business.

Provisions for termination benefits to site personnel

The Group companies recognise provisions for the termination of permanent site personnel 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.

Share-based payments.

Based on the nature thereof, the Group recognises the goods and services received as an asset or an expense on obtainment, and also recognises the corresponding increase in equity if the transaction is settled with equity instruments or the corresponding liability if the transaction is settled with an amount based on the value of equity instruments.

The Group's transactions are settled in cash and, therefore, the goods and services and the corresponding liability are measured at the fair value of the liability at the date on which it qualifies for recognition. The fair value of the liability is remeasured at each reporting date and at the date of settlement. Any change in the value recognised is taken to profit or loss for the year until the liability is settled. This treatment is accounted for as a change in estimates and the effect must be recognised prospectively. The fair value is determined using an appropriate option pricing model.

On 29 July 2008, the Parent's Board of Directors resolved to establish a remuneration system linked to the value of the Company's shares for executives and Board members that discharge executive functions. The key features of this system are as follows:

- Commencement date: 1 October 2008.
- Exercise period: from 1 October 2011 to 1 October 2013.
- Number of shares: 1,800,000 shares, of which 700,000 correspond to executive directors and senior executives (12 persons) and the remaining 1,100,000 to other executives (43 persons).
- Participants must use, for the acquisition of FCC shares, an amount at least equal to the difference between the average price of the Fomento de Construcciones y Contratas, S.A. share, net of fees, expenses and taxes, on the day that the option is exercised and the exercise price of the option.
- The option exercise price is EUR 34.22 per share.

Exercise of the options is conditional upon the participants continuing to provide services to the Company or to any Group company at the exercise date and on their having done so continuously throughout the term of the plan or since they became participants. Entitlement to exercise the options shall not be forfeited in the following situations:

- Death or certified incapacity of the participant.
- Retirement of the participant, at least one year after 1 October 2008, provided that the participant is at least 65 years of age on retirement.
- Termination of the employment relationship due to dismissal for objective reasons, for reasons attributable to the Parent or by mutual agreement.
- Termination of the employment relationship due to a dismissal considered by the courts to be improper.

With respect to the share-based employee remuneration plan, the Parent recognises the services received as staff costs as accrued, and also recognises the corresponding liability for the remuneration outstanding since the plan is settled only in cash.

The liability was measured at 2008 year-end on the basis of the fair value thereof at the date on which it qualified for recognition. At 31 December 2008, EUR 733 thousand (see Note 21-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 5,171 thousand.

In order to hedge the risk of an increase in the Company's share price within the framework of the share option plan, in 2008 the Parent arranged an equity swap with BBVA. On 8 December 2008, the swap was replaced at the same bank by a call option, a put option and an interest rate/dividend swap with the same exercise price of EUR 34.22 and the same nominal amount of 1.8 million shares and maturing in October 2013. In both options the Company receives the dividend on the shares and pays interest at 1-month Euribor plus a spread of 0.90%. Finance costs of EUR 16,596 thousand (see Note 21-c) were recognised under "Change in Fair Value of Financial Instruments" relating to the settlement of the equity swap for the fair value thereof at the time of cancellation.

The Company measures and calculates the effectiveness of the call option separately from the other components (put option and interest rate/dividend swap). The call option is considered to be a cash flow hedge of the share option plan and, since it is effective, the changes in value are recognised in equity at each reporting date until the hedged item affects profit or loss. At 31 December 2008, the cumulative amount recognised in equity as a result of the change in value of the call option since designation was EUR

3,011 thousand. In 2008 no amounts were transferred from equity to profit or loss. The value of the call option was determined by using a binomial model based on the following assumptions:

— Volatility: in the absence of market data for the period under consideration, the historical volatility at the measurement date was calculated taking into account Bloomberg's data for 400 market days. The volatility used was 35.89%.

— Risk-free interest rate: this was estimated on the basis of the monetary curve (deposits) for the short term and the interest-rate swap curve for longer terms;

— Dividends: a dividend of EUR 1.2 was considered for 2009 and of EUR 1.25 for years until 2015.

— The spot price of the Company's share used as a reference for the measurement was EUR 31.90 per share.

The put option and the cash flow swap were not designated as hedges and, therefore, the changes in value are recognised directly in profit or loss for the year. Since the exercise of the written put option is conditional upon by the exercise of the call option, it is measured on a cashless-for-cash basis, on the premise that the sum of the three instruments could be measured as the difference between the exercise price of the options and the spot price at the measurement date. Consequently, the value of the put option subject to the exercise of the call option is estimated on the basis of the measurement of the hypothetical equity swap made up by the three instruments.

Classification	Type of Derivative	Amount Arranged	Maturity	Ineffective Portion Recognised in Profit or Loss	Fair Value	
					Assets	Liabilities
Speculative	Put option	61,596	30/09/13	-	-	27,368
Speculative	Swap	61,596	30/09/13	-	4,398	
TOTAL					**4,398**	**27,368**

18. Tax matters

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

Under authorisation 18/89, the 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.

a) Deferred tax assets and liabilities

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.

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

The tax losses of the subsidiaries were generally offset by deducting from the income tax the investment valuation allowances recognised by the Group companies owning the holding, or by deducting these losses from the consolidated tax base in the case of subsidiaries that file consolidated tax returns. However, certain companies recognised deferred tax assets relating to tax losses amounting to EUR 31,654 thousand, since they considered that there are no doubts as to their recoverability (31 December 2007: EUR 30,072 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. In general, these liabilities do not represent future cash outflows since they reverse at the same rate as that of the depreciation taken on the revalued assets.

— The depreciation for tax purposes of leased assets and of certain items of property, plant and equipment qualifying for accelerated depreciation for tax purposes, including most notably EUR 9,795 thousand (31 December 2007: EUR 9,973 thousand) relating to 30% of the depreciation taken early on the Torre Picasso building, which qualifies for the tax benefits provided for in Royal Decree-Law 2/1985.

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

— The tax deductibility of the goodwill arising on the acquisition of non-resident companies (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 2008 "Retained Earnings and Other Reserves" includes an increase of EUR 108,682 thousand (increase of EUR 38,502 thousand at 31 December 2007) 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.

Additionally, Note 18-c) below ("Income Tax Expense") shows the changes in the other deferred taxes which include the tax deductible portion of the goodwill that arose on the acquisition of foreign companies and which reduced the income tax payable in 2008 by EUR 17,136 thousand (31 December 2007: EUR 21,369 thousand).

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

	2009	2010	2011	2012	2013 and Subsequent Years	Total
Assets	69,316	12,637	17,336	5,956	447,597	552,842
Liabilities	71,894	34,825	30,222	25,483	837,580	1,000,004

b) Tax receivables and payables

The detail at 31 December 2008 and 2007 of the current assets and liabilities included under "Tax Receivables" and "Tax Payables", respectively, is as follows:

Current assets

	2008	2007
VAT refundable (Note 12)	187,900	166,648
Current tax	51,005	5,940
Remaining taxes and other (Note 12)	49,211	56,274
	288,116	**228,862**

Current liabilities

	2008	2007
VAT payable (*)	279,152	239,810
Current tax	31,388	131,570
Remaining taxes and other (*)	277,016	266,762
	587,556	**638,142**

(*) Included under "Other Payables".

c) Income tax expense

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 income tax expense incurred in 2008 amounts to EUR 94,294 thousand (2007: EUR 332,211 thousand), as shown in the accompanying consolidated income statement. Following is the reconciliation of the expense to the tax charge payable:

			2008			2007
CONSOLIDATED ACCOUNTING PROFIT FOR THE YEAR BEFORE TAX			490,329			1,252,302
	Increase	Decrease		Increase	Decrease	
Consolidation adjustments and eliminations	-	(15,038)	(15,038)	-	(52,103)	(52,103)
Permanent differences	32,682	(41,719)	(9,037)	43,365	(67,831)	(24,466)
ADJUSTED CONSOLIDATED ACCOUNTING PROFIT			**466,254**			**1,175,733**
Temporary differences						
- Arising in the year	207,046	(390,373)	(183,327)	163,293	(409,588)	(246,295)
- Arising in prior years	342,033	(189,649)	152,384	338,481	(136,349)	202,132
CONSOLIDATED TAXABLE PROFIT			**435,311**			**1,131,570**

	2008	2007
Adjusted consolidated accounting profit	466,254	1,175,733
Income tax charge	138,318	371,395
Tax credits and tax relief	(15,338)	(60,209)
Adjustments due to change in tax rate	(25,285)	11,665
Other adjustments	(3,401)	9,360
INCOME TAX EXPENSE	**94,294**	**332,211**

19. Pension plans and similar obligations

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

In addition, following authorisation by the Executive Committee, in the past 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 benefits are those which entail the extinguishment of the employment relationship for any of the following reasons:

a) Unilateral decision of the Company.

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

c) Death or permanent disability.

d) Other causes of physical or legal incapacity.

e) Substantial change in professional terms and conditions.

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

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

The accompanying consolidated income statement includes premium payments in relation to this insurance policy amounting to EUR 571 thousand (2007: EUR 970 thousand) and income from rebates on the premiums paid amounting to EUR 3,972 thousand (2007: EUR 4,108 thousand). At 31 December 2008, following payment of the aforementioned net amounts, the fair value of the premiums contributed covered all the actuarial obligations assumed.

The liability side of the accompanying consolidated balance sheet for 2008 includes the present value, totalling EUR 3,132 thousand (2007: EUR 3,180 thousand), of the amounts payable in relation to the Spanish Group companies' post-employment benefit obligations to former executives. Also, remuneration amounting to EUR 221 thousand in both 2008 and 2007 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 17).

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 6.75% (2007: 6.2%). At 31 December 2008, the fair value of the plan assets amounted to USD 49,456 thousand (2007: USD 61,945 thousand), and the actuarial value of the accrued obligations amounted to USD 57,612 thousand (2007: USD 60,824 thousand).

  Also, Giant Cement Holding, Inc. has undertaken to continue to provide healthcare and life insurance for certain employees after termination of their employment.

  The accrued obligations payable are included in the accompanying consolidated balance sheet under "Non-Current Provisions".

  At 31 December 2008, the actuarial deficit for pension and healthcare insurance obligations to employees amounted to USD 16,708 thousand (2007: USD 13,284 thousand) (approximately EUR 12,005 thousand), net of taxes, 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 accompanying consolidated balance sheet at 31 December 2008 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 22,235 thousand (31 December 2007: EUR 38,488 thousand), and the actuarial value of the accrued obligations amounted to EUR 23,998 thousand (31 December 2007:

EUR 39,224 thousand). The net difference, representing a liability of EUR 1,763 thousand (31 December 2007: EUR 736 thousand), was recognised under "Provisions for Pensions and Similar Obligations" in the accompanying consolidated balance sheet. "(Charge to)/Reversal of Operating Allowances" in the accompanying consolidated income statement includes a cost of EUR 381 thousand (31 December 2007: EUR 1,252 thousand) relating to the net difference between the service cost and the return on the plan assets. The average actuarial rate applied was 5.6%.

— At 31 December 2008, the Alpine Bau Group companies contributed EUR 44,311 thousand (31 December 2007: EUR 46,173 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 4,688 thousand is included in the accompanying consolidated income statement in respect of the aforementioned items.

— Lastly, Flightcare Italia, SpA also contributed EUR 11,748 thousand (31 December 2007: EUR 14,209 thousand) to "Provisions for Pensions and Similar Obligations" in the accompanying consolidated balance sheet at 31 December 2008. This amount relates to the actuarial value of the accrued obligations, to which no assets have been assigned. "(Charge to)/Reversal of Operating Allowances" in the accompanying consolidated income statement includes a cost of EUR 461 thousand (31 December 2007: EUR 2,054 thousand) relating to the net difference between the service cost and the discounted present value. The average actuarial rate applied was 4.14%.

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

2008

Actual evolution of the present value of the obligation

	Giant	Waste Recycling Group	Alpine	Flightcare
BALANCE OF OBLIGATIONS AT BEGINNING OF YEAR	70,383	27,399	54,245	14,209
Current service cost	1,260	387	7,895	-
Interest cost	4,433	1,534	2,114	461
Contributions by participants	-	185	-	262
Actuarial gains/losses	(3,187)	(4,948)	(4,582)	(174)
Changes due to exchange rate	3,951	-	890	-
Benefits paid in 2008	(4,753)	(718)	(4,299)	(2,477)
Past service cost	-	159	-	-
Curtailments	-	-	-	(533)
BALANCE OF OBLIGATIONS AT END OF YEAR	72,295	23,998	56,263	11,748

Actual evolution of the fair value of the plan assets

	Giant	Waste Recycling Group	Alpine	Flightcare
Balance of plan assets at beginning of year	42,079	26,884	8,072	-
Expected return on assets	(5,358)	1,792	404	-
Actuarial gains/losses	-	(7,038)	(175)	-
Changes due to exchange rate	1,968	-	726	-
Contributions by the employer	1,598	1,131	4,234	-
Contributions by participants	-	185	-	-
Benefits paid	(4,753)	718	(1,309)	-
BALANCE OF PLAN ASSETS AT END OF YEAR	**35,534**	**23,672**	**11,952**	**-**

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

	Giant	Waste Recycling Group	Alpine	Flightcare
NET BALANCE OF OBLIGATIONS LESS PLAN ASSETS AT END OF YEAR	36,761	326	44,311	11,748
Actuarial gains/losses not recognised in the balance sheet (within the 10% limit)	-	-	-	692
Actuarial gains/losses not recognised in the balance sheet to be recognised in subsequent years	(19,412)	-	-	-
NET BALANCE (LIABILITIES-ASSETS) RECOGNISED AT END OF YEAR	17,349	326	44,311	12,440

2007

Actual evolution of the present value of the obligation

	Giant	Waste Recycling Group	Alpine	Flightcare
Balance of obligations at beginning of year	73,972	22,265	43,076	17,463
Current service cost	1,146	378	5,624	76
Interest cost	4,180	1,106	2,139	618
Contributions by participants	-	150	-	-
Actuarial gains/losses	2,674	(1,118)	420	(518)
Changes due to exchange rate	(8,100)	-	-	-
Benefits paid in 2007	(4,440)	(867)	(4,600)	(2,070)
Past service cost	-	(818)	-	-
Business combinations	-	-	7,586	-
Curtailments	439	-	-	(1,540)
Settlements	512	-	-	-
Balance of obligations at end of year	70,383	21,096	54,245	14,029

Actual evolution of the fair value of the plan assets

	Giant	Waste Recycling Group	Alpine	Flightcare
BALANCE OF PLAN ASSETS AT BEGINNING OF YEAR	45,758	19,899	1,413	-
Expected return on assets	4,253	1,295	205	-
Actuarial gains/losses	-	(563)	-	-
Changes due to exchange rate	(4,904)	-	-	-
Contributions by the employer	1,412	785	1,075	-
Contributions by participants	-	150	-	-
Benefits paid	(4,440)	(867)	(761)	-
Business combinations	-	-	6,140	-
BALANCE OF PLAN ASSETS AT END OF YEAR	42,079	20,699	8,072	-

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

	Giant	Waste Recycling Group	Alpine	Flightcare
NET BALANCE OF OBLIGATIONS LESS PLAN ASSETS AT END OF YEAR	28,304	(396)	46,173	14,029
Actuarial gains/losses not recognised in the balance sheet to be recognised in subsequent years	(14,704)	-	-	-
NET BALANCE (LIABILITIES-ASSETS) RECOGNISED AT END OF YEAR	13,600	(396)	46,173	14,029

20. Guarantee commitments to third parties and other contingent liabilities

At 31 December 2008, the Group had provided EUR 5,366,351 thousand (31 December 2007: EUR 4,749,437 thousand) of guarantees to third parties, mostly consisting of completion bonds provided to government agencies and private-sector customers as security for the performance of construction projects and urban cleaning contracts.

Fomento de Construcciones y Contratas, S.A. and the Group's subsidiaries are acting as defendants in certain lawsuits in relation to the liability inherent to the various business activities carried on by the Group in the performance of the contracts awarded, for which the related provisions have been recognised (see Note 17). The lawsuits, although numerous, represent scantly material amounts when considered individually and none of them are particularly noteworthy. Accordingly, on the basis of past experience and the existing provisions, the resulting liabilities would not have a significant effect on the Group's equity.

In relation to the Group companies' interests in businesses managed jointly through unincorporated joint ventures, joint property entities, silent participation agreements, economic interest groupings and other entities of a similar legal nature, the venturers share joint and several liability with respect to the activity carried on (see Note 9).

There are non-cancellable future payment obligations amounting to EUR 395,344 thousand (2007: EUR 324,131 thousand) in relation to operating leases on buildings and structures. These obligations, entered into mainly by the logistics companies, are recognised in the income statement on an accrual basis.

21. Revenue and expenses

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

In the real estate business, the Group companies recognise the revenue and expenses relating to property development sales when the properties are handed over and title thereto has been transferred. Revenue from the sale of land and buildable plots is recognised when the risks and rewards are transferred to the purchaser, which normally coincides with the date of execution of the related public deeds and the transfer of ownership. Rental income is recognised on an accrual basis.

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. The performance and operating costs include the interest accrued at market rates during the customary payment period in the construction and services industries.

a) Operating income

The companies classify operating income under "Revenue", except for that arising from Group work on non-current assets and grants related to income, which is recognised as "Other Operating Income" in the accompanying consolidated income statement. Also, the real estate business contributes to "Other Operating Income" the expenses chargeable to tenants and income from the sale of property assets.

Note 22 ("Segment Reporting") shows the contribution of the business lines to consolidated revenue.

The detail of "Other Operating Income" in 2008 and 2007 is as follows:

	2008	2007
Income from sundry services	212,524	8,583
Compensation received from insurance companies	13,806	41,687
Chargeable expenses of the real estate business	28,397	25,739
Grants related to income	6,911	6,911
Other income	28,699	325
Excessive provisions	59,440	-
Income from the sale of property assets	25,344	18,468
Selling price of investment propert.	81,537	42,595
Cost of sale.	(56,193)	(24,127)
	375,121	**101,713**

b) Procurements

The detail of the balance of "Procurements" at 31 December 2008 and 2007 is as follows:

	2008	2007
Work performed by subcontractors and other companies	4,183,987	3,798,108
Purchases and procurements	2,724,380	2,420,848
Other external expenses	78,874	4,187
	6,987,241	**6,223,143**

c) Staff costs

The detail of "Staff Costs" in 2008 and 2007 is as follows:

	2008	2007
Wages and salaries	2,556,951	2,312,487
Social security costs	634,935	593,890
Other staff costs	68,880	59,360
	3,260,766	**2,965,737**

The average number of employees at the Group, by professional category, in 2008 and 2007 was as follows:

	2008	2007
Managers and university graduates	4,357	3,902
Other qualified line personnel	7,154	6,631
Clerical and similar staff	11,054	10,298
Other salaried employees	71,298	69,259
	93,863	**90,090**

The average number of employees at the Group, by gender and professional category, in 2008 and 2007 was as follows:

	2008		2007	
	Men	Women	Men	Women
Managers and university graduates	3,348	1,009	3,005	897
Other qualified line personnel	5,759	1,395	5,305	1,326
Clerical and similar staff	5,720	5,334	5,252	5,046
Other salaried employees	59,029	12,269	57,678	11,581
	73,856	**20,007**	**71,240**	**18,850**

"Staff Costs" includes EUR 733 thousand relating to the Share Option Plan (see Note 17).

d) Finance income and costs

Both finance income and finance costs, as the case may be, are calculated using the effective interest method and are recognised in the accompanying consolidated income statement on an accrual basis.

The detail of the finance income in 2008 and 2007, based on the assets giving rise thereto, is as follows:

	2008	2007
Held-for-trading financial assets	49	1,920
Available-for-sale financial assets	4,546	5,130
Held-to-maturity investments	5,380	6,724
Non-current and current loans	43,003	37,556
"Lump-sum payment" construction projects	5,769	3,606
Cash and cash equivalents	50,314	52,632
	109,061	**107,568**

The detail of the finance costs in 2008 and 2007 is as follows:

	2008	2007
Credit facilities and loans	424,367	298,307
Limited recourse project financing loans	100,587	118,080
Amounts payable under finance leases	5,650	5,283
Other payables to third parties	18,967	34,731
Assignment of accounts receivable and "lump-sum payment" construction projects	27,648	26,167
Other finance costs	16,438	14,461
	593,657	**497,029**

e) Gains (or losses) on changes in fair value of financial instruments

The detail of the balance of "Change in Fair Value of Financial Instruments" is as follows:

	2008	2007
Held-for-trading financial assets	52	200
Available-for-sale financial assets	3,980	-
Held-to-maturity investments	(3)	(51)
Derivatives (Note 17)	(19,602)	12,695
	(15,573)	**12,844**

The most noteworthy transaction was the settlement of the equity swap associated with the Share Option Plan for the fair value of the swap at the time of cancellation, i.e. EUR 16,596 thousand (see Note 17).

f) Impairment and gains or losses on disposals of financial instruments

In 2007 the gains or losses on sales of non-current assets and of investments in consolidated companies were included, provided that such sales did not result in discontinued operations or involve non-current assets held for sale. The sales of investments included most notably the Public Offering of 21.52% of the share capital of Realia Business, S.A.

	2008	2007
Public offering of Realia Business Group	-	258,524
Gains on contributions to Global Vía Infraestructuras, S.A.	14,699	29,295
Sale of Reparalia, S.A.	-	23,213
Sale of Corporación Española de Transporte, S.A.	-	11,017
Sale of investments in SIIC Paris	15,647	-
Current held-for-trading liabilities	3,114	542
Other	(635)	(1,860)
Impairment	(2,658)	479
	30,167	**321,210**

In 2007 Realia Patrimonio, holder of the shares of SIIC de Paris transferred by the parent of the Realia Group in the contribution by spin-off of a line of business, sold its entire 15.02% ownership interest in SIIC de Paris through the sale of 293,242 shares. The sale was performed through the transfer of three blocks of shares in October and December amounting to 5.00%, 5.02% and 5.00%, respectively, of the share capital of SIIC de Paris. The total amount of the sale was EUR 105,144 thousand. In accordance with IAS 32, the gains on the sales in October and December were not accounted for as income but were recognised under "Other Non-Current Liabilities" in the consolidated balance sheet since the buyers held put options on the ownership interests acquired. The options were subject to compliance with the conditions established in the shareholders agreement whereby the parties agreed to maintain the ownership interests of the buyers at 5%, together with the related rights, in the event of a capital increase, with or without pre-emption rights, up to a maximum of EUR 200 million in the case of capital increases performed during the term of the agreement. On expiration of the agreements on 31 December 2008, the net retained gains amounting to EUR 13,766 thousand were taken to income and recognised under "Impairment and Gains or Losses on Disposals of Financial Instruments" for 2008.

In 2008, 14 concessions were contributed to Global Vía Infraestructura, S.A. (see Note 3), giving rise to gains for the Group of EUR 14,699 thousand, including most notably Concesiones de Madrid, S.A. (gain of EUR 11,671 thousand) and Túnel de Envalira, S.A. (gain of EUR 2,326 thousand).

22. 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.

In 2007 the real estate business line, represented by the Realia Business Group, was added to the FCC Group to which it contributed business from June 2007, as indicated in Note 3 ("Changes in the Scope of Consolidation"). The income and expenses contributed by the Realia Business Group in 2008 relate to the period until 30 December, when control was lost.

The "Other Businesses" column includes the financial activity arising from the Group's centralised cash management, the operation of the Torre Picasso building, the companies that do not belong to any of the aforementioned Group activities and, exceptionally for 2007, the investment in the Realia Business Group accounted for using the equity method from January to May 2007.

Income statement by segment

In particular, the information shown in the following tables includes the following items as the segment result for 2008 and 2007:

- 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.
- Impairment losses on property, plant and equipment and intangible assets and other gains and losses (see Note 21), which are included under "Other Profit (Loss)".

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

— The "Other Businesses" column includes, in addition to the aforementioned items, the eliminations due to financial or other transactions between Group segments.

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

	Total	Services		Construction	Cement	Real Estate	Other Businesses
		Environment	Versia				
2008							
Revenue from non-Group customers	14,016,295	3,633,267	897,416	7,744,049	1,425,060	402,298	(85,795)
Gross profit from operations	1,740,825	605,976	74,760	463,080	417,312	131,050	48,647
Percentage of revenue	12.42%	16.68%	8.33%	5.98%	29.28%	32.58%	-56.70%
Depreciation and amortisation charge	(723,984)	(319,439)	(57,525)	(133,856)	(172,629)	(34,049)	(6,486)
Other profit (loss) from operations	(70,333)	12,081	(23,304)	(3,775)	(9,080)	(46,251)	(4)
Profit (loss) from operations	946,508	298,618	(6,069)	325,449	235,603	50,750	42,157
Percentage of revenue	6.75%	8.22%	-0.68%	4.20%	16.53%	12.62%	-49.14%
Finance income and costs	(484,596)	(232,217)	(9,550)	(51,087)	(72,202)	(106,444)	(13,096)
Other financial profit (loss)	15,776	2,818	(1,764)	18,509	(873)	18,620	(21,534)
Results of companies accounted for using the equity method	12,641	20,738	958	5,691	12,621	(3,454)	(23,913)
Profit before tax from continuing operations	490,329	89,957	(16,425)	298,562	175,149	(40,528)	(16,386)
Income tax	(94,294)	19,895	4,494	(87,036)	(41,034)	11,935	(2,548)
Consolidated profit for the year	396,035	109,852	(11,931)	211,526	134,115	(28,593)	(18,934)
Minority interests	(58,851)	(3,084)	42	(7,557)	(32,351)	4,643	(20,544)
Profit (loss) attributable to the Parent	337,184	106,768	(11,889)	203,969	101,764	(23,950)	(39,478)
Contribution to FCC Group profit	337,184	106,768	(11,889)	203,969	70,284	(13,014)	(18,934)

	Total	Services		Construction	Cement	Real Estate	Other Businesses
		Environment	Versia				
2007							
Revenue from non-Group customers	13,423,189	3,464,701	923,202	6,922,172	1,790,802	472,368	(150,056)
Gross profit from operations	1,929,916	660,773	91,881	373,827	581,708	201,147	20,580
Percentage of revenue	14.38%	19.07%	9.95%	5.40%	32.48%	42.58%	-13.71%
Depreciation and amortisation charge	(684,107)	(319,564)	(54,162)	(112,835)	(176,891)	(17,142)	(3,513)
Other profit (loss) from operations	13,413	773	2,853	1,316	7,511	(115)	1,075
Profit from operations	1,259,222	341,982	40,572	262,308	412,328	183,890	18,142
Percentage of revenue	9.38%	9.87%	4.39%	3.79%	23.02%	38.93%	-12.09%
Finance income and costs	(389,461)	(210,082)	(15,199)	(28,738)	(89,766)	(58,714)	13,038
Other financial profit (loss)	319,584	(2,494)	(1,517)	45,242	(723)	6,045	273,031
Results of companies accounted for using the equity method	62,957	17,333	8,778	(11,930)	19,013	(1,660)	31,423
Profit before tax from continuing operations	1,252,302	146,739	32,634	266,882	340,852	129,561	335,634
Income tax	(332,211)	(31,320)	(9,089)	(94,383)	(94,875)	(38,776)	(63,768)
Consolidated profit for the year	920,091	115,419	23,545	172,499	245,977	90,785	271,866
Minority interests	(182,240)	(4,413)	(213)	1,041	(44,172)	(51,310)	(83,173)
Profit attributable to the Parent	737,851	111,006	23,332	173,540	201,805	39,475	188,693
Contribution to FCC Group profit	737,851	111,006	23,332	173,540	136,763	21,405	271,805

With regard to “Other Businesses” in the table above, the following items are particularly worthy of note in 2008 and 2007:

Revenue from non-Group customers

	2008	2007
Torre Picasso	26,173	21,759
Elimination of inter-segment transactions	(122,726)	(180,609)
Other	10,758	8,794
	(85,795)	**(150,056)**

Contribution to FCC Group profit (Net of tax)

	2008	2007
Results of Realia Business Group accounted for using the equity method from January to May (Note 3)	-	31,385
Results of the Global Vía Group accounted for using the equity method	(37,438)	-
Torre Picasso (Note 6)	11,160	10,960
Public offering of 21.52% ownership interest in Realia Business, S.A.	-	211,772
Financial management and Other	7,344	17,688
	(18,934)	**(271,805)**

Balance sheet by segment

	Total Group	Services		Construction	Cement	Other Businesses (*)
		Environment	Versia			
2008						
Assets						
Non-current assets	11,831,837	5,091,272	661,704	1,588,558	3,342,333	1,147,970
Intangible assets	3,300,189	1,543,128	195,667	356,446	1,107,433	97,515
Property, plant and equipment	6,109,483	3,021,684	355,543	734,897	1,859,848	137,511
Investment property	263,919	-	-	23,253	-	240,666
Investments accounted for using the equity method	1,109,140	166,974	25,473	162,240	170,270	584,183
Non-current financial assets	457,827	167,190	21,730	134,910	113,834	20,163
Deferred tax assets	552,842	192,296	24,854	176,812	90,948	67,932
Other non-current assets	38,437	-	38,437	-	-	-
Current assets	8,760,411	1,940,501	357,360	5,620,098	832,235	10,217
Current assets held for sale	7,367	-	-	-	7,367	-
Inventories	1,575,256	49,571	44,609	1,260,675	219,606	795
Trade and other receivables	5,499,162	1,467,117	263,198	3,470,905	305,533	(7,591)
Other current financial assets	215,236	183,457	26,016	55,845	13,438	(63,520)
Other current assets	54,729	18,546	2,222	29,501	3,938	522
Cash and cash equivalents	1,408,661	221,810	21,315	803,172	282,353	80,011
TOTAL ASSETS	**20,592,248**	**7,031,773**	**1,019,064**	**7,208,656**	**4,174,568**	**1,158,187**
Equity and liabilities						
Equity	3,196,154	495,428	140,757	660,066	1,368,528	531,375
Non-current liabilities	8,760,475	2,218,050	266,389	730,358	2,340,415	3,205,263
Grants	65,928	16,887	405	-	4,083	44,553
Non-current provisions	821,429	390,016	55,469	176,593	49,449	149,902
Other non-current financial liabilities	6,872,318	1,284,572	181,110	468,681	1,985,286	2,952,669
Deferred tax liabilities	1,000,004	525,779	29,405	85,084	301,597	58,139
Other non-current liabilities	796	796	-	-	-	-
Current liabilities	8,635,619	4,318,295	611,918	5,818,232	465,625	(2,578,451)
Current provisions	91,918	4,550	552	86,816	-	-
Current financial liabilities	2,224,890	1,119,153	242,653	1,228,518	279,109	(644,543)
Trade and other payables	6,302,732	1,041,577	216,992	5,064,951	184,592	(205,380)
Other current liabilities	16,079	1,632	7	9,968	1,924	2,548
Intra-Group transactions	-	2,151,383	151,714	(572,021)	-	(1,731,076)
TOTAL EQUITY AND LIABILITIES	**20,592,248**	**7,031,773**	**1,019,064**	**7,208,656**	**4,174,568**	**1,158,187**

(*) The "Other Businesses" column includes the Realia Business Group accounted for using the equity method for an associated value of EUR 168,894 thousand (Note 3).

	Total Group	Services		Construction	Cement	Other Businesses
		Environment	Versia			
2007						
Assets						
Non-current assets	13,582,328	5,120,207	705,810	1,756,644	3,348,078	366,064
Intangible assets	3,263,438	1,565,675	223,302	369,418	1,040,227	52,204
Property, plant and equipment	6,120,890	3,192,864	353,304	672,696	1,868,250	(10,720)
Investment property	2,335,502	-	-	22,683	-	242,274
Investments accounted for using the equity method	887,142	144,102	25,919	435,363	164,816	12,392
Non-current financial assets	501,335	150,958	21,529	73,301	213,834	(65)
Deferred tax assets	416,045	66,608	23,780	183,183	60,951	69,979
Other non-current assets	57,976	-	57,976	-	-	-
Current assets	9,594,495	1,630,001	423,844	5,094,924	859,203	(40,059)
Non-current assets held for sale	30,539	-	-	-	-	-
Inventories	2,685,863	39,929	41,867	1,087,497	202,796	888
Trade and other receivables	5,189,257	1,242,746	292,762	3,257,543	421,744	(102,673)
Other current financial assets	160,289	78,934	9,784	41,871	11,477	(20,680)
Other current assets	30,602	12,526	4,262	8,485	5,026	8
Cash and cash equivalents	1,497,945	255,866	75,169	699,528	218,160	82,398
TOTAL ASSETS	**23,176,823**	**6,750,208**	**1,129,654**	**6,851,568**	**4,207,281**	**326,005**
Equity and liabilities						
Equity	4,250,499	584,855	167,620	619,350	1,460,124	427,987
Non-current liabilities	9,480,361	2,670,103	349,027	488,920	2,312,238	1,644,287
Grants	61,768	18,916	416	37,231	5,205	-
Non-current provisions	871,107	429,553	57,283	144,007	52,960	160,993
Other non-current financial liabilities	7,483,471	1,716,685	255,377	202,410	1,947,436	1,424,554
Deferred tax liabilities	1,062,282	504,949	35,951	104,383	306,340	58,739
Other non-current liabilities	1,733	-	-	889	297	1
Current liabilities	9,445,963	3,495,250	613,007	5,743,298	434,919	(1,746,269)
Current provisions	82,371	3,747	751	72,982	-	(662)
Current financial liabilities	2,639,936	593,458	211,375	827,960	129,885	578,010
Trade and other payables	6,641,763	1,008,858	238,632	4,779,058	303,024	(272,393)
Other current liabilities	81,893	125	16	63,298	2,010	71
Intra-Group transactions	-	1,889,062	162,233	-	-	(2,051,295)
TOTAL EQUITY AND LIABILITIES	**23,176,823**	**6,750,208**	**1,129,654**	**6,851,568**	**4,207,281**	**326,005**

Cash flows by segment

	Total Group	Services		Construction	Cement	Real Estate	Other Businesses
		Environment	Versia				
2008							
From operating activities	1,105,339	360,339	83,482	178,352	359,661	(42,653)	166,158
From investing activities	(1,634,850)	(623,598)	(42,883)	(191,005)	(295,704)	(105,415)	(376,245)
From financing activities	454,423	235,439	(91,355)	116,681	1,352	121,428	70,878
Total net cash flows for the year	(75,088)	(27,820)	(50,756)	104,028	65,309	(26,640)	(139,209)
2007							
From operating activities	1,252,093	578,174	172,364	(30,382)	454,548	167,647	(90,258)
From investing activities	(972,208)	(546,222)	(144,594)	(135,390)	(308,808)	(43,553)	206,359
From financing activities	(175,661)	21,939	8,379	270,372	(133,598)	42,641	(385,394)
Total net cash flows for the year	104,224	53,891	36,149	104,600	12,142	166,735	(269,293)

b) Activities and investments by geographical market

Approximately 42% of the Group's business is conducted abroad (2007: 35%).

The breakdown, by market, of the revenue earned abroad by the Group companies in 2008 and 2007 is as follows:

	Total	Services		Construction	Cement	Real Estate	Other Businesses
		Environment	Versia				
2008							
European Union	4,615,298	1,150,540	205,079	3,131,593	58,012	69,586	488
USA	358,010	98,891	29,415	36,197	193,507	-	-
Latin America	137,170	1,621	19,015	116,534	-	-	-
Other	704,092	39,384	28,038	548,282	88,388	-	-
	5,814,570	**1,290,436**	**281,547**	**3,832,606**	**339,907**	**69,586**	**488**
2007							
European Union	3,716,938	1,115,924	233,440	2,280,482	53,981	33,111	-
USA	272,146	-	29,072	-	243,074	-	-
Latin America	152,303	1,101	15,193	136,009	-	-	-
Other	604,389	85,547	398	440,052	78,392	-	-
	4,745,776	**1,202,572**	**278,103**	**2,856,543**	**375,447**	**33,111**	**-**

The detail, by geographical area, of the Group's assets and liabilities and the cost of the investments made in property, plant and equipment and intangible assets in 2008 and 2007 is as follows:

	Total Group	Spain	United Kingdom	Other European Union Countries	USA	Latin America	Other
2008							
ASSETS							
Non-current assets	11,831,837	6,767,272	2,271,165	1,804,321	772,953	193,945	22,181
Intangible assets	3,300,189	1,930,431	647,286	578,673	131,341	12,458	-
Property, plant and equipment	6,109,483	2,886,644	1,455,499	1,112,956	549,369	96,168	8,847
Investment property	263,919	240,666	-	23,253	-	-	-
Investments accounted for using the equity method	1,109,140	986,873	8,407	33,714	-	71,564	8,582
Non-current financial assets	457,827	401,649	14	37,363	7,479	11,321	1
Deferred tax assets	552,842	321,009	159,959	18,362	46,327	2,434	4,751
Other non-current assets	38,437	-	-	-	38,437	-	-
Current assets	8,760,411	6,298,951	139,744	2,018,348	131,511	167,795	4,062
Non-current assets held for sale	7,367	7,367	-	-	-	-	-
Inventories	1,575,256	1,317,615	1,098	154,195	62,800	38,581	967
Trade and other receivables	5,499,162	3,780,014	93,798	1,485,900	45,457	91,444	2,549
Other current financial assets	215,236	190,290	6,313	15,350	1,489	1,785	9
Other current assets	54,729	18,460	3,125	28,967	1,333	2,799	45
Cash and cash equivalents	1,408,661	985,205	35,410	333,936	20,432	33,186	492
TOTAL ASSETS	**20,592,248**	**13,066,223**	**2,410,909**	**3,822,669**	**904,464**	**361,740**	**26,243**
EQUITY AND LIABILITIES							
Non-current liabilities	8,760,475	6,135,346	1,252,919	818,447	469,113	82,529	2,121
Grants	65,928	19,816	-	1,559	-	44,553	-
Non-current provisions	821,429	409,876	211,373	174,379	25,578	-	223
Other non-current financial liabilities	6,872,318	5,131,360	788,690	539,350	382,347	30,571	-
Deferred tax liabilities	1,000,004	573,498	252,856	103,159	61,188	7,405	1,898
Other non-current liabilities	796	796	-	-	-	-	-
Current liabilities	8,635,619	6,126,349	379,785	1,912,560	97,144	118,672	1,109
Current provisions	91,918	49,707	32	40,455	190	1,534	-
Current financial liabilities	2,224,890	1,425,877	221,524	496,959	44,230	36,780	20
Trade and other payables	6,302,732	4,645,242	158,229	1,365,148	52,666	80,358	1,089
Other current liabilities	16,079	5,523	-	10,498	58	-	-
Assets less liabilities	3,196,154	804,528	778,205	1,091,662	338,207	160,539	23,013
TOTAL EQUITY AND LIABILITIES	**20,592,248**	**13,066,223**	**2,410,909**	**3,822,669**	**904,464**	**361,740**	**26,243**
INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	**1,092,301**	**583,480**	**87,027**	**274,576**	**123,249**	**23,191**	**778**

	Total Group	Spain	United Kingdom	Other European Union Countries	USA	Latin America	Other
2007							
ASSETS							
Non-current assets	13,582,328	7,096,107	2,766,614	3,008,222	553,496	130,431	27,458
Intangible assets	3,263,438	1,773,867	835,528	606,088	40,306	7,649	-
Property, plant and equipment	6,120,890	2,776,962	1,875,235	996,633	411,170	51,396	9,494
Investment property	2,335,502	1,033,082	-	1,302,420	-	-	-
Investments accounted for using the equity method	887,142	756,692	9,396	41,684	-	66,328	13,042
Non-current financial assets	501,335	438,947	16	48,670	9,395	4,305	2
Deferred tax assets	416,045	315,429	46,439	12,727	35,777	753	4,920
Other non-current assets	57,976	1,128	-	-	56,848	-	-
Current assets	9,594,495	7,281,501	201,953	1,852,153	97,333	157,902	3,653
Non-current assets held for sale	30,539	-	-	30,539	-	-	-
Inventories	2,685,863	2,435,415	1,115	181,422	53,683	13,486	742
Trade and other receivables	5,189,257	3,643,322	103,332	1,305,960	33,235	100,660	2,748
Other current financial assets	160,289	119,456	6,312	32,717	788	1,000	16
Other current assets	30,602	11,040	3,342	13,115	2,799	257	49
Cash and cash equivalents	1,497,945	1,072,268	87,852	288,400	6,828	42,499	98
TOTAL ASSETS	**23,176,823**	**14,377,608**	**2,968,567**	**4,860,375**	**650,829**	**288,333**	**31,111**
EQUITY AND LIABILITIES							
Non-current liabilities	9,480,361	5,885,605	1,843,679	1,351,796	325,686	70,845	2,750
Grants	61,768	22,810	-	1,727	-	37,231	-
Non-current provisions	871,107	409,772	267,444	126,961	64,299	1,275	1,356
Other non-current financial liabilities	7,483,471	4,961,993	1,216,368	1,079,106	200,111	25,893	-
Deferred tax liabilities	1,062,282	490,483	359,867	144,002	60,979	5,557	1,394
Other non-current liabilities	1,733	547	-	-	297	889	-
Current liabilities	9,445,963	7,195,324	305,352	1,766,018	64,398	113,858	1,013
Current provisions	82,371	45,293	-	35,391	-	1,687	-
Current financial liabilities	2,639,936	1,929,688	86,357	527,973	23,761	72,100	57
Trade and other payables	6,641,763	5,200,916	218,995	1,140,188	40,637	40,071	956
Other current liabilities	81,893	19,427	-	62,466	-	-	-
Assets less liabilities	4,250,499	1,296,679	819,536	1,742,561	260,745	103,630	27,348
TOTAL EQUITY AND LIABILITIES	**23,176,823**	**14,377,608**	**2,968,567**	**4,860,375**	**650,829**	**288,333**	**31,111**
INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	**1,337,297**	**772,963**	**119,340**	**330,267**	**138,797**	**(24,437)**	**367**

c) Headcount

The average number of employees in 2008 and 2007, by business area, was as follows:

	2008	2007
Services	49,034	47,064
Construction	28,254	25,851
Cement	4,244	4,485
Real estate	227	239
Versia	11,712	12,067
Other businesses	392	384
	93,863	**90,090**

23. Information on the environment

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 an environmental analysis of the Group's various activities in order to minimise their impact on the 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 risk prevention tool is the environmental plan which must be prepared by each operating unit and which consists of:

a) Identification of environmental issues and of applicable legislation.

b) Impact evaluation criteria.

c) Measures to be adopted.

d) A system for measuring the objectives achieved.

The non-current assets used in environmental conservation activities are classified under "Property, Plant and Equipment" and are depreciated over their useful lives. Also, the companies recognise the expenses and provisions arising from their environmental commitments in accordance with current accounting legislation.

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 2008, the acquisition cost of the non-current assets assigned to production in the Services area, net of depreciation and amortisation, totalled EUR 4,564,812 thousand (31 December 2007: EUR 4,758,539 thousand). The environmental provisions, mainly for landfill sealing and shutdown expenses, totalled EUR 292,429 thousand (31 December 2007: EUR 323,342 thousand).

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

At year-end the Cementos Portland Valderrivas Group had non-current assets relating to environmental conservation and protection amounting to EUR 133,873 thousand (net of depreciation and amortisation) (2007: EUR 135,936 thousand).

The Group recognises its CO_2 emission rights as non-amortisable intangible assets. The rights received for no consideration under the related national allocation plans are measured at the market price prevailing when they are received, and an item of deferred income is recognised for the same amount.

On 27 November 2007, the National Allocation Plan (NAP) approved in Spain for 2008-2012 was published in the Official State Gazette. The Cementos Portland Valderrivas Group received for no consideration emission rights equivalent to 7,729 thousand tonnes per annum relating to Cementos Portland Valderrivas, S.A., Cementos Alfa, S.A., Lemona Industrial, S.A. and Uniland Cementera, S.A.

The cost relating to greenhouse gas emissions, which amounted to EUR 98,472 thousand (2007: EUR 51,514 thousand), was recognised with a charge to "Other Operating Expenses" in the consolidated income statement for 2008. At the same time, EUR 98,472 thousand were recognised against the same heading in respect of the application of the grant for rights received for no consideration.

On 17 June 2008, the aforementioned companies reached an agreement with various banks to swap, during the period 2008-2012, a total of 410 thousand tonnes per year of emission rights received under the National Allocation Plan (known as EUAs) for rights acquired due to investments in projects in developing countries (known as CERs). The banks guaranteed a premium per tonne exchanged. The Group recognised the proportional part of the premium guaranteed for 2008, EUR 4,189 thousand, under "Other Operating Income" in the consolidated income statement for the year ended 31 December 2008. However, on 16 October 2008 the agreement with one of banks was terminated, giving rise to compensation of EUR 6,631 thousand.

In 2008 the Cement Group also sold 982 thousand tonnes of emission rights at market price to various entities, giving rise to gains of EUR 16,341 thousand which were recognised under "Other Operating Income" in the consolidated income statement for 2008.

In November 2008 the Cementos Portland Valderrivas Group executed various spot forward contracts for greenhouse gas emission rights, which involved selling 3,000 thousand rights to a bank for a total price of EUR 60,805 thousand and undertaking to repurchase the rights in 2010 and 2012 for a pre-established higher price. This agreement was considered to be a financing transaction.

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.

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.

24. Financial risk management policies

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

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

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

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

Capital risk management

The Group manages its capital to ensure that the Group companies will be able to continue to operate as profitable businesses while maximising the return for shareholders through an optimum debt-to-equity balance.

The strategy of the Group as a whole continues to focus on geographical diversification with the acquisition of assets in Western Europe.

The Group's capital structure includes debt (comprising the loans and credit facilities detailed in Note 16), cash and cash equivalents (see Note 13) and equity, which includes capital, reserves and retained earnings, as described in Note 15.

The Financial Area, which is responsible for financial risk management, periodically reviews the Group's capital structure and the solvency and liquidity ratios within the framework of the Group's financing policy.

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

One of the objectives of this investment analysis is to maintain the net debt/EBITDA ratio at a reasonable level and within the range negotiated with banks.

Company management, responsible for the management of financial risks, periodically reviews the capital structure, as well as the debt-equity ratio and compliance with the financing covenants.

Interest rate risk

The fluctuations and volatility of the money markets give rise to interest rate changes that entail variations in the finance charges related to the Group's debt. In order to ensure a position that is in the FCC Group's best interest, an interest-rate risk management policy is actively implemented.

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

Even so, the FCC Group performed interest rate hedging transactions in 2008, ending the year with various hedging instruments of varying maturities on 43% of the Group's total net debt, including project financing hedges.

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

Foreign currency risk

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

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

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

Foreign currency risk is expressed as the portion of the Group's equity denominated in currencies other than the euro, as indicated in Note 15-b.6, "Equity", the most noteworthy currency being the pound sterling.

Solvency risk

At 31 December 2008, the FCC Group's net financial debt amounted to EUR 6,901 thousand, as shown in the following table:

	2008	2007
Bank borrowings	8,096	9,157
Debt instruments and other marketable securities	144	139
Other interest-bearing financial debt	285	138
Current financial assets	(215)	(160)
Cash and cash equivalents	(1,409)	(1,498)
NET FINANCIAL DEBT	**6,901**	**7,776**
NET LIMITED RECOURSE DEBT	**(1,573)**	**(2,846)**
NET RECOURSE DEBT	**5,328**	**4,930**

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

Liquidity risk

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

Despite the adverse situation that affected the financial markets throughout the year and particularly from the last quarter of 2008 onwards, 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.

The detail of the credit lines granted at consolidated level at 31 December 2008, taking into account only current and non-current bank borrowings and excluding the items accounted for as non-recourse borrowings, amounts payable under finance leases and accrued interest payable, is as follows:

	Amount Granted	Undrawn Balance	Balance Drawn Down
Consolidated	8,258,665	2,200,002	6,058,663

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 160 Spanish and international banks.

— Markets/geographical area (Spanish, foreign): the FCC Group operates in a wide variety of Spanish and international markets and 77% of the Group's debt is concentrated in euros and 23% in various currencies in several international markets.

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

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

Risk-hedging financial derivatives

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

Apart from giving rise to gains or losses, financial derivatives may, under certain conditions, fully or partially offset foreign currency or interest rate risks or risks associated with balances and transactions.

Hedging relationships are of three types:

- Fair value hedge (FV).
- Cash flow hedge (CF).
- Hedge of a net investment in a foreign operation (FO).

Taking into account the introduction of 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.

At 31 December 2008, the FCC Group had arranged interest rate hedging transactions totalling EUR 4,422,159 thousand (31 December 2007: EUR 4,507,024 thousand), mainly in the form of IRSs in which the Group companies pay fixed interest rates and receive floating interest rates. The detail of the cash flow hedges and the fair value thereof is as follows:

	Type of Derivative	Type of Hedge	% Hedged	Notional Amount at 31/12/07	Notional Amount at 31/12/08	Value at 31/12/07	Value at 31/12/08	Maturity
FULLY CONSOLIDATED COMPANIES								
Fomento de Construcciones y Contratas, S.A.	IRS	CF	100%	246,845	171,218	(3,909)	(13,927)	30/12/13
	IRS	CF	2%	19,077	17,231	149	(715)	30/12/13
	IRS	CF	20%	159,770	144,310	88	(6,942)	30/12/13
	IRS	CF	31%	243,232	219,695	(674)	(11,230)	30/12/13
	IRS	CF	17%	135,924	122,771	163	(5,833)	30/12/13
	BASIS SWAP	CF	100%	-	100,000	-	(584)	30/06/09
	BASIS SWAP	CF	100%	-	100,000	-	(540)	30/06/09
	BASIS SWAP	CF	100%	-	4,007	-	(22)	30/06/09
	BASIS SWAP	CF	100%	-	100,000	-	(776)	30/06/09
	BASIS SWAP	CF	100%	-	200,000	-	(1,044)	30/06/09
Azincourt Investment, S.L.	IRS	CF	15%	130,370	97,656	(2,627)	(9,192)	31/12/13
	IRS	CF	15%	130,370	97,656	(2,627)	(9,192)	31/12/13
	IRS	CF	15%	130,370	97,656	(2,627)	(9,192)	31/12/13
	IRS	CF	15%	114,420	88,348	(2,306)	(8,068)	31/12/13
Aqualia Gestión Integral del Agua, S.A.	IRS	CF	23%	41,475	-	322	-	06/11/08
	IRS	CF	23%	41,475	-	326	-	06/11/08
Waste Recycling Group	IRS	CF	82%	28,111	32,087	189	(451)	30/09/09
	IRS	CF	16%	8,424	6,505	51	-	30/09/09
	IRS	CF	82%	44,298	34,204	(219)	(3,892)	30/09/29
	IRS	CF	37%	68,010	51,014	(555)	(6,870)	31/03/27
	IRS	CF	16%	29,147	21,863	(238)	(2,944)	31/03/27
	IRS	CF	27%	48,578	36,438	(396)	(4,907)	31/03/27
	IRS	CF	100%	6,461	21,683	(213)	-	31/03/10
	IRS	CF	100%	-	-	(1,365)	(5,115)	30/09/32
	IRS	CF	100%	4,329	3,410	(14)	(10)	10/02/09

	Type of Derivative	Type of Hedge	% Hedged	Notional Amount at 31/12/07	Notional Amount at 31/12/08	Value at 31/12/07	Value at 31/12/08	Maturity
Concesionaria Túnel de Coatzoalcos, S.A.	IRS	CF	100%	9,740	19,014	(207)	(945)	10/06/14
SmVak	IRS	FV	14%	18,852	18,700	(823)	700	16/11/15
Ecodeal-Gestao Integral de Residuos Industriais, S.A.	IRS	CF	80%	-	13,600	-	542	15/12/17
Autovía Conquense, S.A.	IRS	CF	67%	-	7,667	-	(3,473)	30/06/24
	IRS	CF	33%	-	3,833	-	(1,736)	28/06/24
Depurplan 11, S.A.	IRS	CF	65%	-	9,099	-	(759)	01/12/25
Cementos Portland Valderrivas, S.A.	IRS	CF	100%	150,000	150,000	2,055	(2,663)	22/02/11
	IRS	CF	100%	498,108	482,182	9,653	(5,445)	15/07/11
	BASIS SWAP	CF	100%	-	-	-	(13,162)	26/01/14
	BASIS SWAP	CF	100%	-	-	-	(2,955)	26/01/14
	BASIS SWAP	CF	100%	-	-	-	(11,043)	26/01/14
Portland, S.L.	IRS	CF	12%	96,629	93,200	2,006	(2,111)	15/07/12
	IRS	CF	7%	52,031	50,185	1,037	(1,172)	15/07/12
	IRS	CF	12%	96,629	93,200	2,006	(2,111)	15/07/12
	IRS	CF	7%	52,031	50,185	1,037	(1,172)	15/07/12
	IRS	CF	12%	96,629	93,200	2,006	(2,111)	15/07/12
	IRS	CF	7%	52,031	50,185	1,037	(1,172)	15/07/12
	IRS	CF	6%	48,315	46,600	1,003	(1,055)	15/07/12
	IRS	CF	3%	26,016	25,092	518	(586)	15/07/12
	IRS	CF	6%	48,315	46,600	1,003	(1,055)	15/07/12
	IRS	CF	3%	26,016	25,092	518	(586)	15/07/12
Giant Cement Holding, Inc.	IRS	CF	67%	20,379	-	66	-	01/08/08
	IRS	CF	100%	65,093	67,150	(2,856)	(8,705)	22/05/13
	IRS	CF	26%	40,758	42,046	(1,668)	(4,061)	27/10/14
	IRS	CF	26%	40,758	42,046	(1,668)	(4,061)	27/10/14
Cementos Lemona	IRS	CF	50%	7,200	5,600	(37)	(170)	01/06/12
	IRS	CF	50%	7,425	5,775	(60)	(199)	14/06/12
	IRS	CF	50%	3,563	2,813	(21)	(83)	20/07/12
Uniland Cementera, S.A.	COLLAR	CF	69%	9,015	3,005	-	-	22/07/09
Realia Patrimonio	IRS	CF	3%	22,683	-	(422)	-	30/06/14
	IRS	CF	3%	22,683	-	(407)	-	30/06/14
	IRS	CF	6%	45,365	-	(485)	-	30/06/14
	IRS	CF	6%	45,365	-	(990)	-	30/06/14
	IRS	CF	6%	45,365	-	(990)	-	30/06/14
	IRS	CF	6%	45,365	-	(815)	-	30/06/14
	IRS	CF	3%	22,683	-	(495)	-	30/06/14
	IRS	CF	3%	22,683	-	(422)	-	30/06/14
	IRS	CF	6%	45,365	-	(485)	-	30/06/14
	IRS	CF	6%	45,365	-	(990)	-	30/06/14
	IRS	CF	6%	45,365	-	(990)	-	30/06/14
	IRS	CF	6%	45,365	-	(815)	-	30/06/14
	IRS	CF	3%	22,683	-	(495)	-	30/06/14
	IRS	CF	3%	22,683	-	(422)	-	30/06/14
	IRS	CF	3%	22,683	-	(422)	-	30/06/14
	IRS	CF	3%	22,683	-	(407)	-	30/06/14
SIIC Paris	IRS	CF	5%	27,250	-	(491)	-	30/06/14
	IRS	CF	5%	27,250	-	(418)	-	30/06/14
	IRS	CF	10%	54,500	-	(983)	-	30/06/14
	IRS	CF	10%	54,500	-	(478)	-	30/06/14
	IRS	CF	10%	54,500	-	(478)	-	30/06/14
	IRS	CF	10%	54,500	-	(983)	-	30/06/14

	Type of Derivative	Type of Hedge	% Hedged	Notional Amount at 31/12/07	Notional Amount at 31/12/08	Value at 31/12/07	Value at 31/12/08	Maturity
SIIC Paris	IRS	CF	5%	27,250	-	(491)	-	30/06/14
	IRS	CF	5%	27,250	-	(418)	-	30/06/14
ALPINE BAU GmbH	Currency forward	CF	100%	-	11,274	-	(1,823)	02/11/10
	Currency forward	CF	100%	-	11,218	-	(2,073)	01/11/10
	Currency forward	CF	100%	-	11,901	-	(2,740)	02/11/10
	Currency forward	CF	100%	-	11,849	-	(2,382)	02/11/10
	COLLAR	CF	100%	-	5,000	-	(1,335)	20/10/09
	Currency forward	CF	100%	-	27,201	-	(2,673)	15/09/10
TOTAL FULLY CONSOLIDATED COMPANIES				**3,967,603**	**3,292,264**	**(14,669)**	**(185,821)**	

ASSOCIATES (ACCOUNTED FOR USING THE EQUITY METHOD)

Tramvia Metropolità, S.A.	IRS	CF	56%	9,808	9,451	(1,039)	(1,680)	31/10/23
	IRS	CF	24%	4,204	4,050	(445)	(720)	31/10/23
Tramvia Metropolità del Besós, S.A.	IRS	CF	64%	11,854	11,446	(559)	(1,399)	30/06/23
	IRS	CF	16%	2,964	2,861	(140)	(350)	30/06/23
Aguas y Servicios de la Costa Tropical de Granada, A.I.E.	IRS	CF	59%	2,137	-	11	-	04/11/08
Ruta de los Pantanos, S.A.	IRS	CF	42%	1,909	1,860	(245)	(826)	02/01/18
Autovía del Camino, S.A.	INFLATION SWAP	CF	18%	4,096	6,533	(1,628)	8,560	15/12/27
	IRS	CF	100%	56,000	55,762	(2,674)	(9,147)	15/12/27
	IRS	CF	62%	34,721	34,365	(1,641)	(4,937)	15/12/24
	IRS	CF	42%	2,278	2,278	144	(797)	16/12/30
Terminal Polivalente de Castellón, S.A.	IRS	CF	70%	4,170	6,742	70	48	28/07/09
Cedinsa Eix del Llobregat, S.A.	IRS	CF	70%	52,729	52,335	4,423	(1,280)	01/05/33
Urbs Iudex et Causidicus, S.A.	IRS	CF	100%	69,206	80,044	(13,753)	(26,306)	30/12/33
Autopista de la Costa Cálida, S.A.	IRS	CF	25%	20,109	40,219	909	(827)	15/12/12
	IRS	CF	25%	20,109	40,219	909	(827)	15/12/12
Hospital del Sureste, S.A.	IRS	CF	52%	10,654	10,299	858	(184)	31/12/32
	IRS	CF	84%	5,005	5,003	105	(217)	31/12/32
Túnel d'Envalira, S.A.	COLLAR	CF	61%	7,211	7,191	127	103	20/07/22
Madrid 407, S.A.	IRS	CF	70%	23,184	23,184	362	(2,663)	10/07/33
Cedinsa d'Aro, S.A.	CAP	CF	100%	1,360	4,080	4	16	03/01/33
	IRS	CF	100%	8,449	8,449	228	(714)	04/01/10
Ibisan, S.A.	IRS	CF	70%	29,257	29,257	1,784	(1,001)	30/12/27
N6 (Concession) Limited	IRS	CF	25%	3,828	11,335	92	(508)	30/06/13
	IRS	CF	27%	178	4,101	106	(569)	30/06/34
	IRS	CF	27%	741	741	13	(45)	30/06/34
	IRS	CF	25%	3,290	3,445	11	(35)	04/01/10
	IRS	CF	19%	2,468	2,585	12	(25)	04/01/10
	IRS	CF	19%	2,872	8,504	92	(368)	28/06/13
	IRS	CF	20%	133	3,077	105	(401)	30/06/34
	IRS	CF	20%	556	556	12	(31)	30/06/34
	IRS	CF	25%	3,216	3,368	1	(14)	04/01/10
	IRS	CF	25%	3,829	11,340	122	(491)	28/06/13
	IRS	CF	27%	178	4,103	141	(534)	30/06/34

	Type of Derivative	Type of Hedge	% Hedged	Notional Amount at 31/12/07	Notional Amount at 31/12/08	Value at 31/12/07	Value at 31/12/08	Maturity
N6 (Concession) Limited	IRS	CF	27%	756	756	16	(41)	30/06/34
	IRS	CF	25%	3,291	3,447	16	(33)	04/01/10
	IRS	CF	25%	3,829	11,340	122	(491)	28/06/13
	IRS	CF	27%	178	4,103	140	(534)	30/06/34
	IRS	CF	27%	742	742	16	(42)	30/06/34
Tranvía de Parla, S.A.	IRS	CF	70%	22,838	24,713	19	(1,895)	30/12/22
Portsur Castellón, S.A.	IRS	CF	100%	8,933	8,933	(16)	(824)	31/10/31
Nova Bocana Barcelona, S.A.	IRS	CF	17%	2,099	3,660	7	(481)	30/06/25
	IRS	CF	33%	4,199	7,320	14	(963)	30/06/25
M50 (Concession) Limited	IRS	CF	23%	1,392	6,376	(208)	(2,161)	28/03/40
	IRS	CF	23%	1,392	6,376	(240)	(2,284)	28/03/40
	IRS	CF	23%	1,392	6,376	(240)	(2,287)	28/03/40
	IRS	CF	23%	1,392	6,376	(240)	(2,284)	28/03/40
	IRS	CF	25%	2,665	2,798	(12)	(93)	27/10/10
	IRS	CF	25%	2,665	2,798	(12)	(93)	27/10/10
	IRS	CF	25%	2,665	2,798	(12)	(93)	27/10/10
	IRS	CF	25%	2,665	2,798	(12)	(93)	27/10/10
Autopista Central Galega, S.A.	IRS	CF	44%	42,188	25,895	182	(1,194)	31/07/13
	IRS	CF	26%	25,313	15,537	109	(716)	31/07/13
Concesionaria Hospital Son Dureta, S.A.	IRS	CF	90%	-	6,341	-	(3,663)	25/07/29
	IRS	CF	90%	-	6,341	-	(3,581)	25/07/29
Autopistas del Sol, S.A.	IRS	CF	71%	-	72,729	-	(14,472)	30/11/23
Suministro de Agua de Queretaro, S.A. de C.V.	CAP	CF	100%	-	18,570	-	30	20/01/11
Autovía Necaxa - Tihuatlan, S.A. de C.V.	IRS	CF	34%	-	15,862	-	(1,243)	06/12/27
	IRS	CF	33%	-	15,396	-	(1,206)	06/12/27
	IRS	CF	33%	-	15,396	-	(1,206)	06/12/27
Betearte, S.A.U.	IRS	CF	33%	-	1,923	-	(165)	06/02/18
Concesiones de Madrid, S.A.	IRS	CF	46%	-	35,305	-	(1,319)	06/12/27
Transportes Ferroviarios de Madrid, S.A.	IRS	CF	100%	-	14,684	-	-	16/03/09
Scutvias-Autoestradas Da Beira Interior, S.A.	IRS	CF	72%	-	8,669	-	(1,169)	04/10/18
	IRS	CF	28%	-	3,334	-	(450)	04/10/18
Concesiones Aeroportuarias S.A.	IRS	CF	100%	-	5,518	-	(294)	30/09/19
Atlántica de Graneles y Moliendas, S.A.	IRS	CF	25%	1,531	1,094	50	6	02/06/11
	IRS	CF	25%	1,531	1,094	50	6	02/06/11
	IRS	CF	25%	1,531	1,094	50	6	02/06/11
	IRS	CF	25%	1,531	1,094	50	6	02/06/11
Realia Patrimonio, S.L.U.	IRS	CF	3%	-	7,369	-	(581)	30/06/14
	IRS	CF	3%	-	7,369	-	(577)	30/06/14
	IRS	CF	6%	-	14,738	-	(1,069)	30/06/14
	IRS	CF	6%	-	14,738	-	(1,200)	30/06/14
	IRS	CF	6%	-	14,738	-	(1,200)	30/06/14
	IRS	CF	6%	-	14,738	-	(1,154)	30/06/14
	IRS	CF	3%	-	7,369	-	(600)	30/06/14

	Type of Derivative	Type of Hedge	% Hedged	Notional Amount at 31/12/07	Notional Amount at 31/12/08	Value at 31/12/07	Value at 31/12/08	Maturity
Realia Patrimonio, S.L.U.	IRS	CF	3%	-	7,369	-	(581)	30/06/14
	IRS	CF	6%	-	14,738	-	(1,069)	30/06/14
	IRS	CF	6%	-	14,738	-	(1,200)	30/06/14
	IRS	CF	6%	-	14,738	-	(1,200)	30/06/14
	IRS	CF	6%	-	14,738	-	(1,154)	30/06/14
	IRS	CF	3%	-	7,369	-	(600)	30/06/14
	IRS	CF	3%	-	7,369	-	(581)	30/06/14
	IRS	CF	3%	-	7,369	-	(581)	30/06/14
	IRS	CF	3%	-	7,369	-	(577)	30/06/14
Société d'Investissements Inmobiliers Cotée de Paris	IRS	CF	5%	-	7,731	-	(588)	30/06/14
	IRS	CF	5%	-	7,731	-	(569)	30/06/14
	IRS	CF	10%	-	15,462	-	(1,175)	30/06/14
	IRS	CF	10%	-	15,462	-	(1,048)	30/06/14
	IRS	CF	10%	-	15,462	-	(1,048)	30/06/14
	IRS	CF	10%	-	15,462	-	(1,175)	30/06/14
	IRS	CF	5%	-	7,731	-	(588)	30/06/14
	IRS	CF	5%	-	7,731	-	(569)	30/06/14
Hermanos Revilla, S.A.	IRS	FO	50%	-	3,898	-	(75)	14/01/12
TOTAL EQUITY METHOD				**539,421**	**1,129,895**	**(11,634)**	**(114,244)**	

The changes in the fair value of cash flow hedges are taken, net of the tax effect, to reserves (see Note 15-b.5) 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.

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

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

The detail, by maturity, of the notional amount of the hedging transactions arranged at 31 December 2008 is as follows:

	Notional Maturity				
	2009	2010	2011	2012	2013 and Subsequent Years
Fully consolidated companies	797,079	281,987	641,842	613,750	957,606
Associates (accounted for using the equity method)	34,229	42,652	54,714	171,629	826,671
	831,308	**324,639**	**696,556**	**785,379**	**1,784,277**

Effectiveness tests on derivatives

Effectiveness tests are adapted to the type of hedge and the nature of the instruments used.

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.

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

For cash flow hedges in which the derivative hedging instrument is not an IRS but an 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.

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.

Derivatives that do not qualify for hedge accounting

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.

This heading therefore includes the financial derivatives arranged by the Company to serve as hedges but which do not qualify for hedge accounting under IAS 39 Financial Instruments: Recognition and Measurement because they do not pass the effectiveness tests prescribed by this standard. The changes in the fair value of these derivatives are recognised under "Change in Fair Value of Financial Instruments" or "Results of Companies Accounted for Using the Equity Method", as appropriate. The transactions that did not qualify for hedge accounting at 31 December 2008, originated mainly at companies not controlled by the Group and which are accounted for using the equity method, are as follows:

	Type of Derivative	Type of Hedge	Notional Amount at 31/12/07	Notional Amount at 31/12/08	Value at 31/12/07	Value at 31/12/08	Maturity
FULLY CONSOLIDATED COMPANIES							
Aqualia Gestión Integral del Agua, S.A.	COLLAR	SP	9,677	-	-	-	02/01/08
Recuperaciones Madrileñas del Papel S.A.	IRS	SP	291	122	1	(1)	30/09/09
Zisteldorf (ASA Group)	COLLAR	SP	8,667	40,667	(1,549)	(3,280)	28/03/24
Lemona Industrial, S.A., Sole-Shareholder Company	IRS	SP	525	225	7	1	27/07/09
Tecami Ofitas, SA.	IRS	SP	770	330	10	1	27/07/09
Wilanow Realia sp. z.o.o.	Cross-currency swap	SP	4,200	-	(241)	-	06/03/09
	Cross-currency swap	SP	13,000	-	(862)	-	14/12/09
TOTAL FULLY CONSOLIDATED COMPANIES			**37,130**	**41,344**	**(2,634)**	**(3,279)**	

	Type of Derivative	Type of Hedge	Notional Amount at 31/12/07	Notional Amount at 31/12/08	Value at 31/12/07	Value at 31/12/08	Maturity
ASSOCIATES (ACCOUNTED FOR USING THE EQUITY METHOD)							
Concesiones de Madrid, S.A.	IRS	SP	33,621	-	(595)	-	27/08/08
Zabalgarbi, S.A.	BARRIER SWAP	SP	3,750	4,500	(43)	(46)	26/01/10
	BARRIER SWAP	SP	2,500	3,000	(33)	(61)	26/01/10
	BARRIER SWAP	SP	2,500	3,000	(1)	-	26/01/09
	BARRIER SWAP	SP	3,750	4,500	(112)	(416)	27/01/14
	BARRIER SWAP	SP	2,500	3,000	-	(22)	26/01/10
	BARRIER SWAP	SP	2,500	3,000	1	(15)	26/01/14
	BARRIER SWAP	SP	2,500	3,000	(11)	(209)	26/01/14
Ruta de los Pantanos, S.A.	IRS	SP	8,100	7,849	(217)	(165)	01/09/09
Wilanow Realia sp. z.o.o.	Cross-currency swap	SP	-	1,192	-	98	06/03/09
	Cross-currency swap	SP	-	3,688	-	285	14/12/09
TOTAL ASSOCIATES			**61,721**	**36,729**	**(1,011)**	**(551)**	

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

	Notional Maturity				
	2009	2010	2011	2012	2013 and Subsequent Years
Fully consolidated companies	677	3,556	3,556	3,556	29,999
Associates (accounted for using the equity method)	15,729	13,500	-	-	7,500
	16,406	**17,056**	**3,556**	**3,556**	**37,499**

Share Option Plan (see Note 17)

Type of Derivative	Classification	Amount Arranged	Maturity	Ineffective Portion Recognised in Profit or Loss	Fair Value Assets	Fair Value Liabilities
CALL	Hedge	61,596	30/09/13	-	3,011	
PUT	Speculative	61,596	30/09/13	-		27,368
Swap	Speculative	61,596	30/09/13	-	4,398	
					7,409	**27,368**

Sensitivity test on derivatives and net debt

In order to be able to analyse the effect that a possible fluctuation in interest rates might have on the Group's accounts, a simulation was performed which assumed a 100-basis point increase and decrease in the interest rates at 31 December 2008.

Following are the results obtained for the derivatives outstanding at year-end, distinguishing between Group companies and joint ventures and associates, together with the impact on equity and on the income statement on the basis of the related percentage of ownership.

	Fully Consolidated Companies		Companies Accounted for Using the Equity Method	
	-100 Basis Points	+100 Basis Points	-100 Basis Points	+100 Basis Points
Impact on equity (hedging derivatives)	(74,189)	60,510	(73,038)	67,779
Impact on the income statement (derivatives not qualifying for hedge accounting)	(1)	1	(417)	312

It should also be noted that a 100-basis point increase and decrease in the interest rates on the net debt, after excluding any hedged debt, would give rise to a cost of EUR 47,600 thousand or income of EUR 47,600 thousand, respectively, in profit before tax in the FCC Group's income statement.

Risk measurement

Through the tool for measuring and controlling financial risk, the FCC Group quantifies the risk of its debt portfolio, risk being defined as the losses that the Group could suffer due to fluctuations in the interest and exchange rates to which it is exposed.

Using a stochastic methodology based on Monte Carlo simulation techniques, a series of probability distributions are established for the debt portfolio and the representative parameters are calculated (maximum, minimum and expectations) in order to obtain an overview of the possible future behaviour of corporate variables such as finance costs and value of debt.

The Monte Carlo simulation offers a beneficial degree of randomness with respect to the precision of the results, since the same probability of occurrence is allocated at the outset to different potential behaviours of the risk factors to which the Group is exposed: parallel shifts in interest rate curves, changes in the slope of interest rate curves, etc. By establishing a functional relationship between the debt variables that are being quantified and the behaviour of interest and exchange rates, the FCC Group analyses the distribution of the possible values of these variables in the future and determines which value of the debt variable is most often repeated over a particular time frame.

Consequently, by measuring the risk to which its financing is exposed, the FCC Group is able to take decisions and manage its debt portfolio with the support of a series of probabilistic and purely stochastic measures which, on the basis of the possible future behaviour of interest and exchange rates, determine the basic level of finance costs from the standpoint of debt management.

25. 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 is as follows:

Shareholder	Group Company	Type of Transaction	Type of Relationship	Amount
B1998, S.L.	FCC Medio Ambiente, S.A.	Contractual	Cleaning services	7.6

b) Transactions with the Company's directors and senior executives

The detail of the bylaw-stipulated emoluments earned by the directors of Fomento de Construcciones y Contratas, S.A. in 2008 and 2007 and payable to them by the Company or by any of the Group companies, joint ventures or associates is as follows:

	2008	2007
Bylaw-stipulated directors' emoluments	3,041	3,388
Attendance fees	-	6
	3,041	**3,394**

The detail of the fixed and variable remuneration earned by the executive directors of Fomento de Construcciones y Contratas, S.A. in 2008 and 2007 and payable to them by the Company or by any of the Group companies, joint ventures or associates is as follows:

	2008	2007
Fixed remuneration	4,189	2,645
Variable remuneration	289	565
	4,478	**3,210**

The senior executives listed below, who are not members of the Board of Directors, earned total remuneration of EUR 5,859 thousand in 2008 (2007: EUR 5,663 thousand).

2008	
José Luís de la Torre Sánchez	Chairman of FCC Servicios
Antonio Gómez Ciria	General Internal Audit Manager
José Ignacio Martínez-Ynzenga Cánovas del Castillo	Chairman of Cementos Portland Valderrivas
Dieter Kiefer	Chairman of Cementos Portland Valderrivas
José Mayor Oreja	Chairman of FCC Construcción, S.A.
Victor Pastor Fernández	General Finance Manager
José Luís Vasco Hernando	General Administration Manager
Gerard Ries	Assistant General Manager of Strategy and International Corporate Development
Eduardo González Gómez	General Energy Manager
José Ramón Ruiz Carrero	Deputy General Manager of Cost Optimisation
2007	
Ignacio Bayón Mariné	Chairman of Realia Business, S.A.
José Luís de la Torre Sánchez	Chairman of FCC Servicios
Antonio Gómez Ciria	General Internal Audit Manager
José Ignacio Martínez-Ynzenga Cánovas del Castillo	Chairman of Cementos Portland Valderrivas
José Mayor Oreja	Chairman of FCC Construcción, S.A.
Victor Pastor Fernández	General Finance Manager
José Luís Vasco Hernando	General Administration Manager
Gerard Ries	Assistant General Manager of Strategy and International Corporate Development
José Eugenio Trueba Gutiérrez	General Administration and Finance Manager

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 19. The beneficiaries received EUR 5,952 thousand from the insurance company in 2008 (2007: 7,341 thousand).

Except as indicated in Note 19, 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 that constitutes the company object 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:

— The director Miguel Blesa de la Parra declared that he had engaged in activities, as an independent professional or as an employee, that are similar or complementary to the activities that constitute the company object of FCC, in his capacity as:

— Chairman of the Board of Directors of Corporación Financiera Caja de Madrid, S.A., which holds direct or indirect ownership interests in Realia Business, S.A., a company in which FCC, S.A. has a direct or indirect shareholding. Caja Madrid holds 20% of RB Business Holdings, Corporación Financiera Caja de Madrid, S.A. owns 30% and Fomento de Construcciones y Contratas, S.A. the remaining 50%. RB Business Holdings holds a 51% direct ownership interest in Realia Business, S.A.

— The other directors of Fomento de Construcciones y Contratas, S.A. have declared that they do not engage in any activity, as independent professionals or as employees, that is identical, similar or complementary to the activity that constitutes the Company's object.

— The other Board members of the Company 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.

— In 2008 the other directors of Fomento de Construcciones y Contratas, S.A., or persons acting on their behalf, did not perform, with the Company or with any company in the same Group, any transactions that were not part of the Company's normal business activities or were not conducted on an arm's length basis.

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

Name or Company Name of Director	Group Company Name	Position
Cartera Deva, S.A.	Cementos Portland Valderrivas, S.A.	Director
EAC Inversiones Corporativas, S.L.	Cementos Portland Valderrivas, S.A.	Director
EAC Inversiones Corporativas, S.L.	FCC Construcción, S.A.	Director
EAC Inversiones Corporativas, S.L.	Global Vía Infraestructuras, S.A.	Director
Fernando Falcó Fernández de Córdova	FCC Construcción, S.A.	Director
Fernando Falcó Fernández de Córdova	Cementos Portland Valderrivas, S.A.	Director
Fernando Falcó Fernández de Córdova	Giant Cement Holding, Inc.	Director
Fernando Falcó Fernández de Córdova	Waste Recycling Group Limited	Director
Rafael Montes Sánchez	FCC Construcción, S.A.	Director
Rafael Montes Sánchez	Cementos Portland Valderrivas, S.A.	Director
Juan Castells Masana	Waste Recycling Group Limited	Director
Robert Peugeot	FCC Construcción, S.A.	Director
Robert Peugeot	Alpine Holding Gmbh	Supervisory Board
Robert Peugeot	Waste Recycling Group Limited	Director
Baldomero Falcones Jaquotot	FCC Energía, S.A.	Chairman
Felipe B. García Pérez	FCC Energía, S.A.	Secretary

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

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

Name or Company Name of the Directors or Executives	Name or Company Name of the Group Company or Entity	Type of Transaction	Type of Relationship	Amount
Dominum Desga, S.A.	Servicios Especiales de Limpieza, S.A.	Contractual	Rendering of services	9.5

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, if they are significant, are eliminated in the preparation of the consolidated financial statements. In relation to construction projects performed by fully consolidated infrastructure concession operators, it should be noted that the revenue from completed work is not eliminated in consolidation since, under these contracts, the construction work is deemed to be performed for third parties because it is being executed for the concession owner, i.e. the grantor public authority. In this connection, revenue of EUR 57,971 thousand (2007: EUR 39,958 thousand) was recognised in the accompanying 2008 consolidated financial statements.

The revenue recognised in the accompanying consolidated income statement includes EUR 256,837 thousand (2007: EUR 370,669 thousand) relating to Group company billings to associates.

The Group's consolidated financial statements also include purchases from associates amounting to EUR 13,967 thousand (2007: EUR 16,526 thousand).

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.

26. Fees paid to auditors

The 2008 and 2007 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:

		2008		2007
Fees for financial audit services		6,781		8,243
Principal auditor	4,023		3,624	
Other auditors	2,758		4,619	
Fees for other services		5,489		3,919
Principal auditor	572		296	
Other auditors	4,917		3,623	
		12,270		**12,162**

27. Events after the balance sheet date

On 8 January 2009, the Company executed the agreement reached on 22 August 2008 with Babcock & Brown Wind Partners for the purchase of the entire wind farm portfolio held by the latter in Spain through the Olivento Group. The portfolio comprises 14 wind farms in Andalucía, Galicia, Aragón, Castilla y León and Castilla - La Mancha with a total production capacity of 420.7 MW and an additional capacity of 45 MW currently under development, which is expected to enter into service before 2012.

Other Olivento Group assets that were acquired include a 50% ownership interest in IM FUTURE, a company with a team of 50 highly experienced professionals in the field of wind farms.

The transaction amounted to EUR 780 million, of which EUR 190 million were paid in cash and the remaining EUR 590 million will be assumed as debt. The renewable energy subsidiary of the Australian company Babcock & Brown transferred 14 wind farms grouped under the Olivento Group to FCC Energía whereby, on acquiring 420.7 MW, FCC's new division became Spain's sixth-largest wind-farm operator .

On 3 February 2009, the Parent's directors resolved to extend the Share Option Plan approved at the Board of Directors meeting held on 29 July 2008 by adding a further 1,500,000 options in order to bring to 3,300,000 the number of options on FCC shares granted to executive directors and executives.

The resolution adopted by the Board granted 1,500,000 options on the following terms:

- Each option entitles the holder to receive on the exercise date the difference in cash between the market price of the FCC share at that time and the exercise price ("cashless for cash").
- Term and effectiveness of the plan: the term of the plan is five years from 6 February 2009.
- Exercise price: the exercise price, determined following the same procedure as that used in the first stage of the plan, amounts to EUR 24.71.
- Exercise period and conditions: the participants may exercise the options on one single occasion in the fourth and fifth years.

28. Explanation added for translation to english

These consolidated financial statements are presented on the basis of IFRSs as adopted by the European Union. Certain accounting practices applied by the Group that conform with IFRSs may not conform with other generally accepted accounting principles.

APPENDIX I - Subsidiaries (fully consolidated)

Company	Registered Office	Percentage of Effective Ownership	Auditor
ENVIRONMENTAL SERVICES			
Abastecimientos y Saneamientos del Norte, S.A., Sole-Shareholder Company	Uruguay, 11. Vigo (Pontevedra)	100.00	
Abrantaqua-Serviço de Aguas Residuais Urbanas do Municipio de Abrantes, S.A.	Portugal	60.00	KPMG & Asociados Sroc, S.A.
Acque di Caltanissetta, S.p.A.	Italy	88.78	KPMG S.p.A.
Adobs Orgànics.S.L.	Sant Benet, 21. Manresa (Barcelona)	60.00	
AEBA, Ambiente y Ecología de Buenos Aires, S.A.	Argentina	52.50	Estudio Torrent Auditores
Aguas Jaén, S.A.	Plaza de los Jardinillos, 6. Jaén	60.00	
Aguas Torrelavega, S.A.	La Viña, 4. Torrelavega (Cantabria)	51.00	
Aigües de l'Alt Empordà, S.A.	Lluis Companys, 43. Roses (Girona)	51.40	
Aigües de Vallirana, S.A.	Conca de Tremp, 14. Vallirana (Barcelona)	100.00	
Alfonso Benítez, S.A.	Federico Salmón, 13. Madrid	100.00	Deloitte, S.L.
Aqua Campiña, S.A.	Avda. Blas Infante, 6. Écija (Seville)	90.00	Audinfor, S.L.
Aquaelvas - Aguas de Elvas, S.A.	Portugal	100.00	
Aqualia Gestión Integral del Agua, S.A.	Federico Salmón, 13. Madrid	100.00	KPMG Auditores, S.L.
Aqualia Infraestructuras Inzenyring s.r.o.	Czech Republic	100.00	
Aqualia Infraestructuras de México, S.A. de C.V.	Mexico	100.00	
Aqualia Infraestructuras, S.A.	Ulises, 18. Madrid	100.00	
Aquamaior-Aguas de Campo Maior, S.A.	Portugal	100.00	
Augas Municipais de Arteixo, S.A.	Plaza Alcalde Ramón Dopico. Arteixo (La Coruña)	51.00	
Azincourt Investment, S.L., Sole-Shareholder Company	Federico Salmón, 13. Madrid	100.00	
Baltecma, Gestión de Residuos Industriales, S.L.	Conradors, parcela 34 P.I. Marratxi. Marratxi (Balearic Islands)	70.00	
Castellana de Servicios, S.A.	Federico Salmón, 13. Madrid	100.00	
Chemipur Químicos, S.L., Sole-Shareholder Company	Pincel, 25. Seville	100.00	
Colaboración, Gestión y Asistencia, S.A.	Federico Salmón, 13. Madrid	100.00	
Compañía Catalana de Servicios, S.A.	Balmes, 36. Barcelona	100.00	
Compañía de Control de Residuos, S.L.	Peña Redonda, 27. P.I. Silvota. Llanera (Asturias)	64.00	
Compañía Onubense de Aguas, S.A.	Avda. Martín Alonso Pinzón, 8. Huelva	60.00	
Corporación Inmobiliaria Ibérica, S.A.	Ulises, 18. Madrid	100.00	
Cristales Molidos, S.L.	Partida San Gregorio. Cadrete (Zaragoza)	100.00	
Dédalo Patrimonial, S.L., Sole-Shareholder Company	Federico Salmón, 13. Madrid	100.00	
Depurplan 11, S.A.	Madre Rafols, 2. Zaragoza	100.00	
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	55.00	
Ecogenesis Société Anonime Rendering of Cleansing and Waste Management Services	Greece	51.00	
Ecoparque Mancomunidad del Este, S.A.	Federico Salmón, 13. Madrid	100.00	
Egypt Environmental Services, S.A.E.	Egypt	100.00	
Ekonor, S.A.	Larras de San Juan. Iruña de Oca (Álava)	100.00	
Empresa Comarcal de Serveis Mediambientals del Baix Penedés - ECOBP, S.L.	Plaza del Centre, 3. El Vendrell (Tarragona)	80.00	
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, S.L.
Entemanser, S.A.	Castillo, 13. Adeje (Santa Cruz de Tenerife)	97.00	Audinfor, S.L.
Enviropower Investments Limited	United Kingdom	100.00	
F.S. Colaboración y Asistencia, S.A.	Ulises, 18 Edificio H. Madrid	65.00	

Company	Registered Office	Percentage of Effective Ownership	Auditor
FCC Ámbito, S.A.	Federico Salmón, 13. Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
FCC Medio Ambiente, S.A.	Federico Salmón, 13. Madrid	100.00	Deloitte, S.L.
Focsa Services, U.K. Ltd.	United Kingdom	100.00	
Focsa Serviços de Saneamento Urbano de Portugal, S.A.	Portugal	100.00	
Gamasur Campo de Gibraltar, S.L.	Antigua Ctra. de Jimena de la Frontera, s/n. Los Barrios (Cádiz)	85.00	
GEMECAN, Gestora Medioambiental y de Residuos, S.L.	Josefina Mayor, 12. Telde (Las Palmas)	100.00	
Geneus Canarias, S.L.	Josefina Mayor, 12. Telde (Las Palmas)	51.00	
Gestió i Recuperació de Terrenys, S.A.	Rambla Catalunya, 2-4. Barcelona	80.00	Audinfor, S.L.
Gestión de Aguas del Norte, S.A.	Av. de Tirajana, 39. San Bartolomé de Tirajana (Las Palmas)	100.00	
Giza Environmental Services, S.A.E.	Egypt	100.00	
Gonzalo Mateo, S.L.	Partida San Gregorio. Cadrete (Zaragoza)	100.00	Price Waterhouse Coopers Auditores, S.L.
Graver Española, S.A., Sole-Shareholder Company	Epalza, 8. Bilbao (Vizcaya)	100.00	
A.S.A. Group	Austria		PWC Price Waterhouse Coopers GmbH
1. Polabská	Czech Republic	100.00	Rödl & Partner Audit s.r.
.A.S.A. Abfall Service AG	Austria	100.00	PWC Price Waterhouse Coopers
.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	PWC Price Waterhouse Coopers
.A.S.A. Abfall Sortieranlage Asten Betriebs GmbHNfg KG	Austria	100.00	
.A.S.A. AbfallService Halbenrain GmbH & Co Nfg KG	Austria	99.80	
.A.S.A. AbfallService Industrieviertel GmbH & Co Nfg KG	Austria	100.00	
.A.S.A. AbfallService Oberösterreich GmbH	Austria	100.00	
.A.S.A. AbfallService Wiener Neustadt GmbH	Austria	100.00	
.A.S.A. Areal spol. s.r.o	Czech Republic	100.00	Rödl & Partner Audit s.r.
.A.S.A. Ceské Budêjovice s.r.o	Czech Republic	75.00	Rödl & Partner Audit s.r.
.A.S.A. Dacice s.r.o	Czech Republic	60.00	Rödl & Partner Audit s.r.
.A.S.A. EKO Bih d.o.o	Bosnia Herzegovina	100.00	
.A.S.A. EKO d.o.o	Serbia	100.00	
.A.S.A. EKO Polska sp. z.o.o.	Poland	100.00	BDO
.A.S.A. EKO s.r.o.	Slovakia	100.00	PWC Price Waterhouse Coopers
.A.S.A. EKO Znojmo s.r.o	Austria	49.72	Rödl & Partner Audit s.r.
.A.S.A. Ekologické Sluzby spol. s.r.o.	Slovakia	100.00	
.A.S.A. Ekoloski Servis d.o.o.	Slovakia	100.00	
.A.S.A. Es d.o.o.	Serbia	100.00	
.A.S.A. Es Únanov s.r.o.	Czech Republic	66.41	Rödl & Partner Audit s.r.
.A.S.A. Finanzdienstleistungen GmbH	Austria	100.00	
.A.S.A. Hódmezövásárhel y Köztisztasági Kft	Hungary	61.83	
.A.S.A. Hp spol. s.r.o.	Czech Republic	100.00	Rödl & Partner Audit s.r.
.A.S.A. International Environmental Services GmbH	Austria	100.00	
.A.S.A. Kikinda d.o.o.	Serbia	80.00	PWC Price Waterhouse Coopers GmbH
.A.S.A. Kisalföld Szállító Környezetvédelmi És H Kft	Hungary	100.00	PWC Price Waterhouse Coopers
.A.S.A. Kosické Olsany s.r.o.	Slovakia	95.00	
.A.S.A. Liberec s.r.o.	Czech Republic	55.00	Rödl & Partner Audit s.r.
.A.S.A. Magyarország Környezetvédelem És H Kft	Hungary	100.00	PWC Price Waterhouse Coopers
.A.S.A. Marcelová s.r.o.	Slovakia	49.00	
.A.S.A. Odpady Litovel s.r.o.	Czech Republic	49.00	Rödl & Partner Audit s.r.
.A.S.A. Olsava spol. s.r.o.	Slovakia	100.00	
.A.S.A. Pol spol. s.r.o.	Czech Republic	100.00	Rödl & Partner Audit s.r.
.A.S.A. Posázaví s.r.o.	Czech Republic	100.00	Rödl & Partner Audit s.r.

Company	Registered Office	Percentage of Effective Ownership	Auditor
.A.S.A. Slovensko spol. s.r.o.	Slovakia	100.00	PWC Price Waterhouse Coopers
.A.S.A. Sluzby Zabovresky s.r.o.	Czech Republic	89.00	Rödl & Partner Audit s.r.
.A.S.A. spol. s.r.o.	Czech Republic	100.00	Rödl & Partner Audit s.r.
.A.S.A. Tarnobrzeg sp. z.o.o.	Poland	60.00	
.A.S.A. TRNAVA spol. s.r.o.	Slovakia	50.00	PWC Price Waterhouse Coopers
A S A Usluge Za Zastitu Okolisa d.o.o.	Croatia	100.00	
.A.S.A. V.O.D.S. Sanacie s.r.o.	Slovakia	51.00	Price Waterhouse Coopers PWC
.A.S.A. Vilnius UAB	Lithuania	100.00	Unaudited
.A.S.A. Vrbak d.o.o.	Serbia	51.02	PWC Price Waterhouse Coopers GmbH
.A.S.A. Zabcice spol. s.r.o.	Czech Republic	80.00	Rödl & Partner Audit s.r.
.A.S.A. Zohor spol. s.r.o.	Slovakia	85.00	PWC Price Waterhouse Coopers
Abfallwirtschaftszentrum Mostviertel GmbH	Austria	100.00	
Bec Odpady s.r.o.	Czech Republic	99.60	Rödl & Partner Audit s.r.
Eko Serwis sp. z.o.o.	Poland	100.00	BDO
Entsorga Entsorgungs GmbH Nfg KG	Austria	100.00	
EnviCon G s.r.o.	Czech Republic	99.60	Rödl & Partner Audit s.r.
Erd-Kom Érdi Kommunális Hulladékkezelö	Hungary	90.00	PWC Price Waterhouse Coopers
Esko - A S A s.r.o.	Czech Republic	100.00	Rödl & Partner Audit s.r.
Inerta Abfallbehandlungs GmbH	Austria	100.00	
Kreindl GmbH	Austria	100.00	
Matra-Kom Hulladékgazdálkodási Szolgáltató Kft	Hungary	100.00	
Miejska Przedsiebiorstwo Gospodarki Komunalnej sp. z.o.o. Zabrze	Poland	80.00	BDO
Obsed a.s.	Czech Republic	100.00	Rödl & Partner Audit s.r.
Pergo a.s.	Czech Republic	94.67	Rödl & Partner Audit s.r.
Przedsiebiorstwo Uslug Komunalnych sp. z.o.o.	Poland	60.03	
Quail spol. s.r.o.	Czech Republic	100.00	Rödl & Partner Audit s.r.
Regios AS	Czech Republic	99.00	Rödl & Partner Audit s.r.
Remat Jihlava s.r.o.	Czech Republic	100.00	Rödl & Partner Audit s.r.
S C A S A Servicii Ecologice SRL	Romania	100.00	PWC Price Waterhouse Coopers
SC Valmax Impex SRL	Romania	60.00	PWC Price Waterhouse Coopers
Sárrétti Közterület-Fenntartó Kft	Hungary	25.50	
Siewierskie Przedsiebiorstwo Gospodarki Komunalnej sp. z.o.o.	Poland	100.00	BDO
Skladka Uhy spol. s.r.o.	Czech Republic	100.00	Rödl & Partner Audit s.r.
Terobet AS	Czech Republic	100.00	Rödl & Partner Audit s.r.
Technické Sluzby - A S A s.r.o.	Slovakia	100.00	Rödl & Partner Audit s.r.
Textil Verwertung GmbH	Austria	100.00	
Tores - Technické, Obchodní a Rekreacní Sluzby AS	Czech Republic	100.00	Rödl & Partner Audit s.r.
Waste City spol. s.r.o. -in liquidation-	Slovakia	100.00	
Waste Recycling Group:	United Kingdom		KPMG Llp.
3C Holdings Limited	United Kingdom	100.00	
3C Waste Limited	United Kingdom	100.00	
Advanced Natural Fuels Limited	United Kingdom	100.00	
Airdriehill Quarries Limited	United Kingdom	100.00	
Allington Waste Company Limited	United Kingdom	100.00	
Anti-Rubbish Limited	United Kingdom	100.00	
Anti-Waste (Restoration) Limited	United Kingdom	100.00	
Anti-Waste Limited	United Kingdom	100.00	
Arnold Waste Disposal Limited	United Kingdom	100.00	
Arpley Gas Limited	United Kingdom	100.00	
BDR Waste Disposal Limited	United Kingdom	100.00	
CLWR Management 2001 Limited	United Kingdom	100.00	
Darrington Quarries Limited	United Kingdom	100.00	
Derbyshire Waste Limited	United Kingdom	80.00	

Company	Registered Office	Percentage of Effective Ownership	Auditor
East Waste Limited	United Kingdom	100.00	
Econowaste Limited	United Kingdom	100.00	
Finstop Limited	United Kingdom	100.00	
Green Waste Services Limited	United Kingdom	100.00	
GWS (Holdings) Limited	United Kingdom	100.00	
Herrington Limited	United Kingdom	100.00	
Humberside Wastewise Waste Management Services Limited	United Kingdom	100.00	
Integrated Waste Management Limited	United Kingdom	100.00	
Kent Conservation & Management Limited	United Kingdom	90.00	
Kent Energy Limited	United Kingdom	100.00	
Kent Enviropower Limited	United Kingdom	100.00	
Landfill Management Limited	United Kingdom	100.00	
Lincwaste Limited	United Kingdom	100.00	
Meadshores Limited	United Kingdom	100.00	
Norfolk Waste Limited	United Kingdom	100.00	
Oxfordshire Waste Limited	United Kingdom	100.00	
Paper Product Developments Limited	United Kingdom	90.00	
Pennine Waste Management Limited	United Kingdom	100.00	KPMG Llp.
RE3 Holding Limited	United Kingdom	100.00	
RE3 Limited	United Kingdom	100.00	
Site&Field Equipment Limited	United Kingdom	100.00	
T Shooter Limited	United Kingdom	100.00	KPMG Llp.
Tawse Ellon (Haulage) Limited	United Kingdom	100.00	
Waste Recovery Limited	United Kingdom	100.00	KPMG Llp.
Waste Recycling Group (Central) Limited	United Kingdom	100.00	KPMG Llp.
Waste Recycling Group (Scotland) Limited	United Kingdom	100.00	KPMG Llp.
Waste Recycling Group (South West) Limited	United Kingdom	100.00	KPMG Llp.
Waste Recycling Group (Yorkshire) Limited	United Kingdom	100.00	KPMG Llp.
Waste Recycling Group Limited	United Kingdom	100.00	KPMG Llp.
Waste Recycling Limited	United Kingdom	100.00	KPMG Llp.
Wastenotts (Reclamation) Limited	United Kingdom	100.00	KPMG Llp.
Wastenotts Limited	United Kingdom	100.00	
Wastewise Limited	United Kingdom	100.00	
Wastewise Power Limited	United Kingdom	100.00	
Wastewise Trustees Limited	United Kingdom	100.00	
Welbeck Waste Management Limited	United Kingdom	100.00	KPMG Llp.
Winterton Power Limited	United Kingdom	100.00	KPMG Llp.
WRG (Management) Limited	United Kingdom	100.00	KPMG Llp.
WRG (Midlands) Limited	United Kingdom	100.00	KPMG Llp.
WRG (Northern) Limited	United Kingdom	100.00	KPMG Llp.
WRG Acquisitions 2 Limited	United Kingdom	100.00	
WRG Berkshire Limited	United Kingdom	100.00	
WRG Environmental Limited	United Kingdom	100.00	KPMG Llp.
WRG PFI Holdings Limited	United Kingdom	100.00	
WRG Properties Limited	United Kingdom	100.00	
WRG Waste Services Limited	United Kingdom	100.00	KPMG Llp.
WRG Wrexham PFI Holdings Limited	United Kingdom	65.00	
WRG Wrexham PFI Limited	United Kingdom	65.00	
Hidrotec Tecnología del Agua, S.L., Sole-Shareholder Company	Pincel, 25. Seville	100.00	
Hydrocarbon Recovery Services Inc.	USA	100.00	
Instugasa, S.L., Sole-Shareholder Company	La Presa , 14. Adeje (Santa Cruz de Tenerife)	100.00	MACG y Auditores Asociados, S.L.
Integraciones Ambientales de Cantabria, S.A.	Lealtad, 14. Santander (Cantabria)	90.00	
International Petroleum Corp. of Delaware	USA	100.00	

Company	Registered Office	Percentage of Effective Ownership	Auditor
International Services Inc., S.A., Sole-Shareholder Company	Arquitecto Gaudí, 4. Madrid	100.00	
Inversora Riutort, S.L.	Alfonso XIII. Sabadell (Barcelona)	90.00	
Jaime Franquesa, S.A.	P.I. Zona Franca Sector B calle D49. Barcelona	100.00	Audinfor, S.L.
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	
Limpiezas Urbanas de Mallorca, S.A.	Ctra. San Margalida-Can Picafort. Santa Margalida (Balearic Islands)	100.00	
Manipulación y Recuperación MAREPA, S.A.	Av. San Martín de Valdeiglesias, 22. Alcorcón (Madrid)	100.00	
Mercia Waste Management, Ltd.	United Kingdom	50.00	
Municipal de Serveis, S.A.	Joan Torrà i Cabrosa, 7. Girona	80.00	
Nilo Medioambiente, S.L., Sole-Shareholder Company	Pincel, 25. Seville	100.00	
Onyx Gibraltar, Ltd.	United Kingdom	100.00	
Ovod spol. s.r.o.	Czech Republic	100.00	
Papeles Hernández e Hijos, S.A.	Guadalquivir, 16. Fuenlabrada (Madrid)	100.00	
Recuperació de Pedreres, S.L.	Paratge Vacamorta. Cruïlles (Girona)	80.00	
Saneamiento y Servicios, S.A.	Ronda Vigilancia, s/n. Cádiz	100.00	
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	
Servicios Especiales de Limpieza, S.A.	Federico Salmón, 13. Madrid	100.00	
Severomoravské Vodovody a Kanalizace Ostrava A.S.	Czech Republic	98.67	
Sociedad Española de Aguas Filtradas, S.A.	Ulises, 18. Madrid	100.00	
Sociedad Ibérica del Agua, S.I.A., S.A., Sole-Shareholder Company	Federico Salmón, 13. Madrid	100.00	
Telford & Wrekin Services, Ltd.	United Kingdom	100.00	
Tratamiento Industrial de Aguas, S.A.	Federico Salmón, 13. Madrid	100.00	Audinfor, S.L.
Tratamiento y Reciclado Integral de Ocaña, S.A.	Federico Salmón, 13. Madrid	100.00	
Tratamientos y Recuperaciones Industriales, S.A.	Angli, 31. Barcelona	75.00	
Valorización y Tratamiento de Residuos, S.A.	Alameda de Mazarredo, 15-4º A. Bilbao (Vizcaya)	100.00	

VERSIA

Aparcamientos Concertados, S.A.	Arquitecto Gaudí, 4. Madrid	100.00	Deloitte, S.L.
Aragonesa de Servicios I.T.V., S.A.	Federico Salmón, 13. Madrid	100.00	C.T.A. Auditores, S.A.
Beta de Administración, S.A.	Federico Salmón, 13. Madrid	100.00	
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	
Casa Park Moulay Youssef, S.A.R.L.	Morocco	100.00	
Casa Park, S.A.	Morocco	97.90	
Cemusa Amazonia, S.A.	Brazil	100.00	Price Waterhouse Coopers Auditores, S.L.
Cemusa Boston, Llc.	USA	100.00	
Cemusa Brasilia, S.A.	Brazil	100.00	Price Waterhouse Coopers Auditores, S.L.
Cemusa, Corporación Europea de Mobiliario Urbano, S.A.	Francisco Sancha, 24. Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
Cemusa do Brasil Ltda.	Brazil	100.00	Price Waterhouse Coopers Auditores, S.L.
Cemusa Inc.	USA	100.00	Price Waterhouse Coopers Auditores, S.L.
Cemusa Italia, S.R.L.	Italy	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	Price Waterhouse Coopers Auditores, S.L.

Company	Registered Office	Percentage of Effective Ownership	Auditor
Cemusa Rio, S.A.	Brazil	100.00	Price Waterhouse Coopers Auditores, S.L.
Cemusa Salvador, S.A.	Brazil	65.00	Price Waterhouse Coopers Auditores, S.L.
Cemusa San Antonio GP, Llc.	USA	100.00	
Cemusa San Antonio, Ltd.	USA	100.00	
Cemusa Texas, Llc.	USA	100.00	
Concesionaria Zona 5, S.A.	Argentina	100.00	Deloitte, S.L.
Conservación y Sistemas, S.A.	Federico Salmón, 13. Madrid	100.00	Deloitte, S.L.
Empresa Mixta de Tráfico de Gijón, S.A.	P.I. Promosa nave 27. El Plano. Tremañes (Gijón)	60.00	Deloitte, S.L.
Equipos y Procesos, S.A.	Conde de Peñalver, 45. Madrid	80.73	
Estacionamientos y Servicios, S.A.	Federico Salmón, 13. Madrid	100.00	Deloitte, S.L.
FCC International, B.V.	The Netherlands	100.00	
FCC Logística Portugal, S.A.	Portugal	99.99	Deloitte, S.L.
FCC Logística, S.A., Sole-Shareholder Company	Avda. Fuentemar, 19. Coslada (Madrid)	100.00	Deloitte, S.L.
FCC Versia, S.A.	Federico Salmón, 13. Madrid	100.00	Deloitte, S.L.
Flightcare Belgium, Naamloze Vennootschap	Belgium	100.00	Deloitte, S.L.
Flightcare Cyprus Limited	Cyprus	75.00	
Flightcare Italia, S.p.A.	Italy	100.00	Deloitte, S.L.
Flightcare, S.L.	Federico Salmón, 13. Madrid	100.00	Deloitte, S.L.
General de Servicios I.T.V., S.A.	Federico Salmón, 13. Madrid	100.00	Deloitte, S.L.
Geral I.S.V. Brasil Ltda.	Brazil	100.00	
I.T.V., S.A.	Argentina	100.00	
Industrial de Limpiezas y Servicios, S.A., Sole-Shareholder Company	Federico Salmón, 13. Madrid	100.00	
Santos Renting, S.L., Sole-Shareholder Company	Francisco Medina y Mendoza. Guadalajara	100.00	
Servicios de Publicidad Urbanos, S.A.	Atenas, nave 46 P.I. San Luis. Málaga	75.00	
Sistemas y Vehículos de Alta Tecnología, S.A.	Conde de Peñalver, 45. Madrid	100.00	
VTV Verificaciones Técnicas Vehiculares de Argentina, S.A.	Argentina	100.00	
Verauto La Plata, S.A.	Argentina	98.45	
Zona Verde-Promoçao e Marketing Limitada	Portugal	100.00	
CONSTRUCTION			
Alpetrol, S.A.	Camino Casa Sola, 1. Chiloeches (Guadalajara)	100.00	
Aremi Tecair, S.A.	Av. de les Corts Valencianes, 50. Valencia	100.00	Price Waterhouse Coopers Auditores, S.L.
Áridos de Melo, S.L.	Finca la Barca y el Ballestar, s/n. Barajas de Melo (Cuenca)	100.00	C.T.A. Auditores, S.A.
Autovía Conquense, S.A.	Pedro Texeira, 8. Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
Auxiliar de Pipelines, S.A.	Paseo del Club Deportivo, 1. Pozuelo de Alarcón (Madrid)	100.00	Price Waterhouse Coopers Auditores, S.L.
BBR Pretensados y Técnicas Especiales, S.L.	Retama, 5. Madrid	100.00	Auren Centro Auditores y Consultores, S.L.
Binatec Al Maghreb, S.A.	Morocco	100.00	
Conservial, S.L.	Manuel Lasala, 36. Zaragoza	100.00	
Construcción y Filiales Mexicanas, S.A. de C.V.	Mexico	100.00	
Constructora Durango-Mazatlan, S.A. de C.V.	Mexico	51.00	
Constructora Túnel de Coatzacoalcos, S.A. de C.V.	Mexico	55.60	
Contratas y Ventas, S.A.	Asturias, 41. Oviedo (Asturias)	100.00	Deloitte, S.L.
Corporación M&S Internacional C.A, S.A.	Costa Rica	100.00	
Deneo Energía e Infraestructuras, S.A. (1)	José Agustín Goytisolo, 33 Nave B1. Hospitalet de Llogbregat (Barcelona)	100.00	
Desarrollo y Construcción DEYCO CRCA, S.A.	Costa Rica	100.00	
Dezvoltare Infraestructura, S.A.	Romania	51.03	

(1) Change of name. Formerly Montajes Gavisa, S.A.

Company	Registered Office	Percentage of Effective Ownership	Auditor
Dizara Inversión, S.L.	Avda. General Perón, 36. Madrid	100.00	
Elcen Obras Servicios y Proyectos, S.A.	Voluntarios Catalanes, 30. Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
Especialidades Eléctricas, S.A.	Acanto, 22. Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
Eurman, S.A.	Valentín Beato, 24-26. Madrid	100.00	
FCC Construcción, S.A.	Balmes, 36. Barcelona	100.00	Deloitte, S.L.
FCC Constructii Romania, S.A.	Romania	100.00	
FCC Construction Hungary Kft	Hungary	100.00	Deloitte, S.L.
FCC Construction I-95 Llc.	USA	100.00	
FCC Construction Inc.	USA	100.00	
FCC Construction International B.V.	The Netherlands	100.00	
Fomento de Construcciones y Contratas Construction Ireland Limited	Ireland	100.00	
Gavisa Portugal Montagens Eléctricas Lda.	Portugal	97.00	
Gestión Especializada en Instalaciones, S.A.	Valentín Beato, 24. Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
Alpine Group:			Deloitte and Touche, Gmb
3 G Netzwerk Errichtungs GmbH	Austria	84.11	
3 G Netzwerk Errichtungs GmbH & Co KG	Austria	84.11	
Acoton Projektmanagement & Bauträger GmbH	Austria	79.10	
Ad Grundbesitzverwaltung GmbH	Germany	80.54	
Ajs Acoton Projektmanagement & Bauträger GmbH Co KG	Austria	83.27	
Alpine Aleksandar d.o.o.	Macedonia	80.74	
Alpine Bau Deutschland AG	Germany	84.11	Deloitte & Touche
Alpine Bau GmbH	Austria	84.11	Deloitte & Touche/DKB
Alpine Bau GmbH A-1 sp. j	Poland	84.11	
Alpine Bau GmbH Schweiz	Switzerland	84.11	
Alpine Bau Services GmbH Schweiz	Switzerland	84.11	
Alpine Bau Trostberg GmbH	Germany	84.11	Deloitte & Touche
Alpine Bau Zagreb d.o.o.	Croatia	84.11	Deloitte & Touche
Alpine BH d.o.o. Travnik	Bosnia Herzegovina	58.88	
Alpine Building Services GmbH	Germany	84.11	Deloitte & Touche, Gmb
Alpine Bulgaria AG	Bulgaria	42.89	Deloitte & Touche
Alpine Construction Polska sp z.o.o.	Poland	84.11	AUDITING COMPANY ACCO Spolka z.o.o.
Alpine Consulting d.o.o. Gradbeni Inzeniring	Slovenia	84.11	RENOMA
Alpine d.o.o. Banja Luka	Bosnia Herzegovina	84.11	
Alpine d.o.o. Beograd	Serbia/Montenegro	84.11	
Alpine Dolomit AD	Serbia/Montenegro	69.57	KPMG
Alpine Energie Deutschland GmbH	Germany	84.11	Deloitte & Touche, GmbH
Alpine Energie Holding AG	Germany	84.11	Deloitte & Touche, GmbH
Alpine Energie Luxembourg SARL	Luxembourg	84.11	Dekoitte & Touche GmbH
Alpine Energie Osterreich GmbH	Austria	84.11	Deloitte & Touche
Alpine Energie Schweiz AG	Switzerland	84.11	Price Waterhouse Coopers AG
Alpine Granit AD	Serbia	82.32	KPMG
Alpine Holding GmbH	Austria	84.11	Deloitte/Unitreu
Alpine Hungaria Bau GmbH	Hungary	84.11	Deloitte & Touche
Alpine Investment d.o.o.	Bosnia Herzegovina	42.89	Confida
Alpine Ips Ostrava Polska sp z.o.o.	Poland	84.11	
Alpine Liegenschaftsverwertung GmbH	Austria	84.11	
Alpine Mayreder Construction Co Ltd. AMCC	China	63.08	Tongdaoxing
Alpine Podgorica d.o.o.	Serbia/Montenegro	84.11	Deloitte & Touche GmbH
Alpine Project Finance and Consulting GmbH	Germany	84.11	
Alpine Pzpb d.o.o.	Serbia/Montenegro	84.11	KPMG
Alpine Rudnik Krecnjaka Lapisnica d.o.o.	Bosnia Herzegovina	42.89	Confida

Company	Registered Office	Percentage of Effective Ownership	Auditor
Alpine Skopje DOOEL	Macedonia	84.11	
Alpine Slask Budawa sp. z.o.o.	Poland	84.11	
Alpine Slovakia spol s.r.o.	Slovakia	84.11	Deloitte & Touche
Alpine Stavebni Spolecnost Cz s.r.o.	Czech Republic	84.11	Deloitte & Touche
AlpineTirana Sh.p.k.	Albania	84.11	Deloitte & Touche
Alpine Untertagebau GmbH	Germany	84.11	Deloitte & Touche GmbH
Alpine, S.A.	Romania	84.11	Deloitte & Touche
Alpine@Energie France S.A.R.L.	France	84.11	
Altec Umwelttechnik GmbH	Austria	84.11	
APT Alpine Project Technology GmbH	Austria	84.11	
Bautechnische Prüf und Versuchsanstalt GmbH	Austria	84.11	
Bewehrungszentrum Linz GmbH	Austria	84.11	
Bürozentrum U3 Projekt GmbH	Austria	84.11	
CPI Czech Property Invest AG	Austria	53.83	
Donau Investment SRL	Romania	42.05	
E Gottschall & Co GmbH	Germany	84.11	Deloitte & Touche GmbH
Ecoenergetika d.o.o.	Slovenia	84.11	Renoma
Emberger & Essl GmbH	Austria	75.70	Unitreu Wirtschaftsprüfungs-und Steuerberatungs GmbH
Emberger & Heuberger Bau GmbH	Austria	75.70	DKB
Erfurth Specialne Gradnje d.o.o.	Slovenia	84.11	
Erfurth Spezialbau GmbH	Austria	84.11	
Fels und Sprengtechnik GmbH	Austria	84.11	
Ferro Betonit Bau GmbH	Germany	84.11	Schulte Demeier Braun
Ferro-Betonit-Werke Inmobilien GmbH	Austria	84.11	
Fritz & Co Bau GmbH	Austria	84.11	Unitreu Wirtschaftsprüfungs-und Steuerberatungs GmbH
Fröhlich Bau und Zimmereiunternehmen GmbH	Austria	84.11	
Garazna Hisa UKC d.o.o.	Slovenia	84.11	Renoma
Geotechnik Systems GmbH	Austria	84.11	
GmbH Alpine Mayreder	Russia	84.11	
Granitul, S.A.	Romania	35.27	SC Audit Consulting SRL
Gregorich GmbH	Austria	84.11	
Grund Pfahl und Sonderbau GmbH	Austria	84.11	Unitreu Wirtschaftsprüfungs-und Steuerberatungs GmbH
Grund und Sonderbau GmbH	Austria	84.11	Deloitte & Touche GmbH
Grund und Sonderbau GmbH ZNL Berlín	Austria	84.11	Deloitte & Touche GmbH
Hazet Bauunternehmung GmbH	Austria	84.11	Unitreu Wirtschaftsprüfungs-und Steuerberatungs GmbH
Hoch & Tief Bau Beteiligungs GmbH	Austria	85.06	
Ing Arnulf Haderer GmbH	Austria	84.11	
Intech Installationstechnik GmbH	Austria	68.13	
JSC Alpine Gaz AG	Russia	42.89	
Kai Center Errichtungs und Vermietungs GmbH	Austria	83.27	PKF Consult Wirtschaftsprüfungs GmbH
Kappa d.o.o.	Croatia	58.60	
Klöcher Bau GmbH	Austria	84.11	Unitreu Wirtschaftsprüfungs-und Steuerberatungs GmbH
Konrad Beyer & Co Spezialbau GmbH	Austria	84.11	Unitreu Wirtschaftsprüfungs-und Steuerberatungs GmbH
Mas Bau Projekt und Handels GmbH	Austria	84.11	
Mayreder Bau GmbH Budapest	Hungary	84.11	
Mayreder Bohemia Stavebni Spolecnost spol. s.r.o.	Czech Republic	84.11	IB Grant Thornton
Mayreder Hoch und Tiefbau GmbH	Austria	84.11	
Mayreder Praha Stavebni Spolec spol. s.r.o.	Czech Republic	84.11	IB Grant Thornton
MLA Lieferasphalt GmbH	Austria	84.11	

Company	Registered Office	Percentage of Effective Ownership	Auditor
Mortinger-Grohmann Tief Hoch und Strassenbau GmbH	Austria	84.11	Unitreu Wirtschaftsprüfungs-und Steuerberatungs GmbH
MWG Wohnbau GmbH	Austria	83.27	PKF Consult Wirtschaftsprüfungs GmbH
Netzbau Verwaltungs GmbH	Germany	84.11	Deloitte & Touche GmbH
Oekotechna Entsorgungs und Umwelttechnik GmbH	Austria	84.11	
Osijek Koteks d.d.	Croatia	58.60	Deloitte & Touche GmbH
Parkgarage Makatplatz GmbH	Austria	84.11	
Project Development GmbH	Austria	84.11	
RMG d.o.o. -in liquidation-	Bosnia Herzegovina	42.89	
Salzburger Lieferasphalt O.H.G.	Austria	50.47	
Schauer Eisenbahnbau GmbH	Austria	84.11	
Song Consulting GmbH	Austria	84.11	
Strazevica AD	Serbia/Montenegro	50.23	Deloitte & Touche GmbH
Stump Funderingstechniek B.V. -in liquidation-	The Netherlands	84.11	
Stump Hydrobudowa sp. z.o.o. Warschan	Poland	84.11	PKF
Stump Spezial Tiefbau GmbH	Czech Republic	84.11	Deloitte & Touche GmbH
Stump Spezial Tiefbau spol. s.r.o. Trag	Czech Republic	84.11	Deloitte & Touche
Thalia Errichtungs und Vermietungs GmbH	Austria	79.10	
Tiefbau Deutschlandsberg GmbH	Austria	50.47	
Tiefbau Deutschlandsberg GmbH & Co KG	Germany	50.47	
Too Alpine KAZ	Kazakhstan	50.47	
TOV Alpine Ukraine	Ukraine	84.11	
Universale Bau GmbH	Austria	84.11	Unitreu Wirtschaftsprüfungs-und Steuerberatungs GmbH
Uno-Center s.r.o. Konkurs	Czech Republic	53.83	
Vela Borovica Koncern d.o.o.	Croatia	84.11	
Walter Hamann Hoch Tief und Stahlbetonbau GmbH	Germany	84.11	
Weinfried Bauträger GmbH	Austria	84.11	
Ibérica de Servicios y Obras, S.A.	Federico Salmón, 13. Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
Ibervia Construcciones y Contratas, S.L.	Avda. General Perón, 36. Madrid	100.00	
Impulsa Infraestructura, S.A. de C.V.	Mexico	52.00	
Internacional Tecair, S.A.	Valentín Beato, 24-26. Madrid	100.00	
Mantenimiento de Infraestructuras, S.A.	Avda. General Perón, 36. Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
Megaplás Italia, S.p.A.	Italy	100.00	
Megaplás, S.A.	Hilanderas, 4-14. La Poveda. Arganda del Rey (Madrid)	100.00	Price Waterhouse Coopers Auditores, S.L.
Motre, S.L.	Enginyer Algarra, 65. Pals (Girona)	100.00	
Moviterra, S.A.	Enginyer Algarra, 65. Pals (Girona)	100.00	
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.	Enginyer Algarra, 65. Pals (Girona)	100.00	
Pinturas Jaque, S.L.	P.I. Oeste, Paraje Sangonera. El Palmar (Murcia)	100.00	
Prefabricados Delta, S.A.	Arquitecto Gaudí, 4. Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
Proyectos y Servicios, S.A.	Torregalindo, 1. Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
Ramalho Rosa Cobetar Sociedade de Construçoes, S.A.	Portugal	100.00	Deloitte & Asociados, SROC, S.A.
Señalizaciones de Vías Públicas, S.L.	Avda. de Barber, 2. Toledo	100.00	
Servià Cantó, S.A.	Enginyer Algarra, 65. Pals (Girona)	100.00	
Servicios Empresariales Durango-Mazatlan, S.A. de C.V.	Mexico	51.00	
Sincler, S.A., Sole-Shareholder Company	Federico Salmón, 13. Madrid	100.00	

Company	Registered Office	Percentage of Effective Ownership	Auditor
Tema Concesionaria, S.A.	Porto Pi, 8. Palma de Mallorca (Balearic Islands)	100.00	Audinfor, S.L.
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			
A.I.E. Maquinaria para Hormigones	Maestro García Rivero, 7. Bilbao (Vizcaya)	38.94	
Agregats Uniland, SARL	France	45.88	
Áridos de Navarra, S.A.	Estella, 6. Pamplona (Navarra)	46.34	
Áridos Uniland, S.A., Sole-Shareholder Company	Torrenteres, 20 P.I. Sur. El Papiol (Barcelona)	45.88	Price Waterhouse Coopers Auditores, S.L.
Áridos y Canteras del Norte, S.A., Sole-Sahareholder Company. (2)	Barrio La Cadena, 10. Carranza (Vizcaya)	69.23	Deloitte, S.L.
Áridos y Premezclados, S.A., Sole-Shareholder Company	José Abascal, 59. Madrid	70.21	Deloitte, S.L.
Arriberri, S.L.	Alameda de Urquijo, 10. Bilbao (Vizcaya)	51.92	Deloitte, S.L.
Atracem, S.A., Sole-Shareholder Company	José Abascal, 59. Madrid	70.21	Deloitte, S.L.
Cántabra Industrial y Minera, S.A., Sole-Shareholder Company	Josefina de la Maza, 4 P.E. Piasca. Santander (Cantabria)	61.74	
Canteras de Aláiz, S.A.	Estella, 6. Pamplona (Navarra)	49.16	KPMG Auditores, S.L.
Canteras Villallano, S.L.	Poblado de Villallano. Villallano (Palencia)	61.74	
Carbocem, S.A.	Paseo de la Castellana, 45. Madrid	55.36	KPMG Auditores, S.L.
Cemensilos, S.A.	Josefina de la Maza, 4 P.E. Piasca. Santander (Cantabria)	61.74	Price Waterhouse Coopers Auditores, S.L.
Cementos Alfa, S.A.	Josefina de la Maza, 4 P.E. Piasca. Santander (Cantabria)	61.74	Price Waterhouse Coopers Auditores, S.L.
Cementos Lemona, S.A.	Alameda de Urquijo, 10. Bilbao (Vizcaya)	69.23	Deloitte, S.L.
Cementos Portland Valderrivas, S.A.	Estella, 6. Pamplona (Navarra)	70.21	Deloitte, S.L.
Cementos Villaverde, S.L., Sole-Shareholder Company	Almagro, 26. Madrid	70.21	
Cementrade, S.A., Sole-Shareholder Company	Josefina de la Maza, 4 P.E. Piasca. Santander (Cantabria)	61.74	Price Waterhouse Coopers Auditores, S.L.
Coastal Cement Corporation	USA	70.07	
Compañía Auxiliar de Bombeo de Hormigón, S.A., Sole-Shareholder Company	José Abascal, 59. Madrid	70.21	
Corporación Uniland, S.A.	Córcega, 299. Barcelona	45.98	
Dragon Alfa Cement Limited	United Kingdom	61.74	
Dragon Energy Llc.	USA	70.07	
Dragon Products Company Inc.	USA	70.07	
Egur Birziklatu Bi Mila, S.L.	Alameda de Urquijo, 10. Bilbao (Vizcaya)	41.54	
Explotaciones San Antonio, S.L., Sole-Shareholder Company	Josefina de la Maza, 4 P.E. Piasca. Santander (Cantabria)	61.74	
Giant Cement Company	USA	70.07	
Giant Cement Holding, Inc.	USA	70.07	
Giant Cement NC Inc.	USA	70.07	
Giant Cement Virgina Inc.	USA	70.07	
Giant Resource Recovery Inc.	USA	70.07	
Giant Resource Recovery - Arvonia Inc.	USA	70.07	
Giant Resource Recovery - Attalla Inc.	USA	70.07	
Giant Resource Recovery - Harleyville Inc.	USA	70.07	
Giant Resource Recovery - Sumter Inc.	USA	70.07	
Gulfland Cement Llc.	USA	43.68	Postlethwaite & Netterville
Hormigones Arkaitza, S.A., Sole-Shareholder Company	Estella, 6. Pamplona (Navarra)	70.21	KPMG Auditores, S.L.
Hormigones de la Jacetania, S.A.	Llano de la Victoria. Jaca (Huesca)	43.88	KPMG Auditores, S.L.
Hormigones del Zadorra, S.A. Sole-Shareholder Company (3)	Estella, 6. Pamplona (Navarra)	69.82	KPMG Auditores, S.L.
Hormigones Premezclados del Norte, S.A.	Barrio La Cadena. Carranza (Vizcaya)	69.23	
Hormigones Reinosa, S.A., Sole-Shareholder Company	Josefina de la Maza, 4 P.E. Piasca. Santander (Cantabria)	61.74	

(2) Change of name. Formerly Canteras y Construcciones de Vizcaya, S.A.
(3) Change of name. Formerly Canteras del Pirineo Occidental, S.A.

Company	Registered Office	Percentage of Effective Ownership	Auditor
Hormigones Uniland, S.L., Sole-Shareholder Company	Ctra. Vilafranca del P. a Moja Km. 1. Olérdola (Barcelona)	45.88	Price Waterhouse Coopers Auditores, S.L.
Hormigones y Morteros Preparados, S.A., Sole-Shareholder Company	José Abascal, 59. Madrid	70.21	Deloitte, S.L.
Horminal, S.L., Sole-Shareholder Company	José Abascal, 59. Madrid	70.21	
Keystone Cement Company	USA	70.07	
Lemona Industrial, S.A., Sole-Shareholder Company	Alameda de Urquijo, 10. Bilbao (Vizcaya)	69.23	Deloitte, S.L.
Lurtarri, S.L.	Alameda de Urquijo, 10. Bilbao (Vizcaya)	49.15	
Morteros Bizkor, S.L.	Alameda de Urquijo, 10. Bilbao (Vizcaya)	37.27	
Morteros Valderrivas, S.L., Sole-Shareholder Company	José Abascal, 59. Madrid	70.21	
Participaciones Estella 6, S.L., Sole-Shareholder Company	Estella, 6. Pamplona (Navarra)	70.21	
Portland, S.L. Sole-Shareholder Company	José Abascal, 59. Madrid	70.21	
Prebesec Mallorca, S.A.	Conradors, 48. Marratxi. Palma de Mallorca (Balearic Islands)	31.41	Price Waterhouse Coopers Auditores, S.L.
Prebesec, S.A., Sole-Shareholder Company	Torrenteres, 20 P.I. Sur. El Papiol (Barcelona)	45.88	Price Waterhouse Coopers Auditores, S.L.
Prefabricados Uniland, S.A., Sole-Shareholder Company	Córcega, 299. Barcelona	45.88	
Recisuelos, S.A., Sole-Shareholder Company	Alameda de Urquijo, 10. Bilbao (Vizcaya)	69.23	
Santursaba, S.L., Sole-Shareholder Company	Alameda de Urquijo, 10. Bilbao (Vizcaya)	69.23	
Sechem Inc.	USA	70.07	
Select Béton, S.A.	Tunisia	40.40	Mourad Guellaty
Société des Ciments d'Enfida	Tunisia	40.40	Mourad Guellaty
Southern Cement Limited	United Kingdom	45.98	Price Waterhouse Coopers Llp.
Telsa, S.A.	Alameda de Urquijo, 10. Bilbao (Vizcaya)	69.23	
Telsa, S.A. y Compañía Sociedad Regular Colectiva	Alameda de Urquijo, 10. Bilbao (Vizcaya)	69.23	
Transportes Gorozteta, S.L., Sole-Shareholder Company	Alameda de Urquijo, 10. Bilbao (Vizcaya)	50.92	
Transportes Lemona, S.A.	Arraibi. Lemona (Vizcaya)	69.23	
Uniland Cementera, S.A.	Córcega, 299. Barcelona	45.88	Price Waterhouse Coopers Auditores, S.L.
Uniland International B.V.	The Netherlands	45.98	
Uniland Marítima, S.L., Sole-Shareholder Company	Córcega, 299. Barcelona	45.88	
Uniland Trading B.V.	The Netherlands	45.98	Price Waterhouse Coopers Auditores, S.L.
Uniland USA Llc.	USA	45.98	
Utonka, S.A., Sole-Shareholder Company	Torrenteres, 20 P.I. Sur. El Papiol (Barcelona)	45.88	

CONCESSION-OPERATOR

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 RL de C.V.	Mexico	99.97	
M&S Concesiones, S.A.	Costa Rica	100.00	
M&S DI - M&S Desarrollos Internacionales, S.A.	Costa Rica	100.00	
Operalia Infraestructuras, S.A.	Paseo de la Castellana, 141 – Madrid Pedro Texeira, 8. Madrid	52.50	
Pi Promotora de Infraestructuras, S.A.	Costa Rica	100.00	

ENERGY

FCC Energía, S.A.	Federico Salmón, 13. Madrid	100.00	
Fomento Internacional Focsa, S.A. Sole-Shareholder Company	Federico Salmón, 13. Madrid	100.00	
Helios Patrimonial 1 , S.L. Sole-Shareholder Company	Federico Salmón, 13. Madrid	100.00	
Helios Patrimonial 2, S.L. Sole-Shareholder Company	Federico Salmón, 13. Madrid	100.00	
Sky Sierresita - Cortijo Viejo 1, S.L.	Federico Salmón, 13. Madrid	100.00	
Sky Sierresita - Cortijo Viejo 2, S.L.	Federico Salmón, 13. Madrid	100.00	

Company	Registered Office	Percentage of Effective Ownership	Auditor
OTHER ACTIVITIES			
Afigesa Inversión, S.L., Sole-Shareholder Company	Federico Salmón, 13. Madrid	100.00	
Asesoría Financiera y de Gestión, S.A.	Federico Salmón, 13. Madrid	100.00	
Compañía Auxiliar de Agencia y Mediación, S.A., Sole-Shareholder Company	Federico Salmón, 13. Madrid	100.00	
Compañía General de Servicios Empresariales, S.A., Sole-Shareholder Company	Federico Salmón, 13. Madrid	100.00	
Corporación Española de Servicios, S.A.	Federico Salmón, 13. Madrid	100.00	
Corporación Financiera Hispánica, S.A.	Federico Salmón, 13. Madrid	100.00	
Europea de Gestión, S.A., Sole-Shareholder Company	Federico Salmón, 13. Madrid	100.00	
Eusko Lanak, S.A.	Federico Salmón, 13. Madrid	100.00	
F-C y C, S.L., Sole-Shareholder Company	Federico Salmón, 13. Madrid	100.00	
FCC 1, S.L., Sole-Shareholder Company	Federico Salmón, 13. Madrid	100.00	
FCC Construcciones y Contratas Internacional, S.L., Sole-Shareholder Company	Federico Salmón, 13. Madrid	100.00	
FCC Finance, B.V.	The Netherlands	100.00	
FCC Fomento de Obras y Construcciones, S.L., Sole-Shareholder Company	Federico Salmón, 13. Madrid	100.00	
FCC Global Insurance General Services, S.A. (4)	Paseo de la Castellana, 111. Madrid	100.00	Deloitte, S.L.
FCC Inmobiliaria Conycon, S.L., Sole-Shareholder Company	Federico Salmón, 13. Madrid	100.00	
FCC International, B.V.	The Netherlands	100.00	
Fedemes, S.L.	Federico Salmón, 13. Madrid	100.00	
Per Gestora Inmobiliaria, S.L.	Plaza Pablo Ruiz Picasso. Madrid	100.00	
Puerto Cala Merced, S.A.	Arquitecto Gaudí, 4. Madrid	100.00	

(4) Change of name. Formerly Asiris, S.A. Correduría de Seguros.

APPENDIX II - Companies controlled jointly with non-group third parties (accounted for using the equity method)

Company	Registered Office	Carrying Amount of the Investment 2008	Carrying Amount of the Investment 2007	Percentage of Effective Ownership	Auditor
ENVIRONMENTAL SERVICES					
Acque di Caltanissetta, S.p.A.	Italy	-	182	51.00	KPMG S.p.A.
Aguas de Langreo, S.L.	Alonso del Riesgo, 3. Sama de Langreo (Asturias)	626	621	49.00	Audinfor, S.L.
Aguas y Servicios de la Costa Tropical de Granada, A.I.E.	Plaza de la Aurora. Motril (Granada)	432	(647)		
Aigües de Girona, Salt i Sarrià de Ter, S.A.	Ciutadans, 11. Girona	271	283	26.89	
Atlas Gestión Medioambiental, S.A.	Viriato, 47. Barcelona	14,459	14,802	50.00	Deloitte, S.L.
Beacon Waste Limited	United Kingdom	1,413	2,007	50.00	
Compañía de Servicios Medioambientales Do Atlántico, S.A.	Ctra. de Cedeira Km. 1. Narón (La Coruña)	364	355	49.00	
Ecoparc del Besòs, S.A.	Rambla Cataluña, 91-93. Barcelona	2,633	2,314	49.00	Castellana Auditors Consultors, S.L.
Ecoserveis Urbans de Figueres, S.L.	Av. de les Alegries, s/n. Lloret de Mar (Girona)	212	161	50.00	
Electrorecycling, S.A.	Ctra. BV. 1224 Km. 6,750. El Pont de Vilomara i Rocafort (Barcelona)	1,203	892	33.34	
Empresa Mixta d'Aigües de la Costa Brava, S.A.	Plaza Josep Pla, 4. Girona	296	253	25.00	
Empresa Mixta de Aguas y Servicios, S.A.	Alarcos, 13. Ciudad Real	57	65	41.25	
Empresa Mixta de Limpieza de la Villa de Torrox, S.A.	Plaza de la Constitución, 1. Torrox (Málaga)	406	423	50.00	Audinfor, S.L.
Empresa Mixta de Medio Ambiente de Rincón de la Victoria, S.A.	Avda. Zorreras, 8. Rincón de la Victoria (Málaga)	393	427	50.00	Escobar Escobar Francisco
Empresa Municipal de Aguas de Benalmádena, EMABESA, S.A.	Av. Juan Luis Peralta, s/n. Benalmádena (Málaga)	571	832	50.00	
Fisersa Ecoserveis, S.A.	Alemania, 5. Figueres (Girona)	220	246	36.35	
Gestión de Servicios Hidráulicos de Ciudad Real, A.I.E.	Ramírez de Arellano. Madrid	(16)	(65)		
Girona, S.A.	Travessera del Carril, 2. Girona	1,134	1,010	33.61	
Proactiva Group	Paseo de la Castellana, 216. Madrid	40,284	40,210	50.00	Deloitte, S.L.
Hades Soluciones Medioambientales, S.L.	Mayor, 3. Cartagena (Murcia)	60	60	50.00	
Inalia Mostaganem, S.L.	Gobelas, 47-49. Madrid	(1)	(1)	50.00	
Inalia Water Solutions, S.L.	Gobelas, 47-49. Madrid	(8)	(54)	50.00	
Ingeniería Urbana, S.A.	Avda. Saturno, 6. Alicante	5,067	5,112	35.00	
Mercia Waste Management, Ltd.	United Kingdom	6,827	7,198	50.00	
Pangea XXI, S.L.	Viriato, 47. Barcelona	701	114	50.00	
Pilagest, S.L.	Ctra. BV. 1224 Km. 6,750. El Pont de Vilomara i Rocafort (Barcelona)	541	524	50.00	
Reciclado de Componentes Electrónicos, S.A.	Johan G. Gutemberg, s/n. Seville	1,604	1,544	37.50	
Senblen, S.A. (2)	Alameda de Urquijo, 10. Bilbao (Vizcaya)	(86)	(19)	83.87	
Servicios de Limpieza Integral de Málaga III, S.A.	Camino de la Térmica, 83. Málaga	1,876	1,885	26.01	Price Waterhouse Coopers Auditores, S.L.
Servicios Urbanos de Málaga, S.A.	Ulises, 18. Madrid	419	450	51.00	
Severn Waste Services Limited	United Kingdom	166	191	50.00	
Sorea-Searsa Aqualia, A.I.E.	Condado de Jaruco, s/n. Lloret de Mar (Barcelona)	77	86		
Tratamiento Industrial de Residuos Sólidos, S.A.	Rambla Cataluña, 91. Barcelona	357	404	33.33	Castella Auditors Consultors, S.L.
Zabalgarbi, S.A.	Camino de Artigas, 10. Bilbao (Vizcaya)	13,680	9,345	26.00	

(2) Change of name. Formerly Senblen Bat, S.A.

Company	Registered Office	Carrying Amount of the Investment		Percentage of Effective Ownership	Auditor
		2008	2007		
VERSIA					
Converty Service, S.A.	Camino de los Afligidos P.I. La Esgaravita, 1 -Alcalá de Henares (Madrid)	5,936	5,909	50.00	Deloitte, S.L.
Corporación Jerezana de Transportes Urbanos, S.A., Sole-Shareholder Company	P.I. El Portal. Jerez de la Frontera (Cádiz)	2,002	2,253	50.00	
Detren Compañía General de Servicios Ferroviarios, S.L.	Ulises, 18. Madrid	965	464	50.00	
FCC-CONNEX Corporación, S.L.	Ulises, 18. Madrid	11,380	11,764	50.00	
Infoser Estacionamientos, A.I.E.	Manuel Silvela, 8. Madrid	75	48	33.33	
Versia Holding GmbH	Austria	11	25	100.00	
Tranvía de Parla, S.A.	Camino de la Cantuela, 2. Parla (Madrid)	418	511	5.00	Deloitte, S.L.
Valenciana de Servicios I.T.V., S.A.	P.I. El Oliveral. Ribarroja de Turia (Valencia)	2,928	2,768	50.00	C.T.A. Auditores, S.A.
CONSTRUCTION					
A.I.E. Proyecto Fénix	Santiago Grisolía, 2. Tres Cantos (Madrid)	-	-	12.50	
ACE Accesibilidade das Antas Construçao e Obras Publicas	Portugal	22	61	50.00	
ACE Acestrada Construçao de Estradas	Portugal	25	133	50.00	
ACE Edifer Construçoes Ramalho R.C. E.C.	Portugal	1	2,009	33.33	
ACE FCC Construcción e Edifer	Portugal	2	77	50.00	
ACE Infraestructuras das Antas.- Construçao e Obras Publicas	Portugal	31	5	33.33	
ACE Lumiar	Portugal	2	24	50.00	
ACE Metrexpo	Portugal	135	-	44.90	
ACE Ramalho Rosa Cobetar a Edifer	Portugal	10	(23)	56.00	
ACE Ramalho Rosa Cobetar Graviner e Novocpa	Portugal	2	2	72.25	
ACE Túnel Odeoluca	Portugal	11	29	35.00	
ACE Túnel Ramela	Portugal	65	2	13.33	
ACE Túnel Rua de Ceuta, Construçao e Obras Publicas	Portugal	(9)	(48)	49.50	
Construcciones Olabarri, S.L.	Ripa, 1. Bilbao (Vizcaya)	4,650	3,826	49.00	Charman Auditores, S.A.
Constructora de Infraestructura de Agua de Queretaro, S.A. de C.V.	Mexico	1,279	44	49.00	
Constructora Nuevo Necaxa Tihuatlan, S.A.C.V.	Mexico	224	-	40.00	
Dragados FCC, Canada Inc.	Canada	(538)	(1,802)	50.00	
Peri 3 Gestión, S.L.	General Álava, 26. Vitoria Gasteiz (Álava)	2	2	50.00	
Tranvía de Parla, S.A.	Camino de la Cantuela, 2. Parla (Madrid)	-	3,324	37.50	Deloitte, S.L.
CEMENT					
Atlántica de Graneles y Moliendas, S.A.	Vía Galindo, s/n. Sestao (Vizcaya)	1,029	1,217	34.62	
Cementos Artigas, S.A.	Uruguay	35,700	33,186	22.99	Echevarría Petit & Asociados
Cementos Avellaneda, S.A.	Argentina	93,351	88,646	22.99	Mario Wainstein & Asociados
Freshmarkets, S.A.	Uruguay	10	100	22.99	
Minus Inversora, S.A.	Argentina	6	8	22.99	Mario Wainstein & Asociados
Pedrera de l'Ordal, S.L.	Ctra. N 340 km. 1229,5 La Creu del L'Ordal. Subirats (Barcelona)	4,209	3,683	22.94	

Company	Registered Office	Carrying Amount of the Investment 2008	Carrying Amount of the Investment 2007	Percentage of Effective Ownership	Auditor
REAL ESTATE					
RB Business Group:		168,894	-		
Astaco, S.A.	General Pardiñas, 73 (Madrid)	-	-	14.12	
Asuntos Generales Inmobiliarios, S.A.	Acanto, 22. Madrid	-	-	28.37	
Boane 2003, S.A., Sole-Shareholder Company	Paseo de la Castellana, 41. Madrid	-	-	11.03	
Fomento de Equipamientos Inmobiliarios, S.L.	Paseo de la Castellana, 216. Madrid	-	-	9.64	Price Waterhouse Coopers Auditores, S.L.
Fomento Inmobilario Levantino, S.L.	Aragón, 30. Madrid	-	-	14.47	
Guillena Golf, S.L. Sole-Shareholder Company	Paseo de la Castellana, 216. Madrid	-	-	28.37	
Halduria, S.L.U.	Paseo de la Castellana, 216. Madrid	-	-	28.37	
Hermanos Revilla, S.A.	Paseo de la Castellana, 41. Madrid	-	-	11.03	
Inversiones Inmobiliarias Rústicas y Urbanas 2000, S.L.	C/ Claudio Coello, 91. Madrid	-	-	9.42	
Marina San Antonio Abad, S.L.	Paseo de la Castellana, 216. Madrid	-	-	14.12	
Mindaza, S.L., Sole-Shareholder Company.	Paseo de la Castellana, 216. Madrid	-	-	28.37	
Nasozena, S.L.	Picavia, 5. La Coruña	-	-	21.28	
Noralia, S.A.	Paseo de la Castellana, 216. Madrid	-	-	14.47	Price Waterhouse Coopers Auditores, S.L.
Planigesa, S.A.	Paseo de la Castellana, 216. Madrid	-	-	20.14	
Portfolio de Grandes Áreas Comerciales, S.A., Sole-Shareholder Company	Paseo de la Castellana, 216. Madrid	-	-	28.37	
R y G-55 Promociones Alcarreñas, S.L.	Paseo de la Castellana, 216. Madrid	-	-	16.08	Deloitte, S.L.
RB Business Holding, S.L.	Paseo de la Castellana, 216. Madrid	-	-	50.00	Deloitte, S.L.
Realia Business Portugal-Unipessoal, Lda.	Portugal	-	-	28.37	
Realia Business, S.A. (Direct and indirect ownership interest: 30.02%, see Note 3 to the financial statements)	Paseo de la Castellana, 216. Madrid	-	-	28.37	Deloitte, S.L.
Realia Contesti, S.R.L. (3)	Romania	-	-	28.37	
Realia Patrimonio, S.L., Sole-Shareholder Company	Paseo de la Castellana, 216. Madrid	-	-	28.37	Deloitte, S.L.
Realia Polska Investycje Spolka z Ograniczona Odpowiedzialnoscia	Poland	-	-	28.37	
Realia Romania S.R.L. (4)	Romania	-	-	28.37	
Realia Zarea, S.R.L.	Romania	-	-	28.37	
Retingle, S.L.	Paseo de la Castellana, 216. Madrid	-	-	14.21	
S.C.I. Du 36, Rue de Naples	France	-	-	23.54	
S.C.I. Vendòme.- Casanova	France	-	-	23.54	
Servicios Índice, S.A.	Paseo de la Castellana, 216. Madrid	-	-	14.33	
Setecampos Sociedade Inmobiliaria, S.A.	Portugal	-	-	14.12	Deloitte, S.L.
Société d'Investissements Inmobiliers Cotée (SIIC) de Paris	France	-	-	23.54	Price Waterhouse Coopers Auditores, S.L.
Société d'Investissements Inmobiliers Cotée de Paris 8ème	France	-	-	19.43	Mazars & Guerard Auditores
Studio Residence Iberia-Investimentos Inmobiliarios, S.A.	Portugal	-	-	14.12	
Valaise, S.L., Sole-Shareholder Company	Paseo de la Castellana, 216. Madrid	-	-	28.37	
Wilanow Realia sp. z.o.o.	Poland	-	-	28.37	
CONCESSION-OPERATOR					
Global Vía Group:		317,428	175,720		
Alcina Infraestructuras, S.L. ., Sole-Shareholder Company	Paseo de la Catellana, 141. Madrid	-	-	50.00	
Amfortas Infraestructuras, S.L., Sole-Shareholder Company	Paseo de la Castellana, 141. Madrid	-	-	50.00	
Auto-Estradas XXI.- Subconcessionaria Transmontana, S.A.	Portugal	-	-	26.53	
Autopista Central Galega Sociedad Concesionaria Española, S.A., Sole-Shareholder Company	Lugar el Feal, s/n. San Mamede de Rivadulla. Vedra (La Coruña)	-	-	27.32	

(3) Change of name. Formerly Parnu Real Estate, S.R.L.
(4) Change of name. Formerly Realia Ron Real Estate, S.R.L.

Company	Registered Office	Carrying Amount of the Investment		Percentage of Effective Ownership	Auditor
		2008	2007		
Autopista de la Costa Cálida Concesionaria Española de Autopistas, S.A.	Saturno, 1. Pozuelo de Alarcón (Madrid)	-	-	35.75	Price Waterhouse Coopers Auditores, S.L.
Chilena de Global Vía, S.A.	Chile	-	-	50.00	
Compañía Concesionaria del Túnel de Sóller, S.A.	Porto Pi, 8. Palma de Mallorca	-	-	28.26	
Concesiones Aeroportuarias, S.A.	Avda. Hermanos Bou, 22. Castellón de la Plana (Castellón)	-	-	30.00	
Concesiones de Madrid, S.A.	Avda. Europa, 18 P.E. La Moraleja. Alcobendas (Madrid)	-	-	33.33	
Dalibor Infraestructuras, S.L., Sole-Shareholder Company	Paseo de la Castellana, 141. Madrid	-	-	50.00	
Exproestradas XXI- AE Transmontana, S.A.	Portugal	-	-	25.00	
Grupo Bauermex, S.A. de C.V.	Mexico	-	-	50.05	
Global Vía Infraestructuras, U.S.A. Corp.	USA	-	-	50.00	
Global Vía Infraestructuras Chile, S.A.	Chile	-	-	50.00	
GV Operadora de Autoistas de México, S.A. de C.V.	Mexico	-	-	52.45	
Hospital del Sureste, S.A.	O'Donnell, 4. Madrid	-	-	33.33	
Lakme Infraestructuras, S.L., Sole-Shareholder Company	Paseo de la Castellana, 141. Madrid	-	-	50.00	
Libusa Infraestructuras, S.L., Sole-Shareholder Company	Paseo de la Castellana, 141. Madrid	-	-	50.00	
Madrid 404 Sociedad Concesionaria, S.A., Sole-Shareholder Company	Paseo de la Castellana, 141. Madrid	-	-	50.00	
Mexicana de Global Vía Infraestructuras, S.A. de C.V.	Mexico	-	-	50.00	
N6 (Operations) Limited	Ireland	-	-	26.25	
Nàutic Tarragona, S.A.	Edificio Club Náutico, Puerto Deportivo. Tarragona	-	-	25.00	Domingo Martí Maria Isabel
Operador Logístico Integral de Graneles, S.A.	Explanada de Aboño-Puerto del Musel. Gijón (Asturias)	-	-	20.00	
Operalia Ireland Limited	Ireland	-	-	52.50	
Operestradas XXI, S.A.	Portugal	-	-	27.65	
Orfeo Infraestructuras, S.L., Sole-Shareholder Company	Paseo de la Castellana, 141. Madrid	-	-	50.00	
Portsur Castellón, S.A.	Muelle Serrano Lloberas, s/n. El Grao (Castellón)	-	-	30.00	
Prestadora de Servicios Merk, S.A. de C.V.	Mexico	-	-	50.05	
Promotora Bangar, S.A. de C.V.	Mexico	-	-	50.05	
Scutvias.- Autoestradas da Beira Interior, S.A.	Portugal	-	-	4.17	
Sociedad Concesionaria Autopista del Aconcagua, S.A.	Chile	-	-	50.00	
Sociedad Concesionaria Autopista del Itata	Chile	-	-	50.00	
Sociedad de Inversiones Global Vía Chile Limitada	Chile	-	-	50.00	
Tacel Inversiones, S.A.	Rozabella, 6 Europa Empresarial. Las Rozas de Madrid (Madrid)	-	-	27.32	
Terminal Polivalente de Castellón, S.A.	Muelle del Centenario (Terminal B). El Grao (Castellón)	-	-	45.00	LAES Nexia Ac, S.L.
Tranvía de Parla, S.A.	Camino de la Cantueña, 2. Parla (Madrid)	-	-	37.50	Deloitte, S.L.
Valton Infraestructuras, S.L., Sole-Shareholder Company	Paseo de la Castellana, 141. Madrid	-	-	50.00	
Túnel d'Envalira, S.A. Concesionaria del Principat d'Andorra	Andorra	-	-	40.00	
Zerlina Infraestructuras, S.L. Sole-Shareholder Company	Paseo de la Castellana, 141. Madrid	-	-	50.00	
TOTAL VALUE OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD (JOINT VENTURES)		746,494	425,177		

APPENDIX III - Associates (accounted for using the equity method)

Company	Registered Office	Carrying Amount of the Investment 2008	Carrying Amount of the Investment 2007	Percentage of Effective Ownership	Auditor
ENVIRONMENTAL SERVICES					
Aguas de Denia, S.A.	Pare Pere, 17. Denia (Alicante)	403	403	33.00	
Aguas de Ubrique, S.A.	Avda. España, 9. Ubrique (Cádiz)	19	20	49.00	
Aigües de Blanes, S.A.	Canigó, 5. Blanes (Girona)	44	61	16.47	Auditoria i Control Auditors
Aigües del Tomoví, S.A.	Plaza Vella, 1. El Vendrell (Tarragona)	270	406	49.00	
Aprochim Getesarp Rymoil, S.A.	P.I. Logrenzana La Granda. Carreño (Asturias)	1,603	1,103	23.49	
Aragonesa de Gestión de Residuos, S.A.	Paseo María Agustín, 36. Zaragoza	8	7	18.60	
Aragonesa de Recuperaciones Medioambientales XXI, S.A.	Ctra. Castellón Km. 58. Zaragoza	23	99	34.00	
Aragonesa de Tratamientos Medioambientales XXI, S.A.	Ctra. Castellón Km. 58. Zaragoza	750	673	33.00	
Betearte, S.A. ., Sole-Shareholder Company (1)	Colón de Larreátegui, 26. Bilbao (Vizcaya)	802	931	33.33	
Clavegueram de Barcelona, S.A.	Acer, 16. Barcelona	966	928	20.33	Bove Montero y Asociados, S.L.
Conducció del Ter, S.L.	Bourg de Peage, 89. Sant Feliu de Guíxols (Girona)	57	71	48.00	
Depurplan 11, S.A.	Madre Rafols, 2. Zaragoza	-	1,912	50.00	
Ecogestión Ambiental, S.L.	Juan Ramón Jiménez, 12. Madrid	72	41	50.00	
EMANAGUA Empresa Mixta Municipal de Aguas de Níjar, S.A.	Plaza de las Glorieta, 1. Níjar (Almería)	192	220	49.00	
Empresa Municipal de Aguas de Algeciras, S.A.	Avda. Virgen del Carmen. Algeciras (Cádiz)	159	230	49.00	Centium Auditores, S.L.
Empresa Municipal de Aguas de Linares, S.A.	Cid Campeador, 7. Linares (Jaén)	112	208	49.00	Centium Auditores, S.L.
Empresa Municipal de Aguas de Toxiria, S.A.	Plaza de la Constitución, 1. Torredonjimeno (Jaén)	112	100	49.00	Centium Auditores, S.L.
Generavila, S.A.	Plaza de la Catedral, 11. Ávila	420	422	36.00	Audinfor, S.L.
Gestión Integral de Residuos Sólidos, S.A.	Santa Amalia, 2. Valencia	2,111	2,081	49.00	.
.A.S.A. Group:	Austria	5,389	6,384		Price Waterhouse Coopers GmbH
A S A + AVE Környezetvédelmi H Kft	Hungary	-	-	50.00	
.A.S.A. Hlohovec s.r.o.	Slovakia	-	-	50.00	Price Waterhouse Coopers GmbH
A S A Lubliniec sp. z.o.o.	Poland	-	-	61.97	
.A.S.A. TS Prostejov s.r.o.	Czech Republic	-	-	49.00	
A.K.S.D. Városgazdálkodási Korlátolt FT	Hungary	-	-	25.50	
ASTV s.r.o.	Czech Republic	-	-	49.00	
Avermann-Hungária Kft	Hungary	-	-	38.80	
Bihari Hulladékgazdálkodási Kft	Hungary	-	-	12.50	
Börzsöny-Cserhát Környezetvédelmi És HKK	Hungary	-	-	35.00	
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	
Müllumladastation Ostregion GmbH & Co KG	Austria	-	-	33.33	
Recopap s.r.o.	Slovakia	-	-	50.00	
Repap Czech spol. s.r.o.	Czech Republic	-	-	50.00	
Technické a Stavební Sluzby AS	Czech Republic	-	-	50.00	
Tirme Group	Ctra. Sóller Km. 8,2 Camino de Son Reus. Palma de Mallorca (Balearic Islands)	7,470	6,621	20.00	Deloitte, S.L.

(1) Change of name. Formerly Senblen Bat, S.A

Company	Registered Office	Carrying Amount of the Investment 2008	Carrying Amount of the Investment 2007	Percentage of Effective Ownership	Auditor
Waste Recycling Group:	United Kingdom	-	-		KPMG
Goole Renewable Energy Limited	United Kingdom	-	-	20.00	
Energylinc Limited	United Kingdom	-	-	50.00	
Shelford Composting Limited	United Kingdom	-	-	50.00	
La Unión Servicios Municipales, S.A.	Salvador Pascual, 7. La Unión (Murcia)	64	104	49.00	
Nueva Sociedad de Aguas de Ibiza, S.A.	Avda. Bartolomé de Rosselló, 18. Ibiza (Balearic Islands)	78	100	40.00	
Pallars Jussà Neteja i Serveis, S.A.	Pau Casals, 14. Tremp (Lleida)	32	18	40.80	
Proveïments d'Aigua, S.A.	Asturies, 13. Girona	223	197	15.12	Riera Casadevall Antoni
Sera Q A Duitama E.S.P., S.A.	Colombia	17	16	30.60	
Shariket Miyeh Ras Djinet, S.p.A.	Algeria	474	754	25.50	
Shariket Tahlya Miyah Mostaganem, S.p.A.	Algeria	5,112	1,999	25.50	
Sogecar, S.A.	Polígono Torrelarragoiti. Zamudio (Vizcaya)	465	308	30.00	
Suministro de Agua de Queretaro, S.A. de C.V.	Mexico	234	2,569	28.81	
VERSIA					
I.T.V. Córdoba, S.A.	Argentina	48	43	30.00	
CONSTRUCTION					
Ablocade, S.L.	Rafael López, 1. Huelva	1,040	-	20.00	
Aigües del Segarra Garrigues, S.A.	Plaza del Carmen, 15. Tárrega (Lleida)	5,007	5,003	24.00	Deloitte, S.L.
Autopistas del Sol, S.A.	Costa Rica	-	1,467	35.00	
Autopistas del Valle, S.A.	Costa Rica	-	5,217	35.00	
Autovía del Camino, S.A.	Leyre, 11. Pamplona (Navarra)	-	10,492	40.00	
Autovía Necaxa.- Tihuatlan, S.A. de C.V.	Mexico	-	15,575	50.00	
Baross Ter Ingatlanprojekt-Fejlszto Kft	Hungary	584	245	20.00	
BBR VT International Ltd.	Switzerland	1,179	1,025	22.50	
Cedinsa Eix del Llobregat Concessionaria de la Generalitat de Catalunya, S.A.	Travesera de Gracia, 58. Barcelona	9,322	14,812	34.00	
Cleon, S.A.	Avda. General Perón, 36. Madrid	24,963	25,195	25.00	
Compañía Tecnológica de Corella Construcción, S.A.	P.I. s/n. Corella (Navarra)	-	(120)	49.00	
Concesionaria Hospital son Durera, S.A.	Plaza Es Fortí, 4. Palma de Mallorca	-	3,879	32.00	Deloitte, S.L.
Concesiones Aeroportuarias, S.A.	Avda. Hermanos Bou, 22. Castellón de la Plana (Castellón)	-	5,750	30.00	
Concesionaria Túnel de Coatzacoalcos, S.A. de C.V.	Mexico	-	-	44.99	
Concessió Estacions Aeroport L9, S.A.	Córcega, 270. Barcelona	505	-	49.00	
Constructora San José.- Caldera CSJC, S.A.	Costa Rica	1,136	-	50.00	
Constructora San José-San Ramón SJSR, S.A.	Costa Rica	44	(32)	33.00	
Desarrollo Cuajimalpa, S.A. de C.V.	Mexico	1,648	-	25.00	
Desarrollos y Promociones Costa Cálida, S.A.	Saturno, 1. Pozuelo de Alarcón (Madrid)	268	261	35.75	
Elaboración de Cajones Pretensados, S.L.	Avda. General Perón, 36. Madrid	2	(21)	50.00	
FCC Construction Kipszer Ktf	Hungary	5	-	50.00	Price Waterhouse Coopers AG
Gesi -9, S.A.	Plaza del Duque, s/n. Alcalá de Guadaira (Seville)	13,008	13,012	74.90	
Alpine Group:	Austria	14,787	13,225		DKB & Partner Treuhand GmbH
ABO Asphalt-Bau Oeynhausen GmbH	Austria	-	-	24.21	
ABO Asphalt-Bau Oeynhausen GmbH Stille Mitunternehmergemeinschaft	Austria	-	-	24.21	
AE Stadtland GmbH	Germany	-	-	13.42	Wollert-Elmendorff Deutsche Industrie.-Treuhand GmbH
Ahrental Abbau und Aufbereitungs GmbH	Austria	-	-	16.55	

Company	Registered Office	Carrying Amount of the Investment		Percentage of Effective Ownership	Auditor
		2008	2007		
Alpine Green Energia sp. z.o.o.	Poland	-	-	75.70	Deloitte & Touche,, S.L.
Alpine-Rossiskaya GMBH	Austria	-	-	42.89	
AMW Asphaltwerk GmbH	Austria	-	-	17.76	
Asfaltna Cesta d.o.o.	Croatia	-	-	80.71	
Asphaltliefewerk Leibnitz GmbH	Austria	-	-	24.21	
Asphaltmischwerk Betriebs GmbH	Austria	-	-	16.14	
Asphaltmischwerk Betriebs GmbH & Co KG	Austria	-	-	16.14	
Asphaltmischwerk Greinsfurth GmbH	Austria	-	-	20.18	
Asphaltmischwerk Greinsfurth GmbH & Co OHG	Austria	-	-	20.18	
Asphaltmischwerk Leopoldau-Teerag-Asdag Mayreder Bau GmbH	Austria	-	-	40.35	
Asphaltmischwerk Leopoldau-Teerag-Asdag Mayreder Bau GmbH & Co KG	Austria	-	-	16.14	
Asphaltmischwerk Steyregg GmbH	Austria	-	-	16.14	
Asphaltmischwerk Steyregg GmbH & Co KG	Austria	-	-	16.14	
Asphaltwerk Sierning GmbH	Austria	-	-	32.28	
AS-Prom Liegenschaftsverwertungs GmbH	Austria	-	-	40.35	
AWT Asphaltwerk GmbH	Austria	-	-	26.63	
AWW Asphaltmischwerk Wölbiling GmbH	Austria	-	-	40.35	
BA-ÉP Balaton Aszfalt es Épitö K.F.T.	Hungary	-	-	40.35	
Baustoffe Handrick GmbH	Germany	-	-	6.71	
Blumauerplatz Beteiligungs-Holding GmbH	Austria	-	-	26.64	KPMG Llp.
Bonaventura Strassenerrichtungs GmbH	Austria	-	-	20.18	Agitas Steuerberater und Wirtschaftsprüfer GmbH
Bonaventura Strassenerhaltungs GmbH	Austria	-	-	35.75	
Dolomit-Beton Lieferbetonwerk GmbH	Austria	-	-	38.74	Käferböck Steuerberatungs GmbH
Draubeton GmbH	Austria	-	-	28.25	
EVG Energieversorgung GmbH	Austria	-	-	18.56	
EVW Energieversorgung GmbH	Austria	-	-	19.37	
Gaspix Beteiligungsverwaltungs GmbH	Austria	-	-	20.58	
Hemmelmair Frästechnik GmbH	Austria	-	-	20.18	
Kieswerk-Betriebs GmbH & Co KG	Austria	-	-	18.16	Schweisgut Richard
Lieferasphaltgesellschaft JAUNTAL GmbH	Austria	-	-	19.37	KPMG Llp.
MSO Mischanlagen Süd-Ost Betriebs GmbH und Co KG	Austria	-	-	8.88	Teerag-Asdag AG
Paltentaler Beton Erzeugungs GmbH	Austria	-	-	19.37	Friedl Gerhard
Porr Alpine Austriarail GmbH	Austria	-	-	40.35	
RBA Recycling und Betonanlagen GmbH & Co Nfg KG	Austria	-	-	20.58	
RFM Asphaltmischwerk GmbH & Co KG	Austria	-	-	26.90	T&A Wirtschaftsprüfungs
S P Co Floreasca SRL	Romania	-	-	40.35	
Schaberreiter GmbH	Austria	-	-	8.07	Steirische Wirtschaftst-reunhand GmbH
Silasfalt s.r.o.	Czech Republic	-	-	40.35	Deloitte & Touche
Transportbeton und Asphalt GmbH	Austria	-	-	40.35	Leitner + Leitner GmbH & Co KEG
Transportbeton und Asphalt GmbH & Co KG	Austria	-	-	40.35	Mitsch Grebner & Partner
TSK Sand und Kies GmbH	Germany	-	-	28.03	Datag Steuerberatungs-gesellschaft
Waldviertler Lieferasphalt GmbH & Co KG	Austria	-	-	40.35	
Ziegelwerk Frental Eder GmbH	Germany	-	-	32.22	Deloitte & Touche
Cedinsa Concesionaria Group	Tarragona, 141. Barcelona	13,528	9,093	34.00	
Foment de Construccions i Consulting Group	Andorra	12	-	33.30	
Ibisan Sociedad Concesionaria, S.A.	Porto Pi, 8. Palma de Mallorca (Balearic Islands)	-	10,699	50.00	Deloitte, S.A.
Las Palmeras de Garrucha, S.L.	Mayor, 19. Garrucha (Almería)	1,180	1,179	20.00	
Layetana Front Marítim, S.L.	Mestre Nicolau, 19. Barcelona	5,534	6,281	50.00	

Company	Registered Office	Carrying Amount of the Investment		Percentage of Effective Ownership	Auditor
		2008	2007		
M50 (Concession) (Holdings) Limited	Ireland	-	-	45.00	
M50 (Concession) Limited	Ireland	-	(660)	45.00	
M50 (D&C) Limited	Ireland	(64)	(51)	42.50	
Madrid 407 Sociedad Concesionaria, S.A.	Pasaje de Puntida, 1. Santander (Cantabria)	-	5,698	50.00	BDO Audiberia Auditores, S.L.
Marina de Laredo, S.A.	Pasaje de Puntida, 1. Santander (Cantabria)	-	85	42.50	
Marina de l'Empordà, S.A.	Avda. Diagonal, 512. Barcelona	-	16	20.00	
Marina Port Vell, S.A.	Varadero, s/n Edif. Torre de Control. Barcelona	-	1,752	30.66	Laes Nexia AC, S.L.
MDM-Teide, S.A.	Panama	1,060	1,019	50.00	
Metro de Málaga, S.A.	Martínez, 11. Málaga	-	21,830	26.73	Ernst & Young, S.A.
N6 (Concession) (Holdings) Limited	Ireland	-	(1)	45.00	
N6 (Concession) Limited	Ireland	-	745	45.00	
N6 (Construction) Limited	Ireland	864	362	42.50	
N6 (Operations) Limited	Ireland	-	(2)	26.25	
Náutic Tarragona, S.A.	Edificio Club Náutico, Puerto Deportivo. Tarragona	-	466	25.00	Domingo Martí María Isabel
Nova Bocana Barcelona, S.A.	Avda. Josep Tarradellas, 123. Barcelona	6,119	3,986	25.00	
Nova Bocana Business, S.A.	Avda. Josep Tarradellas, 127. Barcelona	2,391	1,021	25.00	
Omszki-Tó Part Kft	Hungary	(18)	3	20.00	
Operaciones y Servicios para la Industria de la Construcción, S.A. de C.V.	Mexico	75	2	50.00	
Operador Logístico Integral de Graneles, S.A.	Explanada de Aboño-Puerto del Musel. Gijón (Asturias)	-	1,393	20.00	
Port Premià, S.A. -in liquidation-	Balmes, 36. Barcelona	(555)	(555)	39.72	
Port Torredembarra, S.A.	Edificio Capitanía Puerto Deportivo y Pesquero. Torredembarra (Tarragona)	-	704	24.08	Domingo Rusiñol y Cía. Auditores, S.L.
Portsur Castellón, S.A.	Muelle Serrano Lloberas, s/n. El Grao (Castellón)	-	1,435	30.00	
Promvias XXI, S.A.	Vía Augusta, 255 Local 4. Barcelona	7	7	25.00	
Ruta de los Pantanos, S.A.	Avda. Europa, 18 P.E. La Moraleja. Alcobendas (Madrid)	-	1,848	25.00	
Teide Gestión del Sur, S.L.	Avda. Luis Montoto, 107. Seville	4,855	3,926	45.00	
Teide-MDM Quadrat, S.A.	Panama	181	170	50.00	
Terminal Polivalente de Huelva, S.A.	La Marina, 29. Huelva	(263)	(263)	31.50	
Torres Porta Fira, S.A.	Mestre Nicolau, 19. Barcelona	9,004	8,644	40.00	
Tramvia Metropolità, S.A.	Córcega, 270. Barcelona	6,711	6,409	22.44	KPMG Auditores, S.L.
Tramvia Metropolità del Besòs, S.A.	Córcega, 270. Barcelona	4,976	7,649	22.44	KPMG Auditores, S.L.
Túnel d'Envalira, S.A. Concesionaria del Principat d'Andorra	Andorra	-	8,303	40.00	
Urbs Iudex et Causidicus, S.A.	Tarragona, 161. Barcelona	(7,998)	1,075	29.00	
Vivero del Río Razón, S.L.	Camino del Guardatillo. Valdeavellano de Tera (Soria)	1	2	48.00	
CEMENT					
Aplicaciones Minerales, S.A.	Camino Fuente Herrero. Cueva Cardiel (Burgos)	641	638	32.57	
Áridos Unidos, S.A.	Alameda de Urquijo, 10. Bilbao (Vizcaya)	14	14	26.29	
Canteras y Hormigones Quintana, S.A.	Ctra. Santander-Bilbao, Km. 184. Barcena de Cicero (Cantabria)	5,006	4,977	18.52	
Canteras y Hormigones VRE, S.A.	Arieta, 13. Estella (Navarra)	2,131	2,188	35.11	KPMG Auditores, S.L.
Carbocem, S.A.	Paseo de la Castellana, 45. Madrid	123	117	55.36	KPMG Auditores, S.L.
Comercial de Prefabricados Lemona, S.A.	Barrio Inzunza, 1. Lemona (Vizcaya)	19	19	65.83	
Corporación Uniland, S.A.	Córcega, 299. Barcelona	(7)	(7)	45.98	

Company	Registered Office	Carrying Amount of the Investment 2008	Carrying Amount of the Investment 2007	Percentage of Effective Ownership	Auditor
Ecofond, S.A.	Paseo Mikeletegi, 2 Edifico Inasmet. San Sebastián (Guipúzcoa)	223	152	9.66	
Ecofuel, S.A.	Camino Arnesl, 19. Bilbao (Vizcaya)	106	114	17.31	
Exponor, S.A. -in liquidation-	Alameda de Urquijo, 10. Bilbao (Vizcaya)	1	1	38.30	
Hormigones Calahorra, S.A.	Brebicio, 25. Calahorra (La Rioja)	150	139	35.10	
Hormigones Castro, S.A.	Ctra. Irún-La Coruña, Km. 153. Islares (Cantabria)	478	515	24.70	
Hormigones del Baztán, S.L.	Suspeltxiki, 25. Vera de Bidasoa (Navarra)	955	938	35.11	
Hormigones Delfín, S.A.	Venta Blanca. Peralta (Navarra)	971	1,048	35.11	
Hormigones en Masa de Valtierra, S.A.	Ctra. Cadreita Km. 0. Valtierra (Navarra)	1,767	1,792	35.11	
Hormigones Galizano, S.A.	Ctra. Irún-La Coruña, Km. 184. Gama (Cantabria)	318	323	30.87	
Hormigones Reinares, S.A.	Bretón de los Herreros, 8. Calahorra (La Rioja)	1,231	1,125	35.11	
Hormigones y Áridos del Pirineo Aragonés, S.A.	Ctra. Biescas. Sabiñanigo (Huesca)	6,612	6,764	35.11	
Lázaro Echevarría, S.A.	Isidoro Melero. Alsasua (Navarra)	10,074	9,683	19.66	
Navarra de Transportes, S.A.	Ctra. Pamplona-Vitoria, km. 52. Olazagutia (Navarra)	1,308	1,284	23.40	KPMG Auditores, S.L.
Neuciclaje, S.A.	Alameda de Urquijo, 10. Bilbao (Vizcaya)	372	412	22.63	
Novhorvi, S.A.	Portal de Gamarra, 25. Vitoria Gasteiz (Álava)	231	366	17.45	Iñurrieta Auditores, S.L.
Portcemen, S.A.	Muelle Contradique Sur-Puerto Barcelona. Barcelona	814	289	11.47	
Prebesec France, S.A.S.	France	(131)	(50)	18.39	
Prefabricados Lemona, S.A.	Barrio Inzunza, 1. Lemona (Vizcaya)	-	178	65.83	Moreno Lara Luis Alberto
Prefabricados Levisa, S.A.	Capitán Velasco, 20. Málaga	-	412	65.74	
Quinsa Prefabricados de Hormigón, S.L., Sole-Shareholder Company	Ctra. S. Sebastián-Coruña Km. 184. Barcena de Cicero (Cantabria)	44	(22)	18.52	
Silos y Morteros, S.L.	Ctra. de Pamplona Km. 1. Logroño (La Rioja)	266	306	23.40	
Terminal Cimentier de Gabes-Gie	Tunisia	107	111	13.46	Ernst & Young, S.L.
Terrenos Molins, S.L.	Llobregat. Molins de Rei (Barcelona)	5	4	11.48	
Transportes Cántabros de Cemento Portland, S.L.	Ctra. S. Sebastián-Coruña Km. 184. Barcena de Cicero. (Cantabria)	66	96	18.52	
Vescem-LID, S.L.	Valencia, 245. Barcelona	28	50	11.47	
REAL ESTATE					
Desarrollo Urbanístico Sevilla Este, S.L.	Avenida de los Descubrimientos. Seville	-	104,453	9.44	
Ronda Norte Denia, S.L.	Avenida Aragón, 30. Valencia	-	97	9.21	
CONCESSION-OPERATOR					
Autopistas del Sol, S.A.	Costa Rica	8,383	-	35.00	
Autopistas del Valle, S.A.	Costa Rica	5,518	-	35.00	
Autovía del Camino, S.A.	Leyre, 11. Pamplona (Navarra)	8,470	-	40.00	
Autovía Necaxa.- Tihuatlan, S.A. de C.V.	Mexico	11,403	-	50.00	
Concesionaria Hospital son Dureta, S.A.	Plaza Es Fortí, 4. Palma de Mallorca	3,244	-	32.00	Deloitte, S.L.
Ibisan Sociedad Concesionaria, S.A.	Porto Pi, 8. Palma de Mallorca (Balearic Islands)	8,480	-	50.00	Deloitte, S.L.
M50 (Concession) (Holdings) Limited	Ireland	-	-	45.00	
M50 (Concession) Limited	Ireland	(6,546)	-	45.00	
Madrid 407 Sociedad Concesionaria, S.A.	Pedro Teixeira, 8 Edif. Iberia Mart.. Madrid	2,498	-	50.00	BDO Audiberia Auditores, S.L.

Company	Registered Office	Carrying Amount of the Investment		Percentage of Effective Ownership	Auditor
		2008	2007		
Marina de Laredo, S.A.	Pasaje de Puntida, 1. Santander (Cantabria)	694	-	42.50	
Marina Port Vell, S.A.	Varadero, s/n Edif. Torre de Control. Barcelona	1,827	-	30.66	LAES Nexia AC, S.L.
Metro de Málaga, S.A.	Martínez, 11. Málaga	23,170	-	26.73	Ernst & Young, S.L.
N6 (Concession) (Holdings) Limited	Ireland	-	-	45.00	
N6 (Concession) Limited	Ireland	(2,890)	-	45.00	
Port Torredembarra, S.A.	Edificio Capitanía Puerto Deportivo y Pesquero. Torredembarra (Tarragona)	782	-	24.08	Domingo Rusiñol y Cía. Auditores, S.L.
Ruta de los Pantanos, S.A.	Avda. Europa, 18 P.E. La Moraleja. Alcobendas (Madrid)	5,371	-	25.00	
Transportes Ferroviarios de Madrid	Doctor Esquerdo, 136. Madrid	15,892	-	24.38	Deloitte, S.L.
TOTAL VALUE OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD (ASSOCIATES)		269,046	386,810		

APPENDIX IV - Changes in the scope of consolidation

ADDITIONS	Registered Office
FULLY CONSOLIDATED COMPANIES	
ACQUE DI CALTANISSETTA, S.P.A. (*)	Italy
ALPINE BAU GMBH A-1 SPJ	Poland
ALPINE D.O.O. BANJA LUKA	Bosnia Herzegovina
ANEMOI INVESTMENT INC.	USA
AQUAELVAS-AGUAS DE ELVAS, S.A.	Portugal
AQUALIA INFRAESTRUCTURAS DE MÉXICO, S.A. DE C.V.	Mexico
CONSTRUCTORA DURANGO-MAZATLAN, S.A. DE C.V.	Mexico
DÉDALO PATRIMONIAL, S.L. SOLE-SHAREHOLDER COMPANY	Federico Salmón, 13. Madrid
DEPURPLAN 11, S.A. (*)	Madre Rafols, 2. Zaragoza
DEPURTEBO, S.A.	San Pedro, 57. Zuera (Zargoza)
DESARROLLO Y CONSTRUCCIÓN DEYCO CRCA, S.A.	Costa Rica
ECOPARQUE MANCOMUNIDAD DEL ESTE, S.A.	Federico Salmón, 13. Madrid
FCC CONSTRUCTION HUNGARY KFT	Hungary
FCC CONSTRUCTION I-95 LLC.	USA
FCC ENERGÍA, S.A.	Federico Salmón, 13. Madrid
GUILLENA GOLF, S.L. UNIPERSONAL	Paseo de la Castellana, 216. Madrid
HELIOS PATRIMONIAL 1, S.L. SOLE-SHAREHOLDER COMPANY	Federico Salmón, 13. Madrid
HELIOS PATRIMONIAL 2, S.L. SOLE-SHAREHOLDER COMPANY	Federico Salmón, 13. Madrid
HORMINAL, S.L. SOLE-SHAREHOLDER COMPANY	José Abascal, 59. Madrid
HYDROCARBON RECOVERY SERVICES INC.	USA
ICARO ENVIRONMENTAL LLC.	USA
INTERNATIONAL PETROLEUM CORP. OF DELAWARE	USA
PRZEDSIEBIORSTWO USLUG KOMUNALNYCH SP.Z.O.O.	Poland
REALIA CONTESTI, S.R.L.	Romania
REALIZ ZAREA, S.R.L.	Romania
SERVICIOS EMPRESARIALES DURANGO-MAZATLAN, S.A. DE C.V.	Mexico
SKLADKA UHY SPOL, S.R.O.	Czech Republic
SKY SIERRESITA.- CORTIJO VIEJO 1, S.L.	Federico Salmón, 13. Madrid
SKY SIERRESITA.- CORTIJO VIEJO 2, S.L.	Federico Salmón, 13. Madrid
TEROBET AS	Czech Republic
EVG ENERGIEVERSORGUNG GMBH (*)	Austria
COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD	
JOINT VENTURES	
ALCINA INFRAESTRUCTURAS, S.L. SOLE-SHAREHOLDER COMPANY	Paseo de la Castellana, 141. Madrid
AUTO-ESTRADAS XXI.- SUBCONCESSIONARIA TRANSMONTANA, S.A.	Portugal
CHILENA DE GLOBAL VIA, S.A.	Chile
CONCESIONES DE MADRID, S.A. (*)	Costa Rica
CONSTRUCTORA NUEVO NECAXA TIHUATLAN, S.A.C.V.	Mexico

(*) Change of consolidation method.

ADDITIONS	Registered Office
EXPROESTRADAS XXI.- AE TRANSMONTANA, S.A.	Portugal
GLOBAL VIA INFRAESTRUCTURAS CHILE, S.A.	Chile
GLOBAL VIA INFRAESTRUCTURAS, U.S.A. CORP.	USA
GVI GLOBAL VIA IRELAND LIMITED	Ireland
LAKME INFRAESTRUCTURAS, S.L. SOLE-SHAREHOLDER COMPANY	Paseo de la Castellana, 141. Madrid
OPERESTRADAS XXI, S.A.	Portugal
SCUTVIAS-AUTOESTRADAS DA BEIRA INTERIOR, S.A.	Portugal
SOCIEDAD CONCESIONARIA AUTOPISTA DEL ACONCAGUA, S.A.	Chile
SOCIEDAD CONCESIONARIA AUTOPISTA DEL ITATA, S.A.	Chile
SOCIEDAD DE INVERSIONES GLOBA VIA CHILE LIMITADA	Chile
TERMINAL POLIVALENTE DE CASTELLÓN, S.A. (*)	Muelle del Centenario (Terminal B). El Grao (Castellón)
TRANVÍA DE PARLA, S.A. (*)	Camino de la Cantueña, 2. Parla (Madrid)
COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD	
ASSOCIATES	
ABLOCADE, S.L.	Rafael López, 1. Huelva
ALPINE-ROSSISKAYA GMBH	Austria
CONCESSIÓ ESTACIONS AEROPORT L9, S.A.	Córcega, 270. Barcelona
CONSTRUCTORA SAN JOSÉ.- CALDERA CSJC, S.A.	Costa Rica
DESARROLLO CUAJIMALPA, S.A. DE C.V.	Mexico
FCC CONSTRUCTION KIPSZER KTF	Hungary
TRANSPORTES FERROVIARIOS DE MADRID, S.A.	Doctor Esquerdo, 136. Madrid

REMOVALS	Registered Office
FULLY CONSOLIDATED COMPANIES	
ALPINE ENERGIE KOMMUNIKATION SERVICES GMBH (ÖSTERREICH) (12)	Austria
ALPINE INZENIRING GRADBENO PODJETJE D.O.O. –IN LIQUIDATION- (1)	Slovenia
ALPINE MAYREDER ROMANIA SRL (1)	Romania
ALQUILERES Y TRANSPORTES, S.A. SOLE-SHAREHOLDER COMPANY (5)	Alameda de Urquijo, 10. Bilbao (Vizcaya)
ANEMOI INVESTMENT INC. (1)	USA
BDR WASTE DISPOSAL LIMITED (9)	United Kingdom
BETOTRUB OSTRAVA S.R.O. (1)	Czech Republic
BRUNO FREIBAUER FONDS UNTERSTÜTZUNGSEINRICHTUNG FÜR DIE MITARBEITER DER UNIVERSA (1)	Austria
CANTERA GALDAMES II, S.A. SOLE-SHAREHOLDER COMPANY (6)	Alameda de Urquijo, 10. Bilbao (Vizcaya)
CISTERNAS LEMONA, S.L. SOLE-SHAREHOLDER COMPANY (4)	Barrio Arraibi, s/n. Lemona (Vizcaya)
ESPELSA-LUWAT, S.A. (1)	Acanto, 22. Madrid

REMOVALS	Registered Office
FEBAREST LTD (9)	Cyprus
FUNDBUD SP. Z.O.O. (10)	Poland
GEOSPOL BRNO SPOL. SRO (10)	Czech Republic
GRUCYCSA, S.A. (7)	Plaza Pablo Ruiz Picasso. Madrid
HORMIGONES DEL ZADORRA, S.A. SOLE-SHAREHOLDER COMPANY (3)	Estella, 6. Pamplona (Navarra)
HORMIGONES GALDAMES, S.A. SOLE-SHAREHOLDER COMPANY (5)	Alameda de Urquijo, 10. Bilbao (Vizcaya)
HORMIGONES LEMONA, S.A. SOLE-SHAREHOLDER COMPANY (5)	Alameda de Urquijo, 10. Bilbao (Vizcaya)
ICARO ENVIRONMENTAL LLC. (1)	USA
MARCAS ANDALUZAS, S.L. (9)	Hilera, 10. Málaga
PAPELES VELA, S.A. (2)	Álava, 90. Barcelona
PREFABRICADOS LEMONA, S.A. (8)	Barrio Inzunza, 1. Lemona (Vizcaya)
PREFABRICADOS LEVISA, S.A. (8)	Capitán Velasco, 20. Málaga
RH ENTERPRISES (1993) LIMITED (1)	United Kingdom
S C SCAEP GIURGIU PORT, S.A. (9)	Romania
SEÑALIZACIONES LEVANTE, S.L. (9)	Itálica, 25. Alicante
T.A.C.K. INVERSIONES, S.L. SOLE-SHAREHOLDER COMPANY (1)	Arquitecto Gaudí, 4. Madrid
TECAMI OFITAS, S.A. SOLE-SHAREHOLDER COMPANY (6)	Alameda de Urquijo, 10. Bilbao (Vizcaya)
UNIVERSALE BAHNBAU GMBH (6)	Austria
VIALES DE ANDALUCÍA, S.L. (9)	Avda. Kansas City, 9. Seville
XEQUEVIA SINALIZAÇAO DE VIAS DE COMUNICAÇAO LTDA. (13)	Portugal

(*) Change in consolidation method.

(1) Exclusion due to liquidation.
(2) Exclusion due to merger by absorption of FCC Ámbito, S.A.
(3) Exclusion due to absorption of Canteras del Pirineo Occidental, S.A. (Canteras del Pirineo Occidental, S.A. is now known as Hormigones del Zadorra, S.A.)

REMOVALS	Registered Office
COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD	
JOINT VENTURES	
ACQUE DI CALTANISSETTA, S.P.A. (*)	Italy
DEPURPLAN 11, S.A. (*)	Madre Rafols, 2. Zaragoza
SOCIEDAD OPERADORA DEL TRANVÍA DE PARLA, S.L. (1)	Ulises, 18. Madrid
ASSOCIATES	
AS-PROM LIEGENSCHAFTSVERWERTUNGS GMBH (9)	Austria
BAUSTOFFE HANDRICK GMBH (9)	Germany
COMPAÑÍA TECNOLÓGICA DE CORELLA CONSTRUCCIÓN, S.A. (9)	P.I. s/n. Corella (Navarra)
MARINA DE L'EMPORDÀ, S.A. (1)	Avda. Diagonal, 512. Barcelona
TERMINAL POLIVALENTE DE CASTELLÓN, S.A. (*)	Muelle del Centenario (Terminal B). El Grao (Castellón)
CONCESIONES DE MADRID, S.A. (*)	Costa Rica
EVG ENERGIEVERSORGUNG GMBH (*)	Austria
TRANVÍA DE PARLA, S.A. (*)	Camino de la Cantueña, 2. Parla (Madrid)

(4) Absorbed by Transportes Lemona, S.A.
(5) Absorbed by Hormigones Premezclados del Norte, S.A.
(6) Absorbed by Áridos y Canteras del Norte, S.A.
(7) Exclusion due to absorption of Asesoría Financiera y de Gestión, S.A.
(8) Now recognised as available-for-sale assets
(9) Exclusion due to sale
(10) Exclusion due to merger
(11) Exclusion due to absorption of Alpine Bau GmbH
(12) Exclusion due to absorption of Alpine-Energie Österreich GmbH
(13) Exclusion due to dissolution (absorbed by Pinturas Jaque, S.L.)

APPENDIX V - Unincorporated joint ventures, economic interest groupings and other businesses jointly managed with non-group third parties

	Percentage of Ownership at 31 December 2008
ENVIRONMENTAL SERVICES	
FCCSA-SECOPSA UTE I	50.00
UTE A GUARDA	50.00
UTE ABASTECIMIENTO EXTREMADURA	20.00
UTE ABASTECIMIENTO ZARAGOZA	70.00
UTE ABM	52.80
UTE ABSA - PERICA	60.00
UTE ACTUACIÓN 11 TERUEL	50.00
UTE AEROPUERTO I	50.00
UTE AEROPUERTO II	50.00
UTE AEROPUERTO III	50.00
UTE AEROPUERTO IV	50.00
UTE AEROPUERTO GALERIAS	50.00
UTE AEROPUERTO GALERIAS II	50.00
UTE AGUA CIUDAD VALDELUZ	60.00
UTE AGUAS ALCALÁ	37.50
UTE AIGÜES DES MERCADAL	50.00
UTE ALCANTARILLADO BILBAO	90.00
UTE ALMEDA	51.00
UTE AMPLIACIÓ LIXIVITATS	80.00
UTE AMPLIACIÓN EDAR LA GOLONDRINA	50.00
UTE AMPLIACIÓN IDAM SANT ANTONI	50.00
UTE AMPLIACIÓN ITAM DELTA DE LA TORDERA	66.67
UTE AMPLIACIÓN VERTEDERO GARDELEGUI	55.00
UTE ANSA - ALFUS	20.00
UTE APARKISA	35.00
UTE AQUALIA - FCC - MYASA	94.00
UTE ARGI GUEÑES	70.00
UTE BAILIN	50.00
UTE BILBOKO SANEAMENDU	50.00
UTE BIOCOMPOST DE ÁLAVA	50.00
UTE BOADILLA	50.00
UTE CÁDIZ	50.00
UTE CANA PUTXA	20.00

	Percentage of Ownership at 31 December 2008
UTE CAP DJINET	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 CESPA GR - GRT	30.00
UTE CHIPIONA	50.00
UTE CIUTAT VELLA	50.00
UTE COLECTOR MAGRANERS	50.00
UTE COLECTORES Y EDAR EN BARBARROJA	25.00
UTE COLEGIOS SANT QUIRZE	50.00
UTE COMPOSTATGE ALT URGELL	80.00
UTE CONDUCCIÓN A EL VISO Y DEPÓSITOS	70.00
UTE CTR-VALLES	20.00
UTE DELTA	50.00
UTE DEPURACIÓN PONIENTE ALMERIENSE	75.00
UTE DEPURTERUEL	50.00
UTE DOS AGUAS	35.00
UTE EDAR BAEZA	50.00
UTE EDAR CIUDAD VALDELUZ	60.00
UTE EDAR DE KRISPIJANA	70.00
UTE EDAR LLANÇÀ	20.00
UTE EDAR TALAVERA	50.00
UTE EDAR TORREVIEJA	10.00
UTE ENERGÍA SOLAR ONDA	25.00
UTE EPTISA - ENTEMANSER	50.00
UTE ETAP ORBIGO	50.00
UTE EXPLOTACIÓN ITAM TORDERA	50.00
UTE EXPLOTACIÓN PRESAS DEL SEGURA	60.00
UTE F.L.F. LA PLANA	47.00
UTE FCC - ANPE	80.00
UTE FCC - ERS LOS PALACIOS	50.00
UTE FCC - FOCONSA	50.00
UTE FCC - HIJOS DE MORENO, S.A.	50.00
UTE FCC - HIMOSA	50.00
UTE FCCMA - NECA	51.00
UTE FCCMA - RUBATEC STO. MOLLET	50.00
UTE FCC - PAS SALAMANCA	70.00
UTE FCC - PROMECO 2000, S.L.	50.00
UTE FCC - SUFI MAJADAHONDA	50.00
UTE FCC - SUFI PESA	50.00
UTE FCC - SYF PLAYAS	40.00
UTE FCC - TEGNER	50.00
UTE FCCSA - VIVERS CENTRE VERD, S.A.	50.00
UTE FOBESA	50.00
UTE FS MUNGEST	51.00
UTE FS MUNGEST II	51.00
UTE FS PARLA II	72.00
UTE GEMECAN GENEUS	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 SERVICIOS DEPORTES CATARROJA	90.00
UTE GIREF	20.00
UTE GIRONA SELECTIVES	50.00
UTE HÉROES DE ESPAÑA	50.00
UTE HIDRANTES	50.00
UTE HIDROGESTIÓN	60.00
UTE IDAM IBIZA	50.00

	Percentage of Ownership at 31 December 2008
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 CÁDIZ	50.00
UTE JARDINES SANTA COLOMA	50.00
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 SANTA COLOMA	50.00
UTE LIMPIEZA Y RSU LEZO	55.00
UTE LÍNEA 2 FASE 2 FMB	50.00
UTE LÍNEA 2 METRO BILBAO	50.00
UTE LOCALES JUSTICIA LOTE II	50.00
UTE LOCALES JUSTICIA LOTE V	50.00
UTE LOGROÑO LIMPIO	50.00
UTE LVR MUSKIZ II	70.00
UTE MADRID I	50.00
UTE MADRID II	50.00
UTE MADRID III	50.00
UTE MANCOMUNIDAD ALTO MIJARES	50.00
UTE MANTENIMIENTO COLEGIOS BILBAO	60.00
UTE MANTENIMIENTO DE EDIFICIOS	60.00
UTE MEJORA ABASTECIMIENTO SESEÑA	50.00
UTE MOLLERUSSA	60.00
UTE MONTCADA	50.00
UTE MORELLA	50.00
UTE MOSTAGANEM	50.00
UTE MUSKIZ III	70.00
UTE OBRA AMPLIACIÓN IDAM SAN ANTONIO	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 PARLA	99.00
UTE PARQUES SINGULARES MÓSTOLES	50.00
UTE PASAIA	70.00
UTE PI VERD SEARSA HIDROCANAL	60.00
UTE PISCINA CUBIERTA BENICARLÓ	65.00
UTE PISCINA CUBIERTA MUNICIPAL ALBATERA	93.00
UTE PISCINA CUBIERTA MUNICIPAL L'ELIANA	85.00
UTE PISCINA CUBIERTA CLUB DEPORTIVO ALBORAYA	85.00
UTE PISCINA CUBIERTA MANISES	65.00
UTE PISCINA CUBIERTA PAIPORTA	90.00
UTE PISCINA POLIDEPORTIVO PAIPORTA	65.00
UTE PLAN RESIDUOS	47.50
UTE PLANTA COMPOSTATGE D'OLOT	42.00
UTE PLANTA TRATAMIENTO VALLADOLID	60.00
UTE PLAYAS	50.00

	Percentage of Ownership at 31 December 2008
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	50.00
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 RIERA AUBI	50.00
UTE RSU TOLOSALDEA	60.00
UTE S.U. BILBAO	70.00
UTE SALTO DEL NEGRO	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 J.I. RODRÍGUEZ	60.00
UTE SEAFSA LANZAROTE	60.00
UTE SEAFSA - JAIME E ISAAC RODRÍGUEZ	50.00
UTE SEARSA MAN	50.00
UTE SEARSA - INGEMAXTER - FELANITX	50.00
UTE SEARSA - MAN EXPLOTACIÓN ZONA MA5	50.00
UTE SELECTIVA SAN MARCOS	65.00
UTE SELECTIVA UROLA KOSTA	60.00
UTE SELLADO VERTEDERO LOGROÑO	50.00
UTE SERVICIOS EXPO	60.00
UTE T.P.A. E INICRESS	75.00
UTE TANATORIO DE PATERNA	50.00
UTE TIRVA FCC - FCCMA RUBÍ	51.00
UTE TORRIBERA	50.00
UTE TORRIBERA III	50.00
UTE TORRIBERA RSU	50.00
UTE TOSSA DE MAR	20.00
UTE TREMP	51.00
UTE TXINGUDI	75.00
UTE UROLA ERDIA	60.00
UTE URRETXU Y ZUMARRAGA	65.00
UTE VERTEDERO ARTIGAS	50.00
UTE VERTEDERO GARDELEGUI	70.00
UTE VERTEDERO GARDALEGUI II	70.00
UTE VERTRESA	10.00
UTE VIGO RECICLA	70.00
UTE VINAROZ	50.00
UTE VIVIENDAS MARGEN DERECHA	60.00
UTE WTC - ZARAGOZA	51.00
UTE ZARAGOZA DELICIAS	51.00
UTE ZONZAMAS FASE II	30.00
UTE ZURITA	50.00

VERSIA

CLEAR CHANNEL - CEMUSA UTE	50.00

	Percentage of Ownership at 31 December 2008
EYSSA-AUPLASA ALICANTE UTE	65.00
UTE BYPASS SUR	50.00
UTE C-17 SERVEI	50.00
UTE CAMINO	50.00
UTE CARTAGENA	50.00
UTE CC CLOT ARAGÓ	60.00
UTE CN III	45.00
UTE EIX LLOBREGAT	50.00
UTE EUROHANDLING	50.00
UTE EUROHANDLING BARCELONA	50.00
UTE EUROHANDLING MÁLAGA	50.00
UTE FCC ACISA AUDING	45.00
UTE FCC - DISEL BARCELONA	80.00
UTE FCC - DISEL N-VI	50.00
UTE MENDIZULOA	30.00
UTE METEOROLÓGICAS A-6	33.00
UTE NOROESTE	33.00
UTE OCAÑA	75.00
UTE SCC SICE	50.00
UTE SCUTMADEIRA	55.00
UTE S.G.V.V.	50.00
UTE TRAMBAIX	66.00
UTE TRAMBESÓS	66.00
UTE TÚNELES BRAÑAVIELLA - NIEVARES	50.00

CONSTRUCTION

ACP DU PORT DE LA CONDAMINE	45.00
ARGE GLEISBAU BLEIBUR + BHF	50.00
ARGE GLEISBAU KNOTEN ROHR	50.00
ARGE DURCHLÄSSE ÖBB	50.00
ARGE FESTE FAHRB. LAINZETRUNNEL	15.50
ARGE FESTE FAHRBAHN TAUERNUNN	37.00
ARGE GERÄTEBEISTELLUNG 2005	50.00
ARGE GLEISBAU LT-WEST B.3	50.00
ARGE GLEISBAU MDF HALLEIN	50.00
ARGE GLEISBAU U2/13	29.00
ARGE ILF-RUM	50.00
ARGE INNOVAPARK	30.00
ARGE INNOVAPARK ABSCHNITT B	30.00
ARGE IVB 2005	50.00
ARGE KABEL ÖBB GRAZ	50.00
ARGE LFS TIROL	60.00
ARGE LINDENGASSE - HALL	50.00
ARGE OBERB. ALTHOFEN-KLAGENFURT	50.00
ARGE OBERBAU ASTEN-LINZ	33.34
ARGE OBERBAU GRAZ-PUNTIGAM	50.00
ARGE PORTALKRAN	34.00
ARGE SLB FÜRWAG	33.33
ARGE SLB GLEISBAU 2004	33.34
ARGE STADTBAU BIENERSTRABE	40.00
ARGE STRABENBAHN KUFERZEILE	50.00
ARGE TIVOLI - BT 1	50.00
J.V EXTENSION OF LINE 2 TO ANTOHOUPOLI	50.01
J.V. FCC CO-MCM	95.00
UTE 2ª FASE EIQUE DE LA ESFINGE	35.00
UTE 57 VIVIENDAS PC-6 CERRO DE REYES	90.00
UTE ABOÑO MUSEL	80.00

	Percentage of Ownership at 31 December 2008
UTE AEROMÉDICA CANARIA - FCCCO	5.00
UTE AEROPUERTO DE CASTELLÓN	50.00
UTE AL - DEL MALAGA	50.00
UTE AL - DEL POLIVALENTES	50.00
UTE AL - DEL VILLARRUBIA	50.00
UTE AL - DEL XÁTIVA	50.00
UTE ALARCÓN	55.00
UTE ALBUERA	50.00
UTE ALCAR	45.00
UTE ALHAMA	75.00
UTE ALHENDUR	45.00
UTE ALMANZORA	40.00
UTE ALMENDRALEJO	65.00
UTE ALMENDRALEJO II	50.00
UTE ALQUERÍA	50.00
UTE AMOREBIETA	66.66
UTE AMPLIACIÓN AP-6 TRAMO 2	50.00
UTE AMPLIACIÓN CONSEJERÍA AMA	65.00
UTE AMPLIACIÓN EDAR ABRERA	90.00
UTE AMPLIACIÓN EDAR GIRONA	67.00
UTE AMPLIACIÓN FERIA VALENCIA FASE II	50.00
UTE AMPLIACIÓN FERIA VALENCIA FASE III	50.00
UTE AMP. PLAT COSTERA REC. GUINIGUADA	50.00
UTE AMPLIACIÓN PUERTO DE CASTELLÓN	50.00
UTE AMPLIACIÓN SUPERFICIE M. LEVANTE PTO. V	60.00
UTE ANAGA	33.33
UTE AP-7 FIGUERAS	50.00
UTE APARCAMIENTO TERM. ACT. AEROPUERTO G.C.	70.00
UTE ARENAL	33.00
UTE ARINAGA III	50.00
UTE ARMILLA INSTALACIONES	50.00
UTE ARROYO DE LA ENCOMIENDA	50.00
UTE ARROYO DEL FRESNO	50.00
UTE ASTALDI - FCC JV	50.00
UTE ATIL - TECAIR	50.00
UTE AUCOSTA CONSERVACIÓN	50.00
UTE AUDITORIO DE BURGOS	65.00
UTE AUDITORIO DE LEÓN	70.00
UTE AUTOPISTA CARTAGENA - VERA	50.00
UTE AUTOVÍA CANALS AGULLENT	60.00
UTE AUTOVÍA COSTA BRAVA	65.00
UTE AUTOVÍA DE LA PLANA	50.00
UTE AUTOVÍA DE LA SAGRA	50.00
UTE AUTOVÍA EL BATAN - CORIA	50.00
UTE AUTOVÍA PAMPLONA - LOGROÑO	35.00
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	52.00
UTE AZUCENAS	75.00
UTE AZUD BAJO EMBALSE ALARCÓN	50.00
UTE AZUD DEL EBRO 2ª FASE	70.00
UTE BALLONTI ARDANZA	20.00
UTE BARBADOS	50.00
UTE BENTA AUNDI	50.00

	Percentage of Ownership at 31 December 2008
UTE BIBLIOTECA DE NAVARRA	65.00
UTE BIMENES	70.00
UTE BIMENES III	70.00
UTE BIZKAIA ENPARANTZA	50.00
UTE BULEVAR PINTO RESINA	50.00
UTE BUÑEL - CORTES	80.00
UTE C 16	50.00
UTE C&F JAMAICA	50.00
UTE CÁCERES	65.00
UTE CÁCERES II	50.00
UTE CADAQUÉS	50.00
UTE CÁDIZ	35.00
UTE CAMBULLONEROS	80.00
UTE CAMBULLONEROS - VIRGEN DEL PINO	40.00
UTE CAMPO DE GIBRALTAR	50.00
UTE CAN TUNIS	70.00
UTE CANAL DE NAVARRA	60.00
UTE CANAL PUERTO VALENCIA	65.00
UTE CAPTACIÓN AGUA DE MAR S.P. PINATAR	50.00
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	50.00
UTE CASON II	50.00
UTE CASTELLÓ D'AMPÚRIES	50.00
UTE CASTELLOLÍ	50.00
UTE CASTIÑEIRIÑO	65.00
UTE CATENARIA - CERRO NEGRO	50.00
UTE CECOEX	20.00
UTE CENTRAL - BEURKO	40.00
UTE CENTRAL - BEURKO FASE II	25.00
UTE CENTRE CONVENCIONS	37.00
UTE CENTRO COMERCIAL ARANJUEZ	50.00
UTE CENTRO COMERCIAL ARANJUEZ PLAZA F. II	50.00
UTE CENTRO COMERCIAL LA GRELA	50.00
UTE CENTRO CONTINGENCIAS GAVÀ	70.00
UTE CERRO GORDO	75.00
UTE CERVERA C-25	65.00
UTE CHAPÍN 2002	75.00
UTE CIBELES	50.00
UTE CIBELES ELECTRICIDAD	50.00
UTE CIERRE SUR T. CONTENEDORES	70.00
UTE CINE AVENIDA	50.00
UTE CIRCUITO	70.00
UTE CIRCUITO F-1 VALENCIA	38.00
UTE CIRCUNVALACIÓN III	46.25
UTE CIUDAD DE LAS ARTES ESCÉNICAS F. V.2	50.00
UTE CIUDAD DE LAS COMUNICACIONES	50.00
UTE CIUDAD DEPORTIVA VALDEBEBAS	50.00
UTE CIUDAD DEPORTIVA VALDEBEBAS II	50.00
UTE CIUDAD REAL	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

	Percentage of Ownership at 31 December 2008
UTE CLIMATIZACIÓN BARAJAS	42.50
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.	90.00
UTE COLADA	63.00
UTE COLECTOR NAVIA	80.00
UTE COLECTOR PARLA	50.00
UTE COMPLEJO ACUÁTICO DEPORTIVO MUNICIPAL	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 CONTROL AÉREO GAVÀ	70.00
UTE CORNELLÀ WTC	36.00
UTE CORREDOR	55.00
UTE CORTE INGLÉS CASTELLÓN	70.00
UTE CORTE INGLÉS EIBAR	50.00
UTE COSTERA NORTE 1 A	70.00
UTE CREAA	50.00
UTE CARRETERA PANTANOS	33.33
UTE CARRETERA TORREBLANCA-AEROPUERTO CS	50.00
UTE CARRETERA ACCESO PUERTO CASTELLÓN	50.00
UTE CUATRO CAMINOS	50.00
UTE CUÑA VERDE	93.00
UTE CYM - ESPELSA INSTALACIONES	50.00
UTE D'ARO	60.00
UTE DÁRSENA SUR DEL PUERTO DE CASTELLÓN	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 EX-100 BADAJOZ	50.00
UTE DESVÍOS II	60.00
UTE DESVÍOS LÉRIDA-BARCELONA	50.00
UTE DIQUE DE LA ESFINGE 2ª FASE	70.00
UTE DIQUE ESTE	35.00
UTE DIQUE ESTE FASE II	50.00
UTE DIQUE ESTE DÁRSENA SUR PUERTO DE CASTELLÓN	50.00
UTE DIQUE TORRES	27.00
UTE DIQUE TORRES II	27.00
UTE DISTRIBUCIÓN L-2 Y VARIAS	50.00
UTE DOZÓN	29.60
UTE DRAGADO Y RELLENO CANAL E. PTO. CS	50.00
UTE EBRACONS	68.00
UTE EDAR CULEBRO	50.00
UTE EDAR CULEBRO EQUIPOS	50.00
UTE EDAR CULEBRO OBRA CIVIL	50.00
UTE EDAR L.F. DEPURBAIX	40.00
UTE EDAR PATERNA	85.00

	Percentage of Ownership at 31 December 2008
UTE EDAR VUELTA OSTRERA	70.00
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 I.D.I. TERCERA FASE	75.00
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 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 ENCAUZAMIENTO BARRANCO DE FRAGA	60.00
UTE ENLACE R3-M50	33.33
UTE ENVALIRA	50.00
UTE ERRENTERIA	50.00
UTE ESCLUSA SEVILLA	70.00
UTE ESCUELA DE ARTES Y DISEÑOS	70.00
UTE ESPELSA - BEDASA	65.00
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
UTE ESTACIÓN METRO SERRERÍA	50.00
UTE ESTACIONES METRO LIGERO	50.00
UTE ESTACIONS AEROPORT L9	49.00
UTE ESTACIONS LÍNEA 9	33.00
UTE ESTEPONA	25.00
UTE ETAP LAS ERAS	50.00
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 FÁTIMA	26.00
UTE FÁTIMA II	33.00
UTE FCC URCO URBASA	50.00
UTE FCC - SCENIC LIGHT	80.00
UTE FCC - TECYSU	80.00
UTE FERIA VALENCIA PABELLÓN Nº 7	50.00
UTE FGV ALICANTE TRAMO 2	60.00
UTE FIRA P-5	65.00
UTE FÍSICA Y QUÍMICA	50.00
UTE FUENTE LUCHA	77.00
UTE GANGUREN	11.48
UTE GAS SAGUNTO. SOCOIN-APL	50.00
UTE GASODUCTO MAGREB - EUROPA	50.00
UTE GAVELEC	50.00
UTE GIJÓN - VILLAVICIOSA	50.00
UTE GIRIBAILE	50.00

	Percentage of Ownership at 31 December 2008
UTE GIRIBAILE II	50.00
UTE GIRONA NORTE	70.00
UTE GOIERRIALDEA	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
UTE HORCHE	65.00
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 O'DONNELL	50.00
UTE HOSPITAL SON DURETA	32.00
UTE HOSPITAL UNIVERSITARIO DE MURCIA	50.00
UTE HOTEL WTC	53.00
UTE HUELVA NORTE	55.00
UTE HUELVA NORTE II	55.00
UTE HUELVA SUDESTE	40.00
UTE HUESNA CONSTRUCCIÓN	33.33
UTE IBAI EDER	50.00
UTE IBARRETA	50.00
UTE IFEVI	50.00
UTE INSTALACIONES PLATAFORMA SUR	50.00
UTE IRO	80.00
UTE JAÉN - MANCHA REAL	80.00
UTE JEREZ FERROVIARIA	80.00
JUTE JONCADELLA	34.00
UTE JUAN GRANDE	50.00
UTE L9 HOSPITALET	50.00
UTE LA CARPETANIA	50.00
UTE LA LOTETA	80.00
UTE LAKUA 796	50.00
UTE LALIN	50.00
UTE LAS ROSAS I-7	33.33
UTE LAUDIO	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 MANTENIMENT RONDES	70.00
UTE MANTENIMENT RONDES II	70.00
UTE MANTENIMIENTO VÍA ARANJUEZ	50.00
UTE MANTENIMIENTO VÍA SEVILLA	50.00

	Percentage of Ownership at 31 December 2008
UTE MANZANAL	50.00
UTE MATERNIDAD	50.00
UTE MATERNIDAD O'DONNELL	50.00
UTE METRO LIGERO	80.00
UTE METRO MÁLAGA	36.00
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 DE LOS MÁRMOLES	70.00
UTE MUELLE VIEJO CAUCE VALENCIA	65.00
UTE MUELLE VIEJO FASE II VALENCIA	60.00
UTE MUNGUIA	28.00
UTE MUSEO DE LAS CIENCIAS	50.00
UTE N.O.M.	63.00
UTE NACIMIENTO	54.00
UTE NATURMÁS - AZOR	60.00
UTE NATURMÁS - AZOR 2	60.00
UTE NATURMÁS - AZOR 5	60.00
UTE NOVA BOCANA	40.00
UTE NOVOA SANTOS	60.00
UTE NUDO DE MOLLET	50.00
UTE NUEVA SEDE JUDICIAL LAS PALMAS G.C.	70.00
UTE NUEVO ATRAQUE PLANTA BIODIESEL	50.00
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 OBRAS RELLENO PLAN ORIONADAS	50.00
UTE OLABEL	27.00
UTE OLOT MONTAGUT	45.00
UTE ORDIZIA	59.80
UTE ORENSE - MELÓN	50.00
UTE OSEBE	50.00
UTE PADRÓN	50.00
UTE PALACIO DE LOS DEPORTES	50.00
UTE PALAMÓS-PALAFRUGELL	50.00
UTE PALAU	50.00
UTE PALAU NACIONAL	44.00
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 OCEANOGRÁFICO DE VALENCIA	40.00
UTE PARQUE TECNOLÓGICO	60.00
UTE PAS - SPA	50.00
UTE PASAIA	15.00
UTE PAU LAS TABLAS	50.00
UTE PAU MONTE CARMELO	50.00
UTE PAVONES VIVIENDAS	50.00
UTE PEOPLE MOVER	50.00
UTE PIEDRAFITA	66.67
UTE PINO MONTANO P 5	50.00
UTE PLANTA DE RESIDUOS	50.00
UTE PLATAFORMA BARAJAS	50.00

	Percentage of Ownership at 31 December 2008
UTE PLATAFORMA SATÉLITE	26.00
UTE PLATAFORMA TRANSPORTE UJI DE CASTELL	65.00
UTE PLISAN	70.00
UTE POLIDEPORTIVO MIERES	70.00
UTE POLÍGONO DE TANOS	50.00
UTE POLÍGONO LLOREDA	70.00
UTE POLÍGONO VICÁLVARO	80.00
UTE PORT BESÒS	50.00
UTE PORT TARRAGONA	50.00
UTE PREFABRICADOS M-30	50.00
UTE PREFABRICADOS POLA	50.00
UTE PRESA ENCISO	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 - IMACS	50.00
UTE PROSER - NARVAL	60.00
UTE PROSER - NORCONTROL	50.00
UTE PROSER - NORCONTROL II	50.00
UTE PROSER - OLCINA	60.00
UTE PROSER - PAYMACOTAS IV	50.00
UTE PROSER - UG 21	70.00
UTE PROSER - LA ROCHE TF5 III	50.00
UTE PROSER - BATLLE I ROIG	50.00
UTE PROSIBE II	50.00
UTE PROSIBE III	50.00
UTE PROTECCIÓN DE LA LAJA	80.00
UTE PUENTE ADRIÁTICO	30.00
UTE PUENTE RIO 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 MEDELLÍN	65.00
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 PUIGVERD	45.00
UTE RADIALES	35.00
UTE RAMPAS ERMUA	50.00
UTE RANDE	40.00
UTE RANILLA CONSTRUCCIÓN	85.00
UTE RECINTOS FERIALES	50.00
UTE RECINTOS FERIALES II	50.00
UTE RECUPERACIÓN DEL GUINIGUADA	50.00
UTE REFORMA HOSPITAL V SALUD	60.00
UTE REFORMA MEDICINA	50.00
UTE REG GARRIGUES	80.00
UTE REGULACIÓN RÍO BELCAIRE DE CASTELLÓN	80.00
UTE RELLENOS PETROLEROS PUERTO GIJÓN	80.00
UTE REPOSICIONES C. LAS PALMAS F3	46.25
UTE RESIDENCIA COMPLUTENSE	50.00
UTE REURBANIZACIÓN AV. SALER	60.00
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 RIBOTA - CONDADO	70.00
UTE RINCÓN DE LA VICTORIA	50.00
UTE RÍO LLOBREGAT	55.00
UTE RIPOLL C-17	65.00
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. JÚCAR	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 SAIPEM - FCC BALEARES DOS	50.00
UTE SAIPEM - FCC BALEARES UNO	11.41
UTE SAJA	50.00
UTE SAN VICENTE	43.00
UTE SANEAMIENTO ARCO SUR	56.50
UTE SANT LLORENÇ	50.00
UTE SANTA BRÍGIDA	50.00
UTE SANTA COLOMA DE FARNERS	50.00
UTE SANTA MARÍA DEL CAMÍ	45.00
UTE SANTIAGO - PADRÓN	50.00
UTE SEGUNDA FASE DELICIAS ZARAGOZA	50.00
UTE SELLA	50.00
UTE SEMINARIO P3-2	90.00
UTE SERVEIS AFECTATS CASTELLÓ D'AMPÚRIES	50.00
UTE SEVILLA SUR	65.00
UTE SIETE AGUAS - BUÑOL	66.66
UTE SOCIALES	60.00
UTE SOTIELLO	50.00
UTE SOTO DE HENARES	70.00
UTE STADIUM	70.00
UTE SUBESTACIÓN PAJARES	50.00
UTE SUBESTACIÓN SERANTES	50.00
UTE SUELOS DE RIVAS VIEJO	20.00
UTE SURESTE II	80.00
UTE TALLERES METRO	80.00
UTE TARRAGONA LITORAL	70.00
UTE TARRAGONA SUR	70.00
UTE TEATRE LLIURE	50.00
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 CEMENTOS ELITE CASTELLÓN	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 TF-5 2ª FASE	70.00
UTE TINDAYA	50.00
UTE TORO ZAMORA	70.00
UTE TORRE 1 FCC DRAGADOS	60.00

	Percentage of Ownership at 31 December 2008
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 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 DE BRACONS	75.00
UTE TÚNEL DE PAJARES 1	50.00
UTE TÚNEL FIRA	33.00
UTE TÚNEL SANT JUST	60.00
UTE TÚNEL TERRASSA	36.00
UTE TUNELADORA METRO	33.00
UTE TÚNELES DE GUADARRAMA	33.33
UTE TÚNELES 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
UTE UNQUERA - PENDUELES	80.00
UTE URBANIZACIÓN PARC SAGUNT	50.00
UTE URBANIZACIÓN PARQUE DEL AGUA	60.00
UTE URBANIZACIÓN SOMOSAGUAS	50.00
UTE USABEL	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	25.00
UTE VELÓDROMO	60.00
UTE VÍA BENICÀSSIM	35.00
UTE VÍA METRO LIGERO	50.00
UTE VÍAS COLECTORAS LA CARPETANIA	50.00
UTE VÍAS SRV. ENSANCHE VALLECAS	33.33
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

	Percentage of Ownership at 31 December 2008
UTE ZELAI	50.00
UTE ZONAS VERDES ENSANCHE DE VALLECAS	33.33
UTE ZUBALBURU XXI	34.00
UTE ZUERA	65.00

CEMENT

UTE BCN SUD	6.88
UTE CONSORCIO ARCO	11.50
UTE NUEVA ÁREA TERMINAL	22.94
UTE OLÉRDOLA	27.53
UTE PUERTO	30.59
UTE ULLÁ	22.94

REAL ESTATE

RESIDENCIAL TURÓ DEL MAR, C.B.	14.12
U.T.E. GLOF MARESME - REALIA BUSINESS, S.A. - VALLEHERMOSO	14.12
UTE II HANSA - REALIA, SAN JUAN	14.12
UTE REALIA BUSINESS Y NECSO ENTRECANALES CUBIERTAS	14.12
UTE REALIA - EQUIPO DIEZ, SAN CARLOS	14.12

management **report**

Consolidated group

Introduction

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

- **Services**, which comprises the following specialised areas:

  a) Environmental Services, which groups together the various activities relating to urban cleaning, such as solid waste collection and treatment, the cleaning of roads and sewerage systems, the maintenance of green spaces and buildings, industrial waste treatment and the integral water cycle. These activities are performed through the Parent, Fomento de Construcciones y Contratas, S.A., and by FCC Medio Ambiente, S.A., Aqualia Gestión Integral del Agua, S.A., FCC Ámbito S.A. and other subsidiaries of these companies.

  b) Versia, which provides various services in the areas of vehicle parking, street furniture and advertising, vehicle roadworthiness tests, aircraft and passenger ground handling (airport handling), logistics services to companies in various industries, street maintenance and traffic systems, etc. These activities are carried on mainly by FCC Versia, S.A. and subsidiaries.

- **Construction**, which specialises in construction and related industries: motorways, freeways and other roads, hydraulic construction works, maritime works, airports, railway infrastructures, residential property developments, housing units, non-residential building construction, infrastructure conservation, oil and gas pipelines, environmental restoration, etc. This activity is performed by FCC Construcción, S.A. and subsidiaries.

- **Cement**, which engages in the operation of quarries and mineral deposits, the manufacture of cement, lime, plaster and related pre-manufactured products and the production of concrete. These activities are performed by Cementos Portland Valderrivas, S.A. and subsidiaries, a group which is listed on the Spanish Stock Market Interconnection System.

- **Energy,** which began operating in 2008 and focuses on cogeneration, energy efficiency, renewable energies and the application of new technologies to harness the energy produced by waste. These activities are performed by the head of the Area, FCC Energía, S.A.

The FCC Group is also highly active in the real estate business through the operation of the Torre Picasso building (wholly owned by the Parent) and its minority shareholding in Realia Business, which engages mainly in housing development and office rental both in Spain and abroad.

The **Torre Picasso building**, located in the Azca complex in Madrid, is wholly owned by the Parent. In 2007 the FCC Group acquired the remaining 20% ownership interest in this building, thus becoming its sole owner. The building has a gross built area of 122,216 square metres distributed among its 43 rentable floors above grade level, commercial areas and five floors of parking spaces. The occupancy level of the building has been virtually 100% for several years.

The Group also operates infrastructure concessions (motorways, tunnels, marinas, railways, tramways and buildings for a variety of uses) mainly through its ownership interest in the Global Vía Infraestructuras Group.

The activities of the various Areas are conducted both in Spain and abroad and in 2008 the contribution of the businesses carried on abroad was significant. Foreign operations, which represent approximately 42% of the FCC Group's revenue (35% in 2007), are carried on mainly in the European, US and Latin American markets.

The economic and financial information contained in this directors' report was prepared in accordance with International Accounting Standards as approved by European Commission Regulations, pursuant to Law 62/2003, of 30 December, for companies that have issued securities admitted to listing on a regulated market, as is the case of Fomento de Construcciones y Contratas S.A., the Parent of the FCC Group.

The figures given below are expressed in millions of euros and those for 2007 were restated in respect of the method used in 2007 to account for joint ventures.

Business performance

1. Main Group aggregates

	2008	2007	Change	
			Absolute	%
Revenue	14,016.3	13,423.2	593.1	4.4%
Spain	8,201.7	8,677.5	(475.8)	-5.5%
International	5,814.6	4,745.7	1,068.9	22.5%
EBITDA	1,740.8	1,929.9	(189.1)	-9.8%
% Gross margin	12.4%	14.4%		
EBIT	946.5	1,259.2	(312.7)	-24.8%
% Net margin	6.8%	9.4%		
Profit before tax	490.3	1,252.3	(762.0)	-60.8%
Profit attributable to the Parent	337.2	737.9	(400.7)	-54.3%
Backlog	32,706.7	30,215.3	2,491.4	8.2%
Investments	1,105.3	1,252.1	(146.8)	-11.7%
Operating cash flow	(1,501.8)	(1,091.2)	(410.6)	37.6%
Net financial debt	(6,900.6)	(7,776.1)	875.5	-11.3%
Equity	3,196.2	4,250.5	(1,054.3)	-24.8%
Dividend per share (euros)	1.57	2.13		
Earnings per share (euros)	2.71	5.76		

The detail by business area is as follows:

	2008	2007	% Change	% of Total 2008	% of Total 2007
Revenue					
Construction	7,744.0	6,922.2	11.9%	55.2%	51.6%
Environmental services	3,633.3	3,464.7	4.9%	25.9%	25.8%
Versia	897.4	923.2	-2.8%	6.4%	6.9%
Cement	1,425.1	1,790.8	-20.4%	10.2%	13.3%
Realia	402.3	472.4	-14.8%	2.9%	3.5%
Torre Picasso	26.2	21.8	20.2%	0.2%	0.2%
Other	(112.0)	(171.9)	-34.8%	-0.8%	-1.3%
TOTAL FCC GROUP	**14,016.3**	**13,423.2**	**4.4%**	**100.0%**	**100.0%**
Revenue, Spain					
Construction	3,909.1	4,057.5	-3.7%	47.7%	46.8%
Environmental services	2,342.9	2,262.1	3.6%	28.6%	26.1%
Versia	615.9	645.1	-4.5%	7.5%	7.4%
Cement	1,085.2	1,415.4	-23.3%	13.2%	16.3%
Realia	332.7	439.3	-24.3%	4.1%	5.1%
Torre Picasso	26.2	21.8	20.2%	0.3%	0.3%
Other	(110.3)	(163.7)	-32.7%	-1.2%	-1.8%
TOTAL FCC GROUP	**8,201.7**	**8,677.5**	**-5.5%**	**100.0%**	**100.0%**

	2008	2007	% Change	% of Total 2008	% of Total 2007
International revenue					
Construction	3,834.9	2,864.7	33.9%	66.0%	60.4%
Environmental services	1,290.4	1,202.6	7.3%	22.2%	25.3%
Versia	281.6	278.1	1.3%	4.8%	5.9%
Cement	339.9	375.4	-9.5%	5.8%	7.9%
Realia	69.6	33.1	110.3%	1.2%	0.7%
Torre Picasso	-	-	0.0%	0.0%	0.0%
Other	(1.8)	(8.2)	-78.0%	0.0%	-0.2%
TOTAL FCC GROUP	**5,814.6**	**4,745.7**	**22.5%**	**100.0%**	**100.0%**
EBITDA					
Construction	463.1	373.8	23.9%	26.6%	19.4%
Environmental services	606.0	660.8	-8.3%	34.8%	34.2%
Versia	74.8	91.9	-18.6%	4.3%	4.8%
Cement	417.3	581.7	-28.3%	24.0%	30.1%
Realia	131.1	210.8	-37.8%	7.5%	10.9%
Torre Picasso	21.4	18.6	15.1%	1.2%	1.0%
Other	27.1	(7.7)	-451.9%	1.6%	-0.4%
TOTAL FCC GROUP	**1,740.8**	**1,929.9**	**-9.8%**	**100.0%**	**100.0%**
EBIT					
Construction	325.4	262.3	24.1%	34.4%	20.8%
Environmental services	298.6	342.0	-12.7%	31.5%	27.2%
Versia	(6.1)	40.6	-115.0%	-0.6%	3.2%
Cement	235.6	412.3	-42.9%	24.9%	32.7%
Realia	50.8	184.1	-72.4%	5.4%	14.6%
Torre Picasso	17.8	16.2	9.9%	1.9%	1.3%
Other	24.4	1.7	1335.3%	2.5%	0.2%
TOTAL FCC GROUP	**946.5**	**1,259.2**	**-24.8%**	**100.0%**	**100.0%**
Backlog					
Construction	10,159.4	8,875.4	14.5%	31.1%	29.4%
Environmental services	22,547.3	21,339.9	5.7%	68.9%	70.6%
TOTAL FCC GROUP	**32,706.7**	**30,215.3**	**8.2%**	**100.0%**	**100.0%**
Cash flows from investing activities					
Construction	(156.9)	(178.0)	-11.9%	10.4%	16.3%
Environmental services	(628.8)	(516.5)	21.7%	41.9%	47.3%
Versia	(43.0)	(153.4)	-72.0%	2.9%	14.1%
Cement	(295.7)	(294.8)	0.3%	19.7%	27.0%
Other (*)	(377.4)	51.5	-832.8%	25.1%	-4.7%
TOTAL FCC GROUP	**(1,501.8)**	**(1,091.2)**	**37.6%**	**100.0%**	**100.0%**

	2008	2007	% Change	% of Total 2008	% of Total 2007
Cash flows from operating activities					
Construction	178.4	(30.4)	-686.8%	16.1%	-2.4%
Environmental services	360.3	578.2	-37.7%	32.6%	46.2%
Versia	83.5	172.4	-51.6%	7.6%	13.8%
Cement	359.7	454.5	-20.9%	32.5%	36.3%
Other (*)	123.4	77.4	59.4%	11.2%	6.1%
TOTAL FCC GROUP	**1,105.3**	**1,252.1**	**-11.7%**	**100.0%**	**100.0%**
Net financial debt					
Construction	(119.8)	(272.0)	-56.0%	1.7%	3.5%
Environmental services	(4,076.4)	(3,792.8)	7.5%	59.1%	48.8%
Versia	(509.4)	(521.6)	-2.3%	7.4%	6.7%
Cement	(1,762.2)	(1,520.5)	15.9%	25.5%	19.6%
Other (**)	(432.8)	(1,669.2)	-74.1%	6.3%	21.4%
TOTAL FCC GROUP	**(6,900.6)**	**(7,776.1)**	**-11.3%**	**100.0%**	**100.0%**

(*) Including, inter alia, the flows generated by the Energy business and the Realia Group.
(**) Including, inter alia, the financing of the assets of Infrastructure Concessions and Energy.

2. Income statement

	2008	2007	% Change	% of 2008 Revenue	% of 2007 Revenue
Revenue	14,016.3	13,423.2	4.4%	100.0%	100.0%
EBITDA	1,740.8	1,929.9	-9.8%	12.4%	14.4%
Margin	12.4%	14.4%			
Depreciation and amortisation charge	(724.0)	(684.1)	5.8%	-5.2%	-5.1%
Other gains or losses from operations	(70.3)	13.4	-624.6%	-0.5%	0.1%
EBIT	946.5	1,259.2	-24.8%	6.8%	9.4%
Margin	6.8%	9.4%			
Financial loss	(484.6)	(389.5)	24.4%	-3.5%	-2.9%
Share of results of associates	12.6	63.0	-80.0%	0.1%	0.5%
Other gains or losses on transactions	15.8	319.6	-95.1%	0.1%	2.4%
Profit before tax from continuing operations (PBT)	490.3	1,252.3	-60.8%	3.5%	9.3%
Income tax expense	(94.3)	(332.2)	-71.6%	-0.7%	-2.5%
Minority interests	(58.9)	(182.2)	-67.7%	-0.4%	-1.4%
Profit attributable to the Parent	337.2	737.9	-54.3%	2.4%	5.5%

2.1 Revenue

The FCC Group's revenue rose by 4.4% in 2008 to stand at EUR 14,016.3 million. This increase was due largely to the expansion of the Construction area's activities -up 11.9%- and to Environmental Services, which grew by 4.9%.

The revenue of Versia (general services) and Cement fell by 2.8% and 20.4%, respectively. The reduction in Versia's activity was due to the sale of most of the passenger transport business (CTSA) in November 2007 and the effect of the economic downturn on the logistics and handling businesses. Cement was affected by the slowdown in the residential property business in Spain and the US and by adverse exchange rates in its foreign business.

Revenue by Geographical Area	2008	2007	% Change
Spain	8,201.7	8,677.5	-5.5%
% of total	58.5%	64.7%	
International	5,814.6	4,745.7	22.5%
% of total	41.5%	35.3%	

The Group's international expansion continues to achieve steady growth, with international revenue accounting for 41.5% of total revenue, up 22.5% on 2007.

	2008	2007
Construction	49.5%	41.2%
Environmental services	35.5%	36.4%
Versia	31.4%	29.0%
Cement	23.9%	24.3%
Realia	17.3%	7.5%
Total FCC Group	41.5%	35.3%

By market, the Company's robust positioning in Europe, particularly in Central and Eastern countries, is worthy of note. In these areas, which have significant FCC presence and growth potential and accounted for 85% of total international revenue, FCC is involved in environmental services and infrastructure concessions. The Group also reinforced its presence in Cement and Street Furniture in the United States and at the beginning of 2008 commenced operations in the area of industrial waste management (through the Hydrocarbon Recovery Services Group).

The Group further consolidated its international presence despite the adverse exchange rate effect, with 2008 witnessing average depreciation of 14% for the pound sterling, which affected the Environmental Services business, and of 6.4% in the case of the US dollar, which had a particular impact on the Cement business.

2.2 EBITDA

EBITDA dropped by 9.8% to EUR 1,740.8 million due to the combination of a series of factors of opposite effects. On the one hand, the construction business rose sharply by 23.9%. Noteworthy in this regard is that this growth, achieved within the context of a market that is sceptical about its future performance, is based on the steady increase in the Group's construction backlog, its strong international presence and infrastructure projects.

On the other hand, the Cement area's business decreased due to a sharp fall in the demand for building construction, together with smaller margins as a result of the increase in energy prices. The Environmental Services area was affected by temporary factors such as the negative impact on WRG of the delay in the entry into service of a waste treatment plant, the exchange rate of sterling and the drop in output in the UK. Also noteworthy is the inclusion of a provision of EUR 81 million by Realia for valuation adjustments relating to certain land and development assets.

If this provision were excluded, EBITDA would have decreased by only 6.11% to EUR 1,821.8 million.

Margins (EBITDA)	2008	2007
Construction	6.0%	5.4%
Environmental services	16.7%	19.1%
Versia	8.3%	10.0%
Cement	29.3%	32.5%
Realia	32.6%	44.6%
TOTAL FCC GROUP	**12.4%**	**14.4%**

In 2008 the consolidated EBITDA margin stood at 12.4% as a result of the decrease in sales of the most capital-intensive businesses, such as cement and waste treatment, which have a higher percentage of fixed costs than those whose revenue increased.

2.3 EBIT

EBIT amounted to EUR 946.5 million, down 24.8% on 2007. Construction again recorded positive growth as compared with the decrease in the other businesses, which can be accounted for in part by the reasons already given for the performance of EBITDA.

It should also be noted that the depreciation and amortisation charge for the year included EUR 168 million relating to several adjustments to the carrying amount of certain assets acquired in prior years: (1) a charge of EUR 100 million relating to the fair value assigned to certain assets on the date of acquisition (mainly environmental and infrastructure assets), which has been taken since they were included in the Group's scope of consolidation; (2) amortisation of goodwill totalling EUR 23 million relating to certain airport handling contracts held by Versia; and (3) an allowance of EUR 46 million relating to the value of rental assets of Realia.

If the amortisation charge for goodwill and the allowance for Realia's assets (land/development and property) were excluded, consolidated EBIT would have totalled EUR 1,096.5 million, down 12.9% on 2007.

Margins (EBIT)	2008	2007
Construction	4.2%	3.8%
Environmental services	8.2%	9.9%
Versia	-0.7%	4.4%
Cement	16.5%	23.0%
Realia	12.6%	39.0%
TOTAL FCC GROUP	**6.8%**	**9.4%**

2.4 Financial loss

Net finance costs amounted to EUR 484.6 million, up 24.4% due to the combination of the increased borrowing costs in 2008 given the high interest rates until October and the average volume of financial debt during the year. However, at 2008 year-end the improvement in working capital financing needs and the change in the consolidation method used for Realia to the equity method enabled the Group to reduce net debt to EUR 6,900.6 million in December, down 11.3% on December 2007.

2.5 Share of results of associates

The share of results of associates was EUR 12.6 million, a decrease of 80% compared with 2007. This was due to the fact that in 2008 Realia was fully consolidated, whereas it was accounted for using the equity method from January to May 2007.

2.6 Other gains or losses on transactions

"Other Gains or Losses on Transactions", which includes the gains or losses on disposals and the adjustments to fair value of financial assets, fell sharply due to the recognition in June 2007 of the gain of EUR 258.5 million on the sale of an equity interest in Realia in the related public offering.

2.7 Profit before tax

In 2008 net attributable profit totalled EUR 337.2 million. The decrease in profit can be explained mainly by the absence in 2008 of the gains on the sale of an ownership interest in Realia in the public offering in 2007 (accounting for 64.5% of the drop) and to a lesser extent by the allowances recorded for certain assets acquired in prior years, a slight downturn in the flows generated by operating activities and higher borrowing costs associated with the Group's acquisitions.

2.8 Minority interests

The 67.7% decrease in minority interests to EUR 58.9 million was due to the drop in profit attributable to Cementos Portland's minority shareholders (down to EUR 63.8 million), the losses attributable to minority interests at Realia (EUR -15.5 million) and the recognition of a financial liability for the acquisition of 20.73% of the Alpine Group, which reduced the balance of minority interests by EUR 59,775 thousand.

2.9 Income tax expense

The income tax expense fell by 71.6% with respect to 2007 to stand at EUR 94.3 million. The consolidated tax rate was 19.2% (as compared with 26.5% in 2007) as a result of the tax savings arising from the recognition of the allowances described above and the drop in the tax rate in the UK and the Czech Republic.

2.10 Profit attributable to the Parent

Net profit attributable to the Parent was EUR 337.2 million, down 54.3% on 2007.

3. Financial aggregates

3.1 Cash flows

	2008	2007	% Change
+ Cash flows from operating activities	1,105.3	1,252.1	-11.7%
Funds generated	1,849.4	1,959.2	-5.6%
Change in working capital	(459.4)	(370.4)	24.0%
Taxes and other	(284.7)	(336.7)	-15.4%
- Cash flows from net investing activities	(1,501.8)	(1,091.2)	37.6%
= Cash flows from operating and investing activities	(396.5)	160.9	-346.4%
- Cash flows from financing activities	(930.4)	(1,267.6)	-26.6%
- Cash flows due to changes in the scope of consolidation and other	2,202.2	(1,599.6)	-237.7%
= INCREASE IN NET DEBT	**875.3**	**(2,706.3)**	**-132.3%**

3.1.1 Cash flows from operating activities

Cash flows from operating activities fell by 11.7% in 2008 to EUR 1,105.3 million due to the slight fall (-5.6%) in funds generated to EUR 1,849.4 million and the increase in operating working capital to EUR 459.4 million.

The changes in 2008 in working capital, by business area, were as follows:

Margins (EBIT)	Change 08-07
Construction	(191.5)
Environmental services	(205.6)
Versia	0.3
Cement	10.7
Other businesses (including Realia)	(73.3)
TOTAL CHANGE IN WORKING CAPITAL	**(459.4)**

The Construction business accounted for part of the increase in operating working capital as a result of the financing required for the notable 33.9% rise in international activities. The financial operating requirements of Environmental Services, whose sales rose by 4.9%, also increased by EUR 205.6 million.

The evolution of operating working capital throughout 2008 is worthy of note: working capital showed increases of EUR 221.3 million in the first quarter, EUR 580.3 million in the second quarter and EUR 117.3 million in the third quarter, in contrast to a fall of EUR 459.5 million in the last quarter.

3.1.2 Cash flows from net investing activities

Net investments in 2008 totalled EUR 1,501.8 million, up 37.6% on 2007. Of the gross investments of EUR 1,765.8 million, EUR 1,092.3 million relate to investments in property, plant and equipment and intangible assets (61.8% of the total amount) and EUR 578 million to investments in financial assets and in Group companies. The most noteworthy items were as follows: the acquisition in March of Hydrocarbon Recovery Services and International Petroleum in the Industrial Waste area for EUR 122.4 million; the acquisition of two solar farms for EUR 140 million in September; an investment of EUR 176.5 million in the development of rental property assets; and the acquisition of minority shareholders' interests in the Cement area for EUR 143 million.

The divestments totalling EUR 264 million relate mainly to assets sold in the Construction area and by Realia.

3.1.3 Cash flows due to changes in the scope of consolidation and other

These relate mainly to Realia's net debt, due to the change in the method of consolidation, and the proportional part of the concession-related debt transferred to Global Vía.

3.2 Net financial debt

At 31 December 2008, net financial debt amounted to EUR 6,900.6 million, down EUR 875.5 million, i.e. 11.3%, on December 2007.

Net debt recognised in 2008 and 2007 includes the effect of the change in the consolidation method used for joint ventures to the equity method.

	2008	2007	Difference
Debt instruments and other marketable securities	(143.7)	(139.3)	(4.4)
Bank borrowings	(7,939.1)	-9,026,1	1,087.0
With recourse	(6,100.5)	(5,690.7)	(409.8)
Without recourse	(1,838.6)	(3,335.4)	1,496.8
Other debts	(441.8)	(268.8)	(173.0)
Cash and current financial assets	1,623.9	1,658.2	(34.3)
With recourse	1,358.3	1,169.1	189.2
Without recourse	265.6	489.1	(223.5)
TOTAL NET DEBT	**(6,900.6)**	**(7,776.1)**	**875.5**
NET DEBT WITH RECOURSE	**(5,327.6)**	**(4,929.8)**	**(397.8)**

The combination of several factors accounts for the reduction in financial debt. On the one hand, the increase of EUR 1,501.8 million in investments in 2008 (up 44.7% in the Environmental Services area and 9.3% in alternative energies) and the increase in working capital requirements, which finance the growth in revenue, by EUR 459.4 million in December 2008. On the other hand, the change at 2008 year-end in the consolidation method used for Realia to the equity method, which eliminated Realia's debt from the FCC Group.

The Environmental Services and general (Versia) areas were the main recipients of the financing, obtaining 65.7% of the total amount, largely for concessions and long-term stable public service contracts. Alternative energies, whose incipient activity is not yet included as an independent business segment, accounts for a further EUR 140 million.

3.3 Equity

The Group's equity at 2008 year-end amounted to EUR 3,196.2 million, down 24.8% on 2007. The main changes in the year are shown in the following table.

Equity at 31 December 2007	4,250
Undistributed profit for 2008	237
Attributable to the Parent	178
Minority interests	59
Distribution of profit	(334)
Valuation adjustments	(307)
Treasury share transactions	84
Changes in the scope of consolidation	(764)
Other adjustments	30
EQUITY AT 31 DECEMBER 2008	**3,196**

The changes in the scope of consolidation relate mainly to the minority interests of Realia, which are now accounted for using the equity method.

3.4 Dividend and 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.

At the Group, the basic earnings per share and the diluted earnings per share are the same, since there are no options, warrants or equivalent or any other type of instrument convertible into ordinary shares or contracts that might have a dilutive effect on earnings per share.

The detail of the Group's basic and diluted earnings per share for 2008 and 2007 is as follows:

	2008	2007
Earnings per share		
Basic	€2.71	€5.76
Diluted	€2.71	€5.76

4. Analysis by business area

4.1 Construction

4.1.1 Earnings

	2008	2007	% Change
Revenue	**7,744.0**	**6,922.2**	**11.9%**
Spain	3,909.1	4,057.5	-3.7%
International	3,834.9	2,864.7	33.9%
EBITDA	**463.1**	**373.8**	**23.9%**
EBITDA margin	**6.0%**	**5.4%**	
EBIT	**325.4**	**262.3**	**24.1%**
EBIT margin	**4.2%**	**3.8%**	

The Construction business grew by 11.9% thanks to increased international sales, which rose by 33.9% to EUR 3,834.9 million. This means that the Area's international activities contributed almost half of its revenue, accounting for 49.5% of the total amount. Business in Spain fell by 3.7%, with sales dropping by 1.2% to September 2008, by 6.1% in the first half of the year and by 16.6% in the first quarter.

	2008	2007	% Change
Spain	3,909.1	4,057.5	-3.7%
% of total	50.5%	58.6%	
International	3,834.9	2,864.7	33.9%
% of total	49.5%	41.4%	

The Group's international presence was focused mainly on Europe, accounting for 92% of the total international business, including most notably Austria (47.1% of the total figure) and increasingly important Eastern European countries such as Romania, Bulgaria, the Czech Republic, Poland and Croatia, which accounted for a further 23.7%.

4.1.2 Profitability

EBITDA totalled EUR 463.1 million in 2008, up 23.9% on 2007. EBITDA as a percentage of revenue ended the year at 6%, a clear improvement on the previous year.

EBIT also grew strongly (+24.1%) to stand at EUR 325.4 million with a margin of 4.2%.

4.1.3 Backlog and investments

	2008	2007	% Change
Backlog	10,159.4	8,875.4	14.5%
Investments	(156.9)	178.0	-11.9%

The outlook for future business is evident from the backlog, which ended the year at EUR 10,159.4 million, up 14.5% on 2007. This record figure guarantees 15.7 months of production. Civil engineering work accounts for 77.8% of the total backlog for 2008, whereas the proportion represented by building constructions as a whole fell to 22.2%.

4.1.4 Cash flows

	2008	2007	% Change
+ Cash flows from operating activities	178.4	(30.4)	-686.8%
Funds generated	477.9	358.0	33.5%
Change in working capital	(191.5)	(295.3)	-35.2%
Taxes and other	(108.0)	(93.1)	16.0%
- Cash flows from net investing activities	(156.9)	(178.0)	-11.9%
= Cash flows from operating and investing activities	21.5	(208.4)	-110.3%
- Cash flows from financing activities	(213.5)	(150.4)	42.0%
- Cash flows due to changes in the scope of consolidation and other	344.3	256.0	34.5%
= INCREASE IN NET DEBT	**152.3**	**(102.8)**	**-248.2%**

Net debt at year-end	2008	2007	Difference
With recourse	(119.8)	(285.0)	165.2
Without recourse	-	13.0	(13.0)
TOTAL	**(119.8)**	**(272.0)**	**152.2**

The cash flows generated by operations increased by 33.5% to EUR 477.9 million. This strong growth more than offset the EUR 191.5 million increase in working capital which arose to a large extent from the increasing importance of the business conducted in Europe through the Alpine Group.

Net investments in the year totalled EUR 156.9 million and a further EUR 344.3 million are associated with the transfer of interests in infrastructure concessions to the related unit in 2008.

Net debt at 2008 year-end stood at EUR 119.8 million, down 55.9% on 2007.

4.1.5 Alpine

	2008	2007	% Change
Revenue	3,506.4	2,595.0	35.1%
EBITDA	169.9	119.4	42.3%
EBITDA margin	4.8%	4.6%	
EBIT	77.9	46.0	69.4%
EBIT margin	2.2%	1.8%	

Alpine's revenue rose by 35.1% in 2008 and this group expanded steadily throughout the year, accounting for 45.3% of the Area's total revenue. EBITDA increased even further - by 42.3% to stand at EUR 169.9 million – once the start-up costs related to the increased activity began to diminish, giving rise to a slight increase of 20 basis points in the EBITDA margin.

EBIT increased significantly by 69.4% to stand at EUR 77.9 million. It should be noted that EBIT includes the EUR 20.5 million depreciation charge recognised in 2008 with respect to the assets of Alpine that were revalued at the date it became part of the FCC Group.

The highly seasonal nature of Alpine's revenue due to the weather conditions in its main markets (Central and Eastern Europe) make it advisable to compare full years.

Lastly, Alpine's backlog increased by 21.3% to stand at EUR 3,099 million in December 2008, guaranteeing 10.6 months of production.

4.2 Environmental Services

4.2.1 Earnings

	2008	2007	% Change
Revenue	**3,633.3**	**3,464.7**	**4.9%**
Spain	2,342.9	2,262.1	3.6%
International	1,290.4	1,202.6	7.3%
EBITDA	**606.0**	**660.8**	**-8.3%**
EBITDA margin	**16.7%**	**19.1%**	
EBIT	**298.6**	**342.0**	**-12.7%**
EBIT margin	**8.2%**	**9.9%**	

The revenue of Environmental Services rose by 4.9% thanks to the Area's good performance in Spain (+3.6%) and abroad (up +7.3%). The International business includes the Hydrocarbon Recovery Services Group, which became part of the Industrial Waste area in March 2008. If the effect of this inclusion were disregarded, international sales would have dropped slightly by 0.9%.

In addition, the appreciation of the euro against sterling and the US dollar (14.0% and 6.4%, respectively) had a negative impact, particularly on the WRG Group's operations, which were also adversely affected by the increase in tax on landfills and the delay in the start-up of one of its main plants. Disregarding the aforementioned acquisition, international revenue at constant exchange rates would have increased by 8.9% in 2008.

	2008	2007	% Change
Spain	2,342.9	2,262.1	3.6%
% of total	64.5%	65.3%	
International	1,290.4	1,202.6	7.3%
% of total	35.5%	34.7%	

Sales of the Environment business line in Spain increased by 6.2% to EUR 1,440.5 million, contributing 39.6% of the Area's total revenue.

The Environment business abroad was affected by the negative exchange rate impact described above. Even so, international business amounted to EUR 1,057.4 million and accounted for 29.1% of the Area's revenue. The markets with the largest FCC presence are the United Kingdom, through WRG and FOCSA Services U.K. (accounting for 53% of the total), Central and Eastern Europe, through ASA and SmVAK (27%) and, increasingly, the United States, through the Hydrocarbon Recovery Services Group.

The Industrial Waste area grew notably by 53.1%, partly as a result of the acquisition of the Hydrocarbon Recovery Services Group (consolidated from 1 March 2008 onwards) whose revenue totalled EUR 98.9 million in 2008. On a like for like basis, growth of the business was 0.9% in 2008.

The detail of the revenue of the various sectors composing the Area is as follows:

	2008	2007	% Change	% of Total 2008	% of Total 2007
Environmental	1,440.5	1,356.9	6.2%	39.6%	39.2%
International Environment	1,057.4	1,127.7	-6.2%	29.1%	32.5%
Water	845.5	790.1	7.0%	23.3%	22.8%
Industrial waste	289.9	190.0	52.6%	8.0%	5.5%
TOTAL	**3,633.3**	**3,464.7**	**4.9%**	**100%**	**100%**

4.2.2 Profitability

EBITDA fell by 8.3% to EUR 606 million and EBIT dropped by 12.7% to EUR 298.6 million. This higher decrease in EBIT was due to the EUR 42 million depreciation and amortisation charge relating to the value assigned to the assets acquired by the Area in prior years.

The impact of the WRG Group on profit from operations was significant and, were it to be excluded, the Area's revenue would have risen by 10.6% to EUR 2,976.4 million, EBITDA would have increased by 16.3% to EUR 507.9 million and the EBITDA margin would have improved by 90 basis points to 17.1%.

4.2.3 Backlog and investments

	2008	2007	% Change
Backlog	22,547.3	21,339.9	5.7%
Investments	(628.8)	(516.5)	21.7%

The backlog of Environmental Services performed well and increased by 5.7% with respect to December 2007 to reach a new high of EUR 22,547.3 million.

4.2.4 Cash flows

	2008	2007	% Change
+ Cash flows from operating activities	360.3	578.2	-37.7%
Funds generated	591.2	666.3	-11.3%
Change in working capital	(205.6)	(91.6)	124.5%
Taxes and other	(25.3)	3.5	N/A
- Cash flows from net investing activities	(628.8)	(516.5)	21.7%
= Cash flows from operating and investing activities	(268.5)	61.7	N/A
- Cash flows from financing activities	(305.8)	(312.6)	-2.2%
- Cash flows due to changes in the scope of consolidation and other	276.7	157.7	75.5%
= INCREASE IN NET DEBT	**(297.6)**	**(93.2)**	**219.3%**

Net debt at year-end	2008	2007	Difference
With recourse	(3,315.3)	(2,926.9)	(388.4)
Without recourse	(761.1)	(865.9)	104.8
TOTAL	**(4,076.4)**	**(3,792.8)**	**(283.6)**

Cash flows from operating activities amounted to EUR 360.3 million due mainly to the combination of the EUR 591.2 million of funds generated from operations and the increase of EUR 205.6 million in working capital.

Net investments carried out in 2008 totalled EUR 628.8 million, up 21.7% on 2007. Noteworthy investments in the expansion of the Area were the acquisition of the US companies Hydrocarbon Recovery Services and International Petroleum in the first quarter for EUR 122.4 million. Other smaller acquisitions were made in Europe in WRG and the Water business, accounting for a further EUR 24.2 million.

4.2.5 Waste Recycling Group

	2008	2007	% Change
Revenue	656.9	775.2	-15.2%
EBITDA	98.1	224.0	-56.2%
EBITDA margin	14.9%	28.9%	
EBIT	(5.5)	63.0	N/A
EBIT margin	N/A	8.1%	

WRG's revenue dropped to EUR 656.9 million and EBITDA decreased to EUR 98.1 million. This negative performance was due primarily to the adverse effect of the appreciation of the euro by 14.0% against sterling. Had exchange rates remained constant, revenue would have fallen by 1.5%.

WRG was also affected until September 2008 by the technical shutdown of its main incineration plant (Allington) and to a lesser extent by the increase in April in taxes on municipally managed waste in the UK.

The largest component of the decrease in EBIT to EUR -5.5 million was the depreciation and amortisation charge of EUR 23.9 million relating to the higher value of the assigned assets generated on the acquisition of WRG.

4.3 Versia

4.3.1 Earnings

	2008	2007	% Change
Revenue	**897.4**	**923.2**	**-2.8%**
Spain	615.9	645.1	-4.5%
International	281.6	278.1	1.2%
EBITDA	**74.8**	**91.9**	**-18.6%**
EBITDA margin	**8.3%**	**10.0%**	
EBIT	**(6.1)**	**40.6**	**-114.9%**
EBIT margin	**-0.7%**	**4.4%**	

Versia's revenue fell by 2.8% to EUR 897.4 million for two reasons: firstly, the sale of CTSA (a company engaging in urban transport) in November 2007. If this divestment were excluded, like-for-like revenue would have increased by 0.4% in 2008. Secondly, the slowdown of the economy affected the revenue of the logistics sector.

	2008	2007	% Change
Spain	615.9	645.1	-4.5%
% of total	68.6%	69.9%	
International	281.6	278.1	1.3%
% of total	31.4%	30.1%	

International business grew by 1.2%, underpinned by the expansion abroad of Street Furniture and Airport Handling, and accounted for 31.4% of the Area's consolidated sales.

The detail of the revenue of the various sectors composing the Area is as follows:

	2008	2007	% Change	% of Total 2008	% of Total 2007
Logistics	323.0	338.0	-4.5%	36.0%	36.6%
Airport handling	252.8	258.4	-2.2%	28.2%	28.0%
Street furniture	132.8	136.3	-2.5%	14.8%	14.8%
Car parks	74.4	74.8	-0.6%	8.3%	8.1%
Conservation and systems	49.9	50.0	0.0%	5.6%	5.4%
Vehicle roadworthiness tests	46.2	41.0	12.8%	5.1%	4.4%
Urban transport (*)	-	29.4	N/A	0.0%	3.2%
High-technology systems and vehicles (SVAT)	22.0	24.6	-10.3%	2.5%	2.7%
TOTAL (**)	**897.4**	**923.2**	**-2.8%**	**100.0%**	**100.0%**

(*) See paragraph on revenue.
(**) Including consolidation adjustments.

The vehicle roadworthiness test sector proved to be the most dynamic, reporting growth of 12.8%. Logistics was affected by the slowdown in economic activity, as was Street Furniture, whose most notable contribution was the New York contract, which added revenue of EUR 26.3 million, accounting for 19.8% of the total for the sector.

4.3.2 Profitability

EBITDA weakened to stand at EUR 74.8 million due to the cost of the launch of the Street Furniture activities in New York (with operating losses of EUR 12.2 million), the aforementioned sale of CTSA and the impact on Logistics of the reduction in activity and higher fuel costs.

EBIT includes an allowance of EUR 23 million relating to the adjustment of the value of certain assets acquired in prior years by the Airport Handling sector (contracts in Miami and Italy). Disregarding this effect, EBIT would have fallen to EUR 16.9 million in 2008.

4.3.3 Backlog and investments

	2008	2007	% Change
Backlog	-	-	N/A
Investments	(43.0)	(153.4)	-72.0%

4.3.4 Cash flows

	2008	2007	% Change
+ Cash flows from operating activities	83.5	172.4	-51.6%
Funds generated	99.1	106.6	-7.0%
Change in working capital	0.3	52.8	-99.4%
Taxes and other	(15.9)	13.0	-222.3%
- Cash flows from net investing activities	(43.0)	(153.4)	-72.0%
= Cash flows from operating and investing activities	40.5	19.0	113.6%
- Cash flows from financing activities	(46.9)	(38.6)	21.5%
- Cash flows due to changes in the scope of consolidation and other	17.9	15.9	13.9%
= INCREASE IN NET DEBT	**11.5**	**(3.9)**	**N/A**

Net debt at year-end	2008	2007	Difference
With recourse	(509.4)	(521.6)	12.2
Without recourse	-	-	-
TOTAL	**(509.4)**	**(521.6)**	**12.2**

The limited investments in expansion in 2008 due to the efforts made in prior years gave rise to an improvement in the cash flows of the business. Consequently, debt fell by 2.3% to stand at EUR 509.4 million at 2008 year-end.

4.4 Cementos Portland Valderrivas

4.4.1 Earnings

	2008	2007	% Change
Revenue	1,425.1	1,790.8	-20.4%
EBITDA	1,085.2	1,415.4	-23.3%
EBITDA margin	339.9	375.4	-9.5%
EBIT	417.3	581.7	-28.3%
EBIT margin	29.3%	32.5%	

Revenue dropped by 20.4% due mainly to the decrease in activity in Spain, whose sales fell by 23.3% as a result of the sharp downturn in 2008 in residential property activity.

	2008	2007	% Change
Spain	1,085.2	1,415.4	-23.3%
% of total	76.2%	79.0%	
International	339.9	375.4	-9.5%
% of total	23.8%	21.0%	

International sales, amounting to EUR 339.9 million, accounted for 23.8% of total revenue. The 9.5% decrease reflects the negative effect of the exchange rate (the US dollar depreciated by 6.4% in 2008) and the downturn in demand in the US (17%). Emerging markets (Tunisia) continued to perform well thanks to increasing consumption and prices.

4.4.2 Profitability

EBITDA decreased by 28.3% to EUR 417.3 million and the EBITDA margin reached 29.3%, dropping by only 3.20%. The moderate fall in the EBITDA margin as compared with revenue was achieved despite the increase in energy costs, particularly that of electricity in Spain after the deregulation of the wholesale market on 1 July 2008 (+30% with respect to the first half of the year), and the impact of fixed costs as a consequence of the downturn in activity.

4.4.3 Cash flows

	2008	2007	% Change
+ Cash flows from operating activities	359.7	454.5	-20.9%
Funds generated	417.8	614.3	-32.0%
Change in working capital	10.7	(38.0)	-128.2%
Taxes and other	(68.8)	(121.8)	-43.5%
- Cash flows from net investing activities	(295.7)	(294.8)	0.3%
= Cash flows from operating and investing activities	64.0	159.7	-59.9%
- Cash flows from financing activities	(242.0)	(195.9)	23.5%
- Cash flows due to changes in the scope of consolidation and other	(63.8)	(15.2)	319.1%
= INCREASE IN NET DEBT	**(241.8)**	**(51.4)**	**370.4%**

Net debt at year-end	2008	2007	Difference
With recourse	(1,240.4)	(1,043.9)	(196.5)
Without recourse	(521.8)	(476.6)	(45.2)
TOTAL	**(1,762.2)**	**(1,520.5)**	**(241.7)**

Cash flows from operations decreased by 20.9% to EUR 359.7 million, less than the fall in funds generated by operations, thanks to the reduction of EUR 10.7 million in working capital in 2008. Investments increased to EUR 295.7 million, the most significant transactions being investments in Group companies totalling EUR 146.8 million and the investment in the renovation of one of the US factories (Keystone – Pennsylvania) to improve energy efficiency.

4.5 Torre Picasso

Following the acquisition of the remaining 20% ownership interest previously not held by it, the FCC Group fully consolidated Torre Picasso from 25 July 2007 onwards.

4.5.1 Earnings

	2008	2007	% Change
Revenue	26.2	21.8	20.3%
EBITDA	21.4	18.6	
EBITDA margin	81.7%	85.5%	
EBIT	17.8	16.2	10.0%
EBIT margin	68.1%	74.4%	

At 2008 year-end, the occupancy rate of Torre Picasso was high and stable, standing at almost 100%. The average rent billed to customers was EUR 28.6/m^2/month.

Treasury share transactions

At 2007 year-end, Fomento de Construcciones y Contratas, S.A. held 375,986 treasury shares, representing 0.29% of share capital, valued at EUR 8,156 thousand.

Also, Compañía Auxiliar de Agencia y Mediación, S.A. owned 316,098 shares of Fomento de Construcciones y Contratas, S.A., representing 0.24% of its share capital, with a carrying amount of EUR 1,107 thousand. At 2008 year-end, this company no longer held any shares of Fomento de Construcciones y Contratas, S.A. In addition, Asesoría Financiera y de Gestión, S.A. (Afigesa) held 5,046,871 shares of Fomento de Construcciones y Contratas, S.A., representing 3.87% of its share capital, with a carrying amount of EUR 259,409 thousand. At 2008 year-end, Afigesa held 2,682,260 shares of Fomento de Construcciones y Contratas, S.A., representing 2.1% of its share capital, with a carrying amount of EUR 118,926 thousand. These shares are also deemed to be shares of the Parent pursuant to Article 87 of the Consolidated Spanish Companies Law.

In accordance with Article 79.4 of the Companies Law, the changes in the number of shares in the year are detailed in the table below.

	FCC, S.A.	Asesoría Financiera y de Gestión, S.A.	Cía. Auxiliar de Agencia y Mediación	FCC Group
At 31 December 2007	375,986	5,046,871	316,098	5,738,955
Intra-Group acquisitions and sales	2,888,201	(2,572,103)	(316,098)	-
Acquisitions or additions	-	2,137,477	-	2,137,477
Sales or disposals	-	(1,929,985)	-	(1,929,985)
Retirements	(3,264,187)	-	-	(3,264,187)
AT 31 DECEMBER 2008	**-**	**2,682,260**	**-**	**2,682,260**

Research and development activities

The FCC Group is actively present in the world of research, development and technological innovation. The Group's initiatives in this field encompass the matters which, either directly or indirectly, have a bearing on its business activities. Noteworthy in 2008 were the steps taken in the course of its activities aimed at protecting the environment in order to facilitate sustainable growth.

In the sphere of **Environmental Services,** research continued throughout 2008 in various projects launched in prior years. These include most notably: the Environmental Monitoring project, whose objectives for 2008 were to establish the traceability of "yellow bag" (recyclable) waste and containers and to optimise the composting process; the DIANA project, which continued to investigate the treatment of municipal solid waste though anaerobic digestion; and the VRU project, which focused in 2008 on obtaining alternative fuels from the items rejected by waste treatment plants.

With regard to waste elimination, mention must be made of the studies carried out for the treatment of waste using a plasma converter (Termoplas project). The objective is to use plasma technology to break down waste into its constituent components, thus obtaining various sub-products for industrial use. Also, two new projects were launched: one focuses on the treatment of waste using revolving drums in order to obtain an alternative fuel from the breakdown of paper/cardboard fibre and other organic matter contained in the items rejected by waste treatment plants, whereas the aim of the other, the INDALOS project, is to optimise the anaerobic digestion process in existing waste treatment methods, modelling their behaviour on the basis of various parameters involved in the process.

In the field of industrial waste, research continued into the reduction of the quantity and toxicity of the sludge produced by urban wastewater treatment plants.

In the **Street Furniture** sector of the **Versia** area, several projects are being carried out aimed at protecting the environment and promoting sustainable growth. The most notable is the EPISOL (Electrical Vehicle 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. Versia is working on this project in conjunction with INSIA (University Institute for Automotive Research of Universidad Politécnica de Madrid) and IAI (the Industrial Automation Institute of the Spanish Higher Council for Scientific Research (CSIC)). There are also plans for the Guigiaro Design team to join the project to design the vehicle's new bodywork. Other important projects include C-CYCLES under the auspices of which a complete unattended bicycle hire system is being developed which functions with smart cards and features payment by credit card. The project responds to the need for sustainable urban mobility promoting multi-modal transport. The Company is also working on several 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. Consumption has so far been reduced to a third but, since the target is to reduce it to a quarter, research will continue. The Company's solar PV projects include the development of a solar PV 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 latest noteworthy projects in which the Street Furniture sector is involved relate to digital advertising; their aim is to implement a digital advertising system incorporating LCD screens and the technology required for them to be viewed properly outdoors. The ultimate objective of these projects is for digital advertising to replace analogue advertising.

In the sphere of **Construction**, FCC Construcción, S.A. and its subsidiaries are fully aware of the important role played by R&D in maintaining a competitive position in the market and in the ongoing improvement of the quality of their construction projects. Therefore, they implement a policy focused on the active promotion of research, technological development and innovation. It should be noted in this regard that FCC Construcción, S.A. is participating in the European Construction Technology Platform and the Spanish Construction Technology Platform. The aim of both organisations is to combine the efforts of research centres, industries and universities in all areas relating to research, development and technological innovation.

With respect to projects carried out in 2008, those launched in previous years were continued, such as the Tunconstruc project, for the optimisation of underground construction; the Manubuild project, for the industrialisation of construction; the Arfrisol project, which focuses on the development of bioclimatic architecture and solar energy; the Hatcons project, which studies various aspects of underground construction work, such as high-performance concretes and the interaction between machines, facings and land; the Integral Bridges project, for the design of bridges without joints; the Cleam project, for efficient and environment-friendly construction; the Safe Port project, which is developing a system that can link natural surroundings with the occupational risks in maritime construction works and the Submerged Tunnels project, for submerged tunnels in seismic zones. As a result of the work carried out in the various projects, a bioclimatic building was constructed for the Fundación Barrredo in Asturias (Afrisol project) and a system to enhance safety in the construction of Laredo port (Safe Port project) was developed. New projects commenced in 2008 include most notably the OLIN project for the study, testing and justification of the extension of the soil to be used in embankments and the formation of E3 esplanades with soil treated only with lime; the Urban Tunnels project, which aims to develop an integrated model for the design and study of tunnels in urban areas; the Pontoon project, which aims to develop a pontoon system made of concrete reinforced with fibre; and the Continuous Wall project, for the development of continuous elements made from slipformed concrete reinforced with structural fibre. In 2008 the FCC Group won its fourth "Premio Fomento a la Innovación" (Innovation Prize) for the Prefabricados Delta project entitled "Automation of the railway sleeper manufacturing process".

In its efforts to ensure ongoing customer satisfaction, the Cementos Portland Valderrivas Group provides full guarantees for the quality of its products, which have been extended to all the Cement area companies. In 2008 work was carried out to unify the quality manuals of the various cement companies comprising the Cementos Portland Valderrivas Group.

The expansion of the product range also continued in close collaboration with the sales and R&D&I departments.

The Cementos Portland Valderrivas Group achieved major R&D&I goals in the technical assistance and technology transfer activities at the Group's Giant and Keystone factories in the US and at the San Luis de Cementos Avellaneda factory in Argentina. In 2008 the R&D&I division also worked on the rollout of the quality management system in the remaining business areas.

Lastly, the Cementos Portland Valderrivas Group continued to participate in Spanish and international research fora and to lead the organisation of the International Congress on the Chemistry of Cement to be held in Madrid in 2011.

Financial risk management objectives and policies

The concept of financial risk refers to the changes in the financial instruments arranged by the FCC Group due to political, market (volatility) and other factors. The Group's risk management philosophy is consistent with its business strategy and seeks to achieve maximum profitability and solvency at all times. To this end, strict financial risk control and management criteria have been established to identify, measure, analyse and control the risks incurred in the Group's operations, and the Risk Policy has been properly integrated into the organisation. In line with this Risk Policy, the financial instruments arranged by the Group are intended solely to hedge the related transaction and are not used for speculative purposes.

In view of the volatility of the money markets, the FCC Group actively implements an interest rate risk management policy to ensure that it is in the most advantageous position at all times. Since its activities are closely linked to inflation, the Group's financial policy consists of ensuring that both its current financial assets - which to a large extent act as a natural hedge for its current financial liabilities - and its debt are tied to floating interest rates. However, since the future trends of interest rates are not predictable, and complying with the policy of classifying original instruments as hedges, interest rate derivatives are arranged, mainly swaps, in which the Group companies pay fixed interest rates and receive floating interest rates.

A significant consequence of the FCC Group's positioning in the international markets is the exposure resulting from net positions in foreign currencies against the euro or in one foreign currency against another when the investment and financing of an activity cannot be made in the same currency. The FCC Group's general policy is to mitigate, as far as possible, the adverse effect on its financial statements of exposure to foreign currencies, with regard to both transactional and purely equity-related changes.

The Group actively manages its foreign currency risk by arranging financial transactions in the same currency as that in which the related asset is denominated, i.e. efforts are made, at all times, to obtain in local currency the financing required for the local activity of the company in the country of origin of the investment, with a view to creating a natural hedge or a matching of the cash flows generated to the financing. However, there are occasions when this is not possible due to the monetary weakness of the country of origin of the investment, in which case the financing is obtained in the currency used in consolidation or in the currency with which there is a closer correlation.

In order to mitigate liquidity risk, the FCC Group is present at all times in various markets, thus facilitating the obtainment of financing lines and minimising the risk arising from the concentration of operations. Accordingly, the Group obtains financing from over 100 Spanish and international banks and it operates in a wide variety of markets.

Outlook for 2009

Set forth below are the prospects for 2009 for the various lines of business composing the FCC Group. The construction and services backlog at 2008 year-end, which amounted to EUR 32,706.7 million, guarantee the continuation of a high level of activity over the coming years.

In the **Environmental Services** area, the large market share obtained will be consolidated and growth will be linked to contract extensions and renewals and to the start-up of new treatment plants and recycling facilities. In the International business, expansion in Eastern and Central Europe through the ASA Group, which specialises in integral waste management and treatment services, is the prime objective of the growth strategy. Authorisation was obtained in 2008 for the incorporation of two companies in Macedonia and Russia. The Group will thus begin its expansion into these countries, which afford considerable potential for development. In the UK, where it had already been active in the collection and cleaning industry through Focsa Services UK, the FCC Group became one of the leading operators in the industry after the acquisition of WRG in 2006. This marked the beginning of an important phase of presenting bids for PFI projects, several of which had been awarded to the Group in prior years. Further contracts of this kind are expected to be obtained in the course of 2009. The new waste collection, treatment and elimination services are among the businesses with the best outlook for growth. The Allington incinerator has overcome the technical problems that prompted several shutdowns and it is expected to be fully operational in 2009. Lastly, one of the prime strategic objectives is to increase business efficiency through a substantial reduction in costs.

Following the consolidation of the acquisition of the US companies Hydrocarbon Recovery Services Inc. and International Petroleum Corp. and in view of the full-capacity operation of the new facilities built in Portugal and the commencement of soil decontamination work at the Flix reservoir, production in the **Industrial Waste** sector is expected to increase significantly subject to the record prices of recovered materials.

In the **Water Management** sector, the Company has improved its significant position in Spain while also intensifying the geographical diversification strategy embarked upon three years ago. New contracts were obtained in Portugal in 2008 and, boosted by the concession granted in Italy (Caltanissetta, in operation) and by the contracts that have opened new avenues for the Czech company SmVAK, further business opportunities are being sought in these countries and in their geographical areas of influence. To this must be added the new major contracts and contract renewals and extensions secured in Spain in municipalities such as Adeje, La Puebla de Montalbán, Gáldar, Mancomunidad de Aguas de Mairaga, Nájera, Lardereo, Comillas, Cassá de la Selva, Nerja, Manilva and Guadiana del Caudillo, as well as the contract to manage the wastewater and treatment plant in Arroyo Culebro (Madrid). As part of its business diversification policy, the Group has entered the sphere of sports facility management (heated swimming pools, spas) and obtained the contracts for the Denia municipal swimming pool and the Masia Lloret sports hall in Villajoyosa.

At the beginning of 2009, the Services Area backlog amounted to EUR 22,547.3 million, equivalent to over six years of production.

Growth of the **Versia** Area in 2009 will foreseeably be limited as a result of the economic crisis which already in 2008 started to have a considerable impact on certain major activities of the area directly related to consumption (Logistics), the airline industry (Airport Handling) and advertising (Street Furniture), which are not expected to recover in 2009. However, the activity of the Street Furniture sector is expected to increase significantly in the US due to the mature New York contract and the rise in advertising space to be sold.

In 2009 the focus will be on consolidating and reaping the rewards of growth obtained in previous years by Street Furniture in New York, the airport handling contracts in Spain and the acquisition of the Grupo Logístico Santos and Aeroporti di Roma Handling, which will enable Versia to reduce its borrowings.

In the **Construction** area, due to the performance of the real estate market in Spain, the revenue from residential building construction in 2009 is expected to be lower than in 2008. By contrast, revenue from civil engineering work is expected to increase due to the existing backlog of projects and the measures announced by government agencies, which intend to promote the construction of infrastructure and public works in general in 2009 in order to reactivate the economy. Thus, the drop in residential building construction will foreseeably be offset by the increase in civil engineering and, therefore, total revenue in Spain should not fall below that obtained in 2008.

Since civil engineering work is the main activity in the International sphere, it is anticipated that revenue will increase slightly both in the European market, in which FCC operates through the Alpine Group (based in Austria and present in numerous Eastern European countries), and in the Americas, where the Group is present through investees operating in Central America and Mexico.

At the beginning of 2009, the Construction backlog amounted to EUR 10,159 million, equivalent to over 15 months of production.

The future performance of the **Cement** area will be marked by the activity of the construction and civil engineering industries in the countries and regions in which it operates. The outlook for the markets as a whole suggests that the volume of sales will slightly exceed that of 2008. Consumption of cement for residential building in Spain is expected to drop in line with the trend set in 2008. However, the civil engineering industry is expected to recover in the second half of the year as public funds are approved for this purpose. Exports are also projected to increase considerably. As far as the US market is concerned, the residential sector will remain stagnant, although it is not a great consumer of cement. However, road and other infrastructure projects are expected to begin and, therefore, consumption will foreseeably rise slightly as compared with 2008. Keystone's renovated cement plant in Pennsylvania will also enter into service. With regard to the other international markets of the Cement area, with the exception of the UK, where sales will be similar to those for 2008, sales in the other countries - Tunisia, Argentina and Uruguay – will increase, with a notable boost in exports.

One of the main objectives of the FCC Group's strategic plan until 2010 (PLAN 10) was to diversify into the energy business, focusing particularly on cogeneration, energy efficiency and renewable energies. In order to achieve this objective, on 4 September 2008 Fomento de Construcciones y Contratas, S.A. and Europea de Gestión, S.A., Sole-Shareholder Company incorporated FCC Energía, S.A., the head of the future **Energy and Sustainability** area, with an initial capital of EUR 4 million.

The first step taken by the FCC Group for the new business was the acquisition in September 2008 of all the shares of two PV farms in Córdoba province with an installed capacity of 20 MW. Both farms were connected to the grid in September 2008 and at 31 December 2008 they had both been transferred to FCC Energía, S.A.

The investment totalled EUR 140 million and on 22 December 2008 a syndicated loan of EUR 132 million was arranged with Banesto, Caja Madrid, ICO and Banco Popular.

The agreement for the acquisition from the Australian group Babcock & Brown Wind Partners of the entire portfolio of wind farms held by it in Spain (through Olivento) is expected to be concluded at the beginning of 2009 . The portfolio consists of 14 wind farms in Andalucía, Galicia, Aragón, Castilla y León and Castilla La Mancha with annual billings of EUR 100 million. The total production capacity of the farms is 422 MW. An additional capacity of 45 MW currently under development is expected to enter into service before 2012.

In addition to the assets of Olivento, a 50% ownership interest will be acquired in IM Future, a company with a team of 50 highly experienced professionals in the field of wind farms who will monitor the operation of the farms to be purchased.

The cost of the transaction will be approximately EUR 800 million, which will be financed with the Group's own resources and a syndicated loan of EUR 528 million arranged on 25 November 2008 with a group of banks headed by Banco Santander.

The investments in electricity production assets will be consolidated in the course of 2009 and investments will be made in new assets in accordance with FCC's strategic plan (Plan 10).

The new investments will give priority to projects focused on developing assets rather than any opportunities to acquire operating assets that may arise. The development of assets will enable FCC to consolidate and improve its position in the renewable energy business and build up the technological capacity required for the construction, operation and maintenance of the Group's facilities. The prime geographical targets for investment will be Spain, EU countries in Eastern Europe and the US. All these areas share the characteristic of: the legal certainty required for medium-term investment commitments and their respective governments that have expressed the wish to boost the development and promotion of renewable energy sources.

As regards production technologies, the Group will use all the existing technologies that are sufficiently mature to ensure the profitability of the assets. Consequently, the first-choice technologies will be wind, PV and solar thermal.

Under the Social Responsibility and Sustainability Plan, FCC is developing and implementing systems to enhance the efficiency of its own energy consumption through the incorporation of new technologies, improved purchase and supply processes and the use of alternative fuels in certain production processes. In addition to giving rise to important cost savings, these actions will generate new business opportunities through the implementation of new processes at our customers' facilities. FCC will create an energy services company to carry on energy efficiency and saving activities.

Lastly, the FCC Group is actively analysing the opportunities in the waste-to-energy field in order to fully harness the energy produced by waste to achieve renewable, local and competitive production free of greenhouse gas emissions.

audit **report**

Consolidated group

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Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 28). In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
Fomento de Construcciones y Contratas, S.A.:

1. We have audited the consolidated financial statements of Fomento de Construcciones y Contratas, S.A. and Subsidiaries comprising the consolidated balance sheet at 31 December 2008 and the related consolidated income statement, consolidated cash flow statement, consolidated statement of recognised income and expense and notes to the consolidated financial statements for the year then ended. The preparation of these consolidated financial statements is the responsibility of the Parent's directors. 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 generally accepted auditing standards in Spain, which require examination, by means of selective tests, of the evidence supporting the consolidated financial statements and evaluation of their presentation, of the accounting policies applied and of the estimates made. Our work did not include an examination of the 2008 financial statements of certain subsidiaries and associates, whose aggregate assets, revenue and net profit, in absolute terms, represent 36%, 24% and 24%, respectively, of the related consolidated totals. The financial statements of these companies were audited by other auditors (see Appendixes 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. As required by Spanish corporate and commercial law, for comparison purposes the Parent's directors present, in addition to the consolidated figures for 2008 for each item in the consolidated balance sheet, consolidated income statement, consolidated cash flow statement, consolidated statement of recognised income and expense and notes to the consolidated financial statements, the figures for 2007. Our opinion refers only to the consolidated financial statements for 2008. The presentation of the information for 2007 differs from that contained in the approved 2007 consolidated financial statements due to the inclusion, for comparison purposes, of the consolidated statement of recognised income and expense and the change in the method used to consolidate the jointly managed investees (see Note 2-a to the accompanying consolidated financial statements). On 3 April 2008, we issued our auditors' report on the 2007 consolidated financial statements, in which we expressed an unqualified opinion.

3. In our opinion, based on our audit and on the reports of the other auditors mentioned in paragraph 1 above, the accompanying consolidated financial statements for 2008 present fairly, in all material respects, the consolidated equity and financial position of Fomento de Construcciones y Contratas, S.A. and Subsidiaries at 31 December 2008 and the consolidated results of their operations, the changes in the recognised income and expense, the changes in the consolidated equity and their consolidated cash flows for the year then ended, and contain the required information, sufficient for their proper interpretation and comprehension, in conformity with International Financial Reporting Standards as adopted by the European Union applied on a basis consistent with that used in the preparation of the consolidated financial statements for the preceding year, which are presented for comparison purposes.

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, Tomo 13.650, folio 188, sección 8, hoja M-54414, inscripción 96, C.I.F.: B-79104469. Domicilio Social: Plaza Pablo Ruiz Picasso, 1 - Torre Picasso, 28020 Madrid.

Member of
Deloitte Touche Tohmatsu

4. The accompanying consolidated directors' report for 2008 contains the explanations which the Parent's directors 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 2008. 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
25 February 2009

Financial **statements**

Fomento de Construcciones y Contratas, S.A.

Balance sheet

Fomento de Construcciones y Contratas, S.A.

ASSETS		31/12/08
NON-CURRENT ASSETS		**3,466,161**
Intangible assets (Note 5)		27,212
Concessions	7,882	
Computer software	12,000	
Other intangible assets	7,330	
Property, plant and equipment (Note 6)		459,676
Land and buildings	57,026	
Plant and other items of property, plant and equipment	340,325	
Property, plant and equipment in the course of construction and advances	62,325	
Investment property (Note 7)		232,032
Buildings	232,032	
Non-current investments in Group companies and associates (Note 10-a)		2,624,092
Equity instruments	1,336,054	
Loans to companies	1,288,038	
Non-current financial assets (Note 9)		55,467
Equity instruments	7,328	
Loans to third parties	34,070	
Derivatives (Note 12)	7,409	
Other financial assets	6,660	
Deferred tax assets (Note 16)		63,342
Deferred borrowing costs relating to concession financing		4,340
CURRENT ASSETS		**2,152,351**
Inventories		7,135
Raw materials and other supplies	6,853	
Advances to suppliers	282	
Trade and other receivables		724,547
Trade receivables for sales and services (Note 11)	592,244	
Receivable from Group companies and associates (Note 19)	75,880	
Sundry accounts receivable	10,095	
Employee receivables	4,148	
Current tax assets (Note 16)	35,121	
Other accounts receivable from public authorities (Note 16)	7,059	
Current investments in Group companies and associates		1,268,459
Loans to companies (Note 10)	1,262,363	
Other financial assets	6,096	
Current financial assets (Note 9)		72,841
Loans to companies	6,159	
Debt securities	4,875	
Other financial assets	61,807	
Current prepayments and accrued income		1,800
Cash		77,569
Cash	77,569	
TOTAL ASSETS		**5,618,512**

The accompanying Notes 1 to 22 and Appendixes I to IV are an integral part of the financial statements and, together with the latter, make up the statutory financial statements for 2008.

at 31 December 2008 (thousands of euros)

EQUITY AND LIABILITIES		31/12/08
EQUITY (Note 13)		**1,233,547**
Shareholders' equity		1,257,226
Share capital		127,303
Registered share capital	127,303	
Share premium		242,133
Reserves		644,817
Legal and bylaw reserves	26,114	
Other reserves	618,703	
Profit for the year		342,906
Interim dividend		(99,933)
Valuation adjustments		(26,540)
Available-for-sale financial assets	5,991	
Hedges	(32,531)	
Grants, donations or gifts and legacies received		2,861
NON-CURRENT LIABILITIES		**3,134,300**
Long-term provisions (Note 14)		207,546
Provisions for third-party liability	119,690	
Other provisions	87,856	
Non-current payables (Note 15)		2,869,007
Bank borrowings	2,789,700	
Obligations under finance leases	3,479	
Derivatives (Note 12)	68,981	
Other financial liabilities	6,847	
Deferred tax liabilities (Note 16)		57,747
CURRENT LIABILITIES		**1,250,665**
Short-term provisions		777
Current payables (Note 15)		293,145
Bank borrowings	114,552	
Obligations under finance leases	27,115	
Other financial liabilities	151,478	
Current payables to Group companies and associates (Note 10)		651,062
Trade and other payables		305,156
Payable to suppliers	109,230	
Payable to suppliers - Group companies and associates (Note 19)	20,994	
Sundry accounts payable	63,305	
Remuneration payable	33,756	
Other accounts payable to public authorities (Note 16)	44,407	
Customer advances	33,464	
Current accruals and deferred income		525
TOTAL EQUITY AND LIABILITIES	**5,618,512**	

The accompanying Notes 1 to 22 and Appendixes I to IV are an integral part of the financial statements and, together with the latter, make up the statutory financial statements for 2008.

Income statement
for the year ended 31 December 2008 (thousands of euros)

INCOME STATEMENT		31/12/08
CONTINUING OPERATIONS		
Revenue (Note 18)		1,241,092
In-house work on non-current assets		2,816
Procurements		(192,541)
Cost of goods held for resale used	(1,876)	
Cost of raw materials and other consumables used	(111,015)	
Work performed by other companies	(79,650)	
Other operating income		101,560
Non-core and other current operating income	101,223	
Income-related grants transferred to profit or loss	337	
Staff costs		(757,432)
Wages, salaries and similar expenses (Note 18)	(572,512)	
Employee benefit costs	(184,920)	
Other operating expenses		(185,124)
Outside services	(168,521)	
Taxes other than income tax	(6,677)	
Impairment losses and change in allowances for trade receivables	(428)	
Other current operating expenses	(9,498)	
Depreciation and amortisation charge		(71,278)
Allocation to profit or loss of grants related to non-financial non-current assets and other grants		386
Excessive provisions (Note 14)		32,602
Impairment and gains or losses on disposals of non-current assets		(236)
Gains or losses on disposals and other	(236)	
PROFIT FROM OPERATIONS		171,845
Finance income		318,522
From investments in equity instruments	216,127	
Group companies and associates (Note 19)	216,127	
From marketable securities and other financial instruments	102,395	
Group companies and associates	83,095	
Third parties	19,300	
Finance costs		(183,171)
On debts to Group companies and associates	(19,044)	
On debts to third parties	(160,400)	
Interest cost relating to provisions (Note 14)	(3,727)	
Change in fair value of financial instruments		(19,602)
Held-for-trading financial assets/liabilities and other	(19,602)	
Exchange differences		47,021
Impairment and gains or losses on disposals of financial instruments		43,197
Impairment and other losses	7,248	
Gains or losses on disposals and other (Note 9)	35,949	
FINANCIAL PROFIT		205,967
PROFIT BEFORE TAX		377,812
INCOME TAX (Note 16)		(34,906)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		342,906
PROFIT FOR THE YEAR		**342,906**

The accompanying Notes 1 to 22 and Appendixes I to IV are an integral part of the financial statements and, together with the latter, make up the statutory financial statements for 2008.

Statement of changes in equity

Fomento de Construcciones y Contratas, S.A. for the year ended 31 December 2008 (thousands of euros)

	Share Capital (Note 13-a)	Share Premium (Note 13-b)	Reserves (Notes 13-c and 13-d)	Treasury Shares (Note 13-e)	Profit for the Year	Interim Dividend (Note 3)	Valuation Adjust-ments	Grants	Equity
Equity at 31 December 2007	130,567	242,133	515,685		504,882	(138,654)			1,254,613
Adjustment due to new Spanish National Chart of Accounts			18,064	(8,156)			1,780	2,814	14,502
Adjusted equity at 1 January 2008	130,567	242,133	533,749	(8,156)	504,882	(138,654)	1,780	2,814	1,269,115
Total income and expenses for the year					342,906		(28,320)	47	314,633
Transactions with shareholders and owners	(3,264)		111,067	8,156	(504,882)	38,721			(350,201)
Capital increases									
(-) Capital reductions	(3,264)		(119,582)	8,156					(114,690)
(-) Dividends paid			230,650		(504,882)	138,654			(135,578)*
Treasury share transactions (net)									
Interim dividend						(99,933)			(99,933)
Other changes in equity									
Equity at 31 December 2008	127,303	242,133	644,817	-	342,906	(99,933)	(26,540)	2,861	1,233,547

The accompanying Notes 1 to 22 and Appendixes I to IV are an integral part of the financial statements and, together with the latter, make up the statutory financial statements for 2008. In particular, Note 13 "Equity" explains this statement.

** Final dividend for 2007*

Statement of changes in equity

(thousands of euros)

STATEMENT OF RECOGNISED INCOME AND EXPENSE	31/12/08
Profit per income statement	**342,906**
Income and expenses recognised directly in equity	
Arising from revaluation of financial instruments	
Available-for-sale financial assets	1,283
Other income/(expenses)	
Arising from cash flow hedges	(38,264)
Grants, donations or gifts and legacies received	333
Arising from actuarial gains and losses and other adjustments	
Tax effect	10,459
Income and expenses recognised directly in equity	**(26,189)**
Transfers to profit or loss	
Arising from revaluation of financial instruments	
Available-for-sale financial assets	
Other income/(expenses)	
Arising from cash flow hedges	(2,568)
Grants, donations or gifts and legacies received	(386)
Tax effect	870
Total transfers to profit or loss	(2,084)
TOTAL RECOGNISED INCOME AND EXPENSE	**314,633**

Statement of cash flows

Fomento de Construcciones y Contratas, S.A. for the year ended 31 December 2008 (thousands of euros)

		31/12/2008
Profit for the year before tax		**377,812**
Adjustments for		(155,351)
Depreciation and amortisation charge	71,278	
Impairment losses	(7,248)	
Changes in provisions	(20,511)	
Recognition of grants in profit or loss	(386)	
Gains/Losses on derecognition and disposal of non-current assets	236	
Gains/Losses on derecognition and disposal of financial instruments	(35,949)	
Finance income	(318,523)	
Finance costs	183,171	
Exchange differences	(47,021)	
Changes in fair value of financial instruments	19,602	
Other income and expenses		
Changes in working capital		(108,531)
Inventories	(1,052)	
Trade and other receivables	(137,925)	
Other current assets	993	
Trade and other payables	25,614	
Other current liabilities	3,839	
Other non-current assets and liabilities		
Other cash flows from operating activities		98,695
Interest paid	(160,149)	
Dividends received	214,051	
Interest received	45,236	
Income tax recovered (paid)	5,035	
Other amounts received (paid)	(5,478)	
CASH FLOWS FROM OPERATING ACTIVITIES		**212,625**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments due to investment		(942,376)
Group companies and associates	(53,979)	
Intangible assets	(11,966)	
Property, plant and equipment	(111,244)	
Investment property	(1,909)	
Other financial assets	(762,858)	
Non-current assets classified as held for sale		
Other assets	(420)	
Proceeds from disposal		199,940
Group companies and associates	192,750	
Intangible assets	133	
Property, plant and equipment	1,282	
Investment property		
Other financial assets	5,775	
Non-current assets classified as held for sale		
Other assets		
CASH FLOWS FROM INVESTING ACTIVITIES		**(742,436)**

Proceeds and payments relating to equity instruments		(114,356)
Proceeds from issue of equity instruments		
Redemption of equity instruments		
Purchase of treasury shares	(114,690)	
Disposal of treasury shares		
Grants, donations or gifts and legacies received	334	
Proceeds and payments relating to financial liability instruments		933,755
Issue of:	1,397,220	
Debt instruments and other marketable securities		
Bank borrowings	1,361,776	
Borrowings from Group companies and associates	19,239	
Other borrowings	16,205	
Redemption and repayment of:	(463,465)	
Debt instruments and other marketable securities		
Bank borrowings	(456,971)	
Borrowings from Group companies and associates	(6,025)	
Other borrowings	(469)	
Dividends and returns on other equity instruments paid		(274,232)
Dividends	(274,232)	
Returns on other equity instruments		
CASH FLOWS FROM FINANCING ACTIVITIES		545,167
NET INCREASE IN CASH		15,357
Cash at beginning of year	62,212	
CASH AT END OF YEAR		**77,569**

The accompanying Notes 1 to 22 and Appendixes I to IV are an integral part of the financial statements and, together with the latter, make up the statutory financial statements for 2008.

Notes to the financial statements

Fomento de Construcciones y Contratas, S.A. | at 31 de December of 2008

Appendix

01. Company activities

Fomento de Construcciones y Contratas, S.A. is a company incorporated in Spain in accordance with the Spanish Companies Law.

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's registered office is at Calle Balmes, 36 (Barcelona) and it carries on its activities mainly in Spain.

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, vehicle roadworthiness tests, passenger and aircraft ground handling, logistics, cement, real estate, etc.

02. Basis of presentation of the financial statements

a) Fair presentation

The accompanying financial statements, which were obtained from the accounting records of Fomento de Construcciones y Contratas, S.A. and the unincorporated joint ventures ("UTEs") in which it holds ownership interests, are presented in accordance with Royal Decree 1514/2007 approving the Spanish National Chart of Accounts, the Consolidated Spanish Companies Law, Royal Decree 1564/1989, of 22 December, and subsequent amendments, and the industry charts of accounts and, accordingly, present fairly the Company's equity, financial position, results of operations and cash flows for 2008. These financial statements, which were formally prepared by the Company's directors, will be submitted for approval by the shareholders at the Annual General Meeting, and it is considered that they will be approved without any changes. The financial statements for 2007 were approved by the shareholders at the Annual General Meeting held on 18 June 2008.

The balance sheets, income statements and statements of cash flows of the joint ventures in which the Company has interests were proportionately consolidated on the basis of the Company's percentage of ownership of each joint venture.

The Company has a 99% ownership interest in the Torre Picasso building and the remaining 1% 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. 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.

The joint ventures and the community association were included by making the required timing and measurement uniformity adjustments, reconciliations and reclassifications and by eliminating reciprocal asset and liability balances and income and expenses. The detail of any material amounts relating to the joint ventures and the community association is included in these notes to the financial statements.

The financial statements are expressed in thousands of euros.

Appendix II lists the joint ventures and indicates the percentage share of their results.

The financial statements of Fomento de Construcciones y Contratas, S.A. were formally prepared by the directors by taking into account all the obligatory accounting principles and standards with a significant effect thereon. All obligatory accounting principles were applied.

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 2008, prepared by the directors, will also be submitted for approval by the shareholders at the Annual General Meeting.

The consolidated financial statements of Fomento de Construcciones y Contratas, S.A. prepared in conformity with IFRSs present total assets of EUR 20,511 million and equity attributable to the Company's shareholders of EUR 2,466 million. Consolidated sales and consolidated profit attributable to the Parent amount to EUR 14,016 million and EUR 337 million, respectively.

b) Estimates made

In preparing the accompanying financial statements estimates were made by the Company's directors in order to measure certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

— The evaluation of possible impairment losses on certain assets (see Note 4-b);

— 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 (see Note 12);

— The calculation of certain provisions (see Note 14).

Although these estimates were made on the basis of the best information available at 31 December 2008, events that take place in the future might make it necessary to change these estimates. Changes in accounting estimates would be applied prospectively.

c) Comparative information and matters arising from the transition to the new accounting rules

The financial statements for the year ended 31 December 2008 are considered to be initial financial statements and, accordingly, pursuant to Royal Decree 1514/2007, it is not obligatory to present comparative figures.

However, pursuant to Royal Decree 1514/2007, set forth below are the balance sheet and income statement for 2007 approved by the shareholders at the related Annual General Meeting. These financial statements were prepared in accordance with the rules established in Royal Decree 1643/1990, of 20 December (Spanish National Chart of Accounts (1990)).

Balance sheet
Fomento de Construcciones y Contratas, S.A

ASSETS		31/12/07
NON-CURRENT ASSETS		**3,518,644**
Intangible assets		144,865
Concessions, patents, licences, trademarks and other	38,899	
Rights on leased assets	150,384	
Accumulated amortisation	(44,418)	
Property, plant and equipment		530,772
Land and buildings	334,484	
Plant and machinery	432,515	
Other fixtures, tools and furniture	120,394	
Advances and property, plant and equipment in the course of construction	51,827	
Other items of property, plant and equipment	16,512	
Allowances	Ð	
Accumulated depreciation	(424,960)	
Long-term investments		2,834,851
Investments in Group companies	1,434,389	
Investments in associates	134,237	
Loans to Group companies	1,325,733	
Loans to associates	4,414	
Long-term investment securities	28,748	
Other loans	29,103	
Long-term deposits and guarantees given	5,910	
Allowances	(127,683)	
Treasury shares		8,156
DEFERRED CHARGES		**9,447**
CURRENT ASSETS		**1,172,070**
Inventories		6,088
Raw materials and other supplies	6,013	
Advances	75	
Accounts receivable		627,028
Trade receivables for sales and services	493,849	
Receivable from Group companies	49,041	
Receivable from associates	5,878	
Sundry accounts receivable	13,594	
Employee receivables	1,074	
Tax receivables	73,981	
Allowances	(10,389)	
Short-term investments		472,257
Loans to Group companies	454,637	
Loans to associates	7,261	
Short-term investment securities	7,158	
Other loans	2,714	
Short-term deposits and guarantees given	487	
Allowances	-	
Cash		62,211
Accrual accounts		4,486
TOTAL ASSETS		**4,700,161**

At 31 December 2007 (thousands of euros)

SHAREHOLDERS' EQUITY AND LIABILITIES		31/12/07
SHAREHOLDERS' EQUITY		**1,254,613**
Share capital		130,567
Share premium		242,133
Reserves		515,685
Legal reserve	26,113	
Reserve for treasury shares	8,156	
Reserve for retired capital	2,770	
Voluntary reserves	478,646	
Profit for the year		504,882
Interim dividend		(138,654)
DEFERRED INCOME		**29,705**
Grants related to assets	3,899	
Exchange gains	25,806	
Other deferred income	Ð	
PROVISIONS FOR CONTINGENCIES AND CHARGES		**194,989**
Provisions	184,322	
Reversion reserve	10,667	
NON-CURRENT LIABILITIES		**1,511,618**
Bank borrowings		1,492,442
Loans and other payables	1,491,295	
Long-term obligations under finance leases	1,147	
Other payables		19,176
Limited recourse project financing loans	3,128	
Long-term guarantees and deposits received	6,253	
Long-term tax payables	9,795	
CURRENT LIABILITIES		**1,709,236**
Bank borrowings		582,170
Loans and other payables	526,353	
Interest payable	2,428	
Short-term obligations under finance leases	53,389	
Payable to Group companies and associates		530,844
Payable to Group companies	526,210	
Payable to associates	4,634	
Trade payables		204,603
Advances received on orders	28,971	
Accounts payables for purchases and services	107,594	
Notes payable	68,038	
Other non-trade payables		347,560
Tax payables	122,181	
Notes payable	12,117	
Limited recourse project financing loans	2,427	
Other payables	180,389	
Remuneration payable	30,370	
Short-term guarantees and deposits received	76	
Operating provisions and allowances		43,906
Accrual accounts		153
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**4,700,161**

Income statement

Fomento de Construcciones y Contratas, S.A.

DEBIT		31/12/07
TOTAL OPERATING EXPENSES		1,135,483
Cost of materials used and other external expenses		184,036
Cost of raw materials and other consumables used	104,310	
Other external expenses	79,726	
Staff costs		695,849
Wages, salaries and similar expenses	529,107	
Employee benefit costs	166,742	
Depreciation and amortisation charge		64,336
Change in operating provisions and allowances		(22,230)
Change in allowances for and losses on uncollectible receivables	166	
Change in operating provisions and allowances	(22,396)	
Other operating expenses		213,492
Outside services	207,053	
Taxes other than income tax	5,391	
Provision to the reversion reserve	1,048	
PROFIT FROM OPERATIONS		137,059
Finance costs		124,306
On debts to Group companies and associates	18,960	
On debts to third parties and similar costs	105,346	
Change in investment valuation allowances		25,566
Exchange losses		2,191
FINANCIAL PROFIT		161,882
PROFIT FROM ORDINARY ACTIVITIES		298,941
Change in allowances for intangible assets, property, plant and equipment and control portfolio		(11,248)
Losses on non-current assets		367
Extraordinary expenses and losses		15,895
EXTRAORDINARY PROFIT		267,843
PROFIT BEFORE TAX		566,784
Income tax		61,902
PROFIT FOR THE YEAR		**504,882**

For the year ended 31 December 2007 (thousands of euros)

CREDIT		31/12/07
TOTAL OPERATING INCOME		1,272,542
Revenue		1,152,338
Work on non-current assets		2,035
Other operating income		118,169
Income from equity investments		214,757
Group companies	212,648	
Associates	2,109	
Non-Group companies	-	
Income from other marketable securities and non-current loans		748
Associates	94	
Non-Group companies	654	
Other finance income		97,118
Group companies and associates	93,292	
Other interest	3,788	
Gains on investments	38	
Exchange gains		1,322
Gains on non-current assets and control portfolio		258,556
Gains on treasury share transactions		-
Asset-related grants transferred to profit or loss		521
Extraordinary income		13,780

The Company chose 1 January 2008 as the date of transition to the new Spanish National Chart of Accounts.

In accordance with current legislation, set forth below is the reconciliation of the equity at 1 January 2008 calculated in accordance with the former Spanish National Chart of Accounts to the equity at that date calculated in accordance with the new accounting rules established in Royal Decree 1514/2007.

	Amount
Equity at 1 January 2008 under former Spanish National Chart of Accounts (*)	1,254,613
Effects of transition to new Spanish National Chart of Accounts	
Treasury shares	(8,156)
Exchange gains	25,806
Hedging instruments	(4,183)
Government grants	3,899
Valuation adjustments of available-for-sale financial assets	4,708
Tax effect of adjustments	(7,572)
Equity at 1 January 2008 under new Spanish National Chart of Accounts	1,269,115

(*) Obtained from the financial statements at 31 December 2007 prepared in accordance with the accounting principles and standards applicable at that date.

The new accounting legislation, with respect to that in force at 31 December 2007, entails significant changes in accounting policies, measurement bases, presentation and disclosures to be included in the financial statements. The main differences with an effect on the Company's equity in the transition to the new Spanish National Chart of Accounts are as follows:

- Treasury shares are presented as a reduction of EUR 8,156 thousand in equity at 1 January 2008.
- Unrealised exchange gains existing at 31 December 2007, amounting to EUR 25,806 thousand, were eliminated and the effect, net of taxes, was recognised as an increase of EUR 18,063 thousand in reserves. The exchange gains arose from

the syndicated loan arranged by the Company in 2007 to finance the acquisition of the Waste Recycling Group by the subsidiary Azincourt Investement Unipersonal, S.L. for GBP 200,000 thousand.

— The ownership interests of less than 20% held by the Company were measured at fair value and the increase or decrease in value was recognised as an addition to or reduction of reserves, after considering the related tax effect. This amount relates mainly to the difference in value of the 16.03% ownership interest in Vertederos de Residuos, S.A. which, net of the related tax effect totalled EUR 4,660 thousand. These ownership interests do not afford FCC significant influence and are classified as "Available-for-Sale Financial Assets".

— Government grants are recognised in equity, after considering the related tax effect.

d) Grouping of items

Certain items in the balance sheet, income statement, statement of changes in equity and statement of cash flows are grouped together to facilitate their understanding; however, whenever the amounts involved are material, the information is broken down in the related notes to the financial statements.

03. Distribution of profit

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 Annual General Meeting is as follows:

	Amount
Profit for the year, before distribution	342,906
Distribution:	
Interim dividend	EUR 0.785 per share
Final dividend	EUR 0.785 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 have been paid.	

On 18 December 2008, 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 78.5% gross of the par value of the shares, i.e. EUR 0.785 per share. The total amount of this dividend, EUR 99,933 thousand, was paid on or after 9 January 2009 on the outstanding shares carrying dividend rights.

The Board of Directors' report evidencing the existence of sufficient liquidity for the distribution of the aforementioned interim dividend is included as Appendix IV hereto.

04. Accounting policies and measurement bases

The principal accounting policies and measurement bases used by the Company in preparing its financial statements for 2008, in accordance with the Spanish National Chart of Accounts, were as follows:

a) Intangible assets

Intangible assets are measured initially at acquisition or production cost and are subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses. At 31 December 2008, there was no indication that any of the Company's intangible assets had suffered an impairment loss. The directors consider that the recoverable amount of the assets is higher than their carrying amount and, accordingly, no impairment losses were recognised in this connection.

The Company recognises under "Computer Software" the costs incurred in the acquisition and development of computer programs, mainly the implementation of a new corporate ERP (SAP) system. Computer software maintenance costs are recognised in the income statement for the year in which they are incurred.

Intangible assets are generally amortised on a straight-line basis over their useful lives, 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

Property, plant and equipment are carried at acquisition cost or at production cost if the Company has performed in-house work thereon and are subsequently reduced by the related accumulated depreciation and by any impairment losses. At 31 December 2008, there was no indication that any of the Company's property, plant and equipment items had suffered an impairment loss. The directors consider that the recoverable amount of the assets is higher than their carrying amount and, accordingly, no impairment losses were recognised in this connection.

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 increased capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised.

For non-current assets that necessarily take a period of more than twelve months to get ready for their intended use, the capitalised costs include such borrowing costs as might have been incurred before the assets are ready for their intended use and which have been charged by the supplier or relate to loans or other specific-purpose or general-purpose borrowings directly attributable to the acquisition or production of the assets.

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 (external costs plus in-house costs, determined on the basis of in-house materials consumption, direct labour and general manufacturing costs calculated using absorption rates similar to those used for the measurement of inventories).

The Company depreciates its property, plant and equipment by the straight-line method at annual rates based on the years of estimated useful life of the assets, the detail being as follows:

	Years of Estimated Useful Life
Buildings and other structures	25 - 50
Torre Picasso building	75
Plant and machinery	5 - 15
Other fixtures, tools and furniture	8 - 12
Other items of property, plant and equipment	4 - 10

Property, plant and equipment assigned exclusively to certain specific concessions are depreciated on the basis of the pattern of consumption, i.e. the evolution and best estimate of the production units of each activity. At 31 December 2008, the most important concession business in quantitative terms was the water supply and treatment business whose assets are depreciated on the basis of the cubic metres of water consumed.

Impairment of intangible assets and property, plant and equipment

Whenever there are indications of impairment of intangible assets with a finite useful life (i.e. all the Company's intangible assets and property, plant and equipment), 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.

Recoverable amount is the higher of fair value less costs to sell and value in use.

Company management performs impairment tests as follows:

- The recoverable amounts are calculated for each cash-generating unit.
- Each year management prepares for each cash-generating unit a business plan by line of business, which is renewed for five-year periods taking into account the main components.
  - Earnings projections
  - Investment and working capital projections

Other variables affecting the calculation of the recoverable amount are:

- The discount rate to be used, which is taken to be the weighted average cost of capital, the main variables with an effect on its calculation being borrowing costs and the specific risks associated with the assets.
- The zero growth rate used to extrapolate the projected cash flows beyond the period covered by budgets or forecasts.

The projections are prepared on the basis of past experience and of the best estimates available.

The business plans are reviewed and ultimately approved by the relevant managing body.

Where an impairment loss on intangible assets and property, plant and equipment subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for in prior years. A reversal of an impairment loss is recognised as income.

c) Investment property

“Investment Property” in the balance sheet reflects the values of the land, buildings and other structures held either to earn rentals or for capital appreciation.

Investment property is measured as described in Note 4-b on property, plant and equipment.

d) 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.

d.1) Finance 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 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.

The assets recognised for transactions of this nature are depreciated on the basis of their nature and useful lives 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. Also, 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 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.

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 rendering of services in the ordinary course of the Company's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market.

— Held-to-maturity investments: debt securities with fixed maturity and determinable payments that are traded in an active market and which the Company has the positive intention and ability to hold to the date of maturity.

— Held-for-trading financial assets: assets acquired with the intention of selling them in the near term and assets that form part of a portfolio for which there is evidence of a recent actual pattern of short-term profit-taking. This category also includes financial derivatives that are not financial guarantees (e.g. suretyships) and that have not been designated as hedging instruments.

— Equity investments in Group companies, associates and jointly controlled entities: Group companies are deemed to be those related to the Company as a result of a relationship of control and associates are companies over which the Company exercises significant influence. Jointly controlled entities include companies over which, by virtue of an agreement, the Company exercises joint control with one or more other investors.

— 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 given, plus any directly attributable transaction costs.

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 profit or loss.

— Investments in Group companies and associates and interests in jointly controlled entities are measured at cost net, where appropriate, of any accumulated impairment losses. These losses are calculated as the difference between the carrying amount of the investments and their recoverable amount. Recoverable amount is the higher of fair value less costs to sell and the present value of the future cash flows from the investment. Unless there is better evidence of the recoverable amount, it is based on the value of the equity of the investee, adjusted by the amount of the unrealised gains existing at the date of measurement (including any goodwill).

— 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 profit or loss. In this regard, permanent impairment is deemed to exist if the market value of the asset has fallen by more than 40% over a period of 18 months without the value having recovered.

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, and sales of financial assets under an agreement to repurchase them at fair value.

However, the Company does not derecognise financial assets, and recognises a financial liability for an amount equal to the consideration received, in transfers of financial assets in which substantially all the risks and rewards of ownership are retained, such as in the case of bill discounting, with-recourse factoring and sales of financial assets under an agreement to repurchase them at a fixed price or at the selling price plus interest.

e.2) Financial liabilities

Financial liabilities include accounts payable by the Company that have arisen from the purchase of goods or services in the normal course of the Company's business and those which, not having commercial substance, cannot be classed as derivative financial instruments.

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.

Liability derivative financial instruments are measured at fair value using the same methods as those described above for held-for-trading financial assets.

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.

e.4) Derivative financial instruments

The Company uses derivative financial instruments to hedge the risks to which its business activities, operations and future cash flows are exposed. Basically, these risks relate to changes in exchange rates and interest rates. The Company arranges hedging financial instruments in this connection (see Note 12).

In order for these financial instruments to qualify for hedge accounting, they are initially designated as such and the hedging relationship is documented. Also, the Company verifies, both at inception and periodically over the term of the hedge (at least at the end of each reporting period), that the hedging relationship is effective, i.e. that it is prospectively foreseeable that the changes in the fair value or cash flows of the hedged item (attributable to the hedged risk) will be almost fully offset by those of the hedging instrument and that, retrospectively, the gain or loss on the hedge was within a range of 80-125% of the gain or loss on the hedged item.

The Company uses hedges of the following types, which are accounted for as described below:

- Fair value hedges: 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 hedges: in hedges of this nature, the portion of the gain or loss on the hedging instrument that has been determined to be an effective hedge is recognised temporarily in equity and is recognised in the income statement in the same period during which the hedged item affects profit or loss, unless the hedge relates to a forecast transaction that results in the recognition of a non-financial asset or a non-financial liability, in which case the amounts recognised in equity are included in the initial cost of the asset or liability when it is acquired or assumed.
- Hedges of net investments in foreign operations: 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 discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the year.

In 2008 the Company arranged a hedge for the cost of the share-based payment plan for employees (see Note 12). The hedge, which was initially instrumented through an equity swap, has been restructured into various components: a call option on the plan shares at the exercise price, a put option issued and an interest-rate swap for dividends and other income from the shares. The hedge is thereby limited to the call option and the other two components are recognised in profit or loss.

f) Inventories

Inventories are measured at the lower of acquisition or production cost and net realisable value. Trade discounts, rebates, other similar items and interest included in the face value of the related payables are deducted in determining the costs of purchase.

Production cost includes the costs of direct materials and, where applicable, direct labour and production overheads.

Net realisable value is the estimated selling price less the estimated costs of completion and costs to be incurred in marketing, selling and distribution.

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 functional currency is the euro. Therefore, transactions in currencies other than the euro are deemed to be "foreign currency transactions" and are recognised by applying the exchange rates prevailing at the date 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

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income).

The current income tax expense is the amount payable by the Company as a result of income tax settlements for a given year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, and tax loss carryforwards from prior years effectively offset in the current year reduce the current income tax expense.

The deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, and tax loss and tax credit carryforwards. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that is not a business combination and affects neither accounting profit (loss) nor taxable profit (tax loss), and except for those associated with investments in subsidiaries, associates and joint ventures in which the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is considered probable that the Company will have taxable profits in the future against which the deferred tax assets can be utilised.

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognised in equity.

The deferred tax assets recognised are reassessed at the end of each reporting period and the appropriate adjustments are made to the extent that there are doubts as to their future recoverability.

Also, unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that they will be recovered through future taxable profits.

i) Revenue and expense recognition

Revenue and expenses 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. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

Revenue from sales is recognised when the significant risks and rewards of ownership of the goods sold have been transferred to the buyer, and the Company neither continues to manage the goods nor retains effective control over them.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at the end of the reporting period, provided the outcome of the transaction can be estimated reliably.

The Company recognises 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, late-payment interest is recognised as income when it is 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". Pre-billings for various items are recognised under "Current Liabilities – Trade and Other Payables – Customer Advances".

Interest income from financial assets is recognised using the effective interest method and dividend income is recognised when the shareholder's right to receive payment has been established. Interest and dividends from financial assets accrued after the date of acquisition are recognised as income.

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, are recognised as soon as they become known, by recording the appropriate provisions (see Notes 4-j and 14).

j) Provisions and contingencies

When preparing the financial statements the Company's directors made a distinction between:

a) Provisions: credit balances covering present obligations arising from past events with respect to which it is probable that an outflow of resources embodying economic benefits that is uncertain as to its amount and/or timing will be required to settle the obligations; and

b) Contingent liabilities: 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.

The financial statements include all the provisions with respect to which it is considered that it is more likely than not that the obligation will have to be settled. Contingent liabilities are not recognised in the financial statements, but rather are disclosed, unless the possibility of an outflow in settlement is considered to be remote.

Provisions are measured at the present value of best possible estimate of the amount required to settle or transfer the obligation, taking into account the information available on the event and its consequences. Where discounting is used, adjustments made to provisions are recognised as interest cost on an accrual basis.

The compensation to be received from a third party on settlement of the obligation is recognised as an asset, provided that there are no doubts that the reimbursement will take place, unless there is a legal relationship whereby a portion of the risk has been externalised as a result of which the Company is not liable; in this situation, the compensation will be taken into account for the purpose of estimating the amount of the related provision that should be recognised.

k) Termination benefits

The accompanying financial statements do not include any provision in this connection, since no situations of this nature are expected to arise.

l) Environmental assets and liabilities

As indicated in Note 1, the Company engages mainly in services 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 lives 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 2008 would not have a significant impact on the accompanying financial statements, which include provisions to cover any probable environmental risks that might arise.

Note 20 to these financial statements (“Information on the Environment”) supplements the information set forth with respect to environmental provisions.

m) Pension obligations

The Company has not established any pension plans to supplement the social security pension benefits. In accordance with the Consolidated Pension Plan and Fund Law, in specific cases where similar obligations exist, the Company externalises its obligations to its employees in this connection.

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 benefits are those which entail the extinguishment 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.

n) Share-based payment

The Company recognises, on the one hand, the goods and services received as an asset or as an expense, depending on their nature, when they are received and, on the other, the related increase in equity, if the transaction is equity-settled, or the related liability if the transaction is settled with an amount based on the value of the equity instruments.

The Company’s transactions are settled in cash and, therefore, the goods and services and the corresponding liability are measured at the fair value of the liability at the date on which it qualifies for recognition. The Company remeasures the fair value of the liability at each reporting date and at the date of settlement. Any change in the value recognised is taken to profit or loss for the year until the liability is settled. This treatment is accounted for as a change in estimates and the effect must be recognised prospectively.

The fair value is determined using an appropriate option pricing model. The assumptions and the pricing models are described in Note 14, which also sets forth the conditions and features of the Company’s share-based payment obligations at 2008 year-end.

o) Grants

The Company accounts for grants received as follows:

o.1) Non-refundable 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 and do not give rise to the recognition of any income.

o.2) Grants related to income

Grants related to income are credited to income when granted, unless their purpose is to finance losses from operations in future years, in which case they are allocated to income in those years. If grants are received to finance specific expenses, they are allocated to income as the related expenses are incurred.

p) Joint ventures

The Company accounts for its interests in unincorporated joint ventures by recognising in its balance sheet the share corresponding to it, in proportion to its ownership interest, of the jointly controlled assets and of the jointly incurred liabilities. Also, it recognises in the income statement its share of the income earned and expenses incurred by the joint venture. In addition, the proportional part corresponding to the Company of the related items of the joint venture are included in the statement of changes in equity and the statement of cash flows.

The principal balances included in the balance sheet and income statement on the basis of the percentage of ownership of the joint venturers are as follows:

	2008
Revenue	161,684
EBIT	14,840
Non-current assets	108,065
Current assets	121,111
Non-current liabilities	12,727
Current liabilities	91,393

The detail of the joint ventures in which the Company holds ownership interests is included in Appendix II.

q) Related party transactions

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

05. Intangible assets

The changes in "Intangible Assets" in the accompanying balance sheet in 2008 were as follows:

	Balance at 01/01/08	Additions or Charge for the Year	Disposals or Reductions	Balance at 31/12/08
Concessions	23,917	-	-	23,917
Computer software	1,177	11,897	-	13,074
Other intangible assets	12,168	69	(171)	12,066
Accumulated amortisation	(20,068)	(1,815)	38	(21,845)
	17,194	**10,151**	**(133)**	**27,212**

"Concessions" relates mainly to operations undertaken through joint ventures and includes the amounts paid to obtain concessions for, inter alia, water supply services.

The detail of the intangible assets and of the related accumulated amortisation at 31 December 2008 is as follows:

	Cost	Accumulated Amortisation	Net
Concessions	23,917	(16,035)	7,882
Computer software	13,074	(1,074)	12,000
Other intangible assets	12,066	(4,736)	7,330
	49,057	**(21,845)**	**27,212**

"Computer Software" relates mainly to the cost of implementing the new corporate ERP (SAP) system.

At the end of 2008 the Company did not have any material fully amortised intangible assets still in use.

At 31 December 2008, the Company did not have any intangible assets located outside Spain or any assets subject to guarantees.

06. Property, plant and equipment

The changes in "Property, Plant and Equipment" in the balance sheet in 2008 were as follows:

	Balance at 01/01/08	Additions or Charge for the Year	Disposals or Reductions	Transfers	Balance at 31/12/08
Land and buildings	67,716	4,765	-	7,571	80,052
Plant and machinery	560,405	47,422	(8,249)	14,036	613,614
Other fixtures, tools and furniture	136,149	19,120	(1,714)	4,298	157,853
Advances and property, plant and equipment in the course of construction	49,314	39,060	-	(26,049)	62,325
Other items of property, plant and equipment	14,426	878	(874)	56	14,486
Accumulated depreciation	(412,048)	(66,012)	9,318	88	(468,654)
	415,962	**45,233**	**(1,519)**	**-**	**459,676**

The main changes in "Property, Plant and Equipment" relate to assets associated with the services and water concession agreements operated by the Company.

The Company owns buildings, the value of which, net of depreciation, and that of the land, were as follows at 2008 year-end:

	Thousands of Euros
Land	12,009
Buildings	45,017
	57,026

The detail of the property, plant and equipment and of the related accumulated depreciation at 31 December 2008 is as follows:

Thousands of Euros	Cost	Accumulated Depreciation	Net
Land and buildings	80,052	(23,026)	57,026
Plant and machinery	613,614	(346,154)	267,460
Other fixtures, tools and furniture	157,853	(87,722)	70,131
Advances and property, plant and equipment in the course of construction	62,325	-	62,325
Other items of property, plant and equipment	14,486	(11,752)	2,734
	928,330	**(468,654)**	**459,676**

Of the net amount of property, plant and equipment, EUR 92,122 thousand relate to assets used in joint ventures.

In 2008 the Company capitalised borrowing costs amounting to EUR 1,475 thousand to “Property, Plant and Equipment”.

At 2008 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 2008 year-end; however, EUR 197,642 thousand of property, plant and equipment had been fully depreciated. The amounts relating to joint ventures were scantly material, the detail being as follows:

	Gross Cost
Buildings	9,321
Plant and machinery	159,939
Other fixtures, tools and furniture	25,256
Other items of property, plant and equipment	3,126
	197,642

At 2008 year-end 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 2008.

The Company takes out insurance policies to cover the possible risks to which its property, plant and equipment are subject. At the end of 2008 the Company considered that the property, plant and equipment were fully insured against these risks.

07. Investment property

The balance of “Investment Property” relates to the Torre Picasso (Madrid) building which has a gross lettable area (GLA) of 90,000 square metres comprising mainly offices.

The occupancy level in 2008 was 99%. 2.1% of the GLA is occupied by the Company.

The rental income from the investment property owned by the Company amounted to EUR 32,790 thousand in 2008 and the operating expenses of all kinds relating thereto totalled EUR 15,156 thousand.

At the end of 2008 there were no restrictions on the performance of new investments in investment property, on the collection of rental income therefrom or in connection with the proceeds to be obtained from a possible disposal.

At the end of 2008 the Company did not have any firm commitments to purchase or invest in property. Also, at 31 December 2008, there were no contractual obligations relating to repairs, maintenance or improvements except for those required for normal business activities.

08. Leases

a) Finance leases

The Company, as lessor, has recognised assets leased under leases with a maximum term of two years with prepaid lease payments. Consequently, the present value of the payments does not differ significantly from their nominal value.

At 31 December 2008, the property, plant and equipment held under finance leases were as follows:

Thousands of Euros	Total
Cost of the asset	148,251
Value of purchase option	1,460
Term of lease (years)	2
Lease payments in 2008	72,342
Prior years' lease payments	47,497
Lease payments outstanding	30,594

b) Operating leases

At 2008 year-end, the Company did not have material obligations relating to minimum operating lease payments except for the leases of the head offices in Madrid and Barcelona, amounting to EUR 1,889 thousand and maturing in 2009, automatically renewable each year.

As a lessor the Company had contracted with tenants lease payments of EUR 86,201 thousand, based on the leases currently in force, without taking into account future contractual lease payment revisions, relating in full to the operation of the Torre Picasso building and maturing as follows:

	Nominal Value
Within one year	25,973
Between one and five years	58,840
After five years	1,388
	86,201

09. Non-current and current financial assets

a) Non-current financial assets

The detail of "Non-Current Financial Assets" at the end of 2008 is as follows:

	Equity Instruments	Loans to Third Parties	Derivatives	Other	Total
Loans and receivables	-	20,271	-	6,660	26,931
Available-for-sale financial assets	7,328	13,799	-	-	21,127
Derivatives (Note 12)	-	-	7,409	-	7,409
	7,328	**34,070**	**7,409**	**6,660**	**55,467**

The detail, by maturity, of the loans and receivables is as follows:

	2010	2011	2012	2013	2014 and Subsequent Years	Total
Loans and receivables	2,181	900	938	979	21,933	26,931

Loans and receivables

"Loans and Receivables" relates mainly to the amounts contributed by joint ventures in respect of amounts receivable from the public authorities for services provided.

Available-for-sale financial assets

The detail at 31 December 2008 is as follows:

	Effective Percentage of Ownership	Fair Value
Artscapital Investment, S.A.	10.83%	-
Shopnet Brokers, S.A.	15.54%	-
Vertederos de Residuos, S.A.	16.03%	7,050
Xfera Móviles, S.A.	3.44%	13,799
Other		278
		21,127

The Company estimates the fair value of the investment in Xfera Móviles, S.A. at EUR 13,799, which means that the full amount of the investment of EUR 20,373 thousand and EUR 3,641 thousand of the participating loan of EUR 17,440 thousand have become impaired.

Also, at 31 December 2008, the Company had provided Xfera Móviles, S.A. with guarantees totalling EUR 8,014 thousand. 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 in fair value

The changes arising from impairment losses recognised in 2008 were as follows:

	Accumulated Impairment Losses at Beginning of Year	Value Recovered	Accumulated Impairment Losses
Available-for-sale financial assets	(27,413)	-	(27,413)
Loans and receivables	(5,541)	1,900	(3,641)
	(32,954)	**1,900**	**(31,054)**

Fair value disclosures

At the end of 2008 the fair value of the loans to third parties approximated their carrying amount.

b) Current financial assets

The balance of "Current Financial Assets" at the end of 2008 is as follows:

	Loans to Third Parties	Other	Total
Held-to-maturity investments	-	4,875	4,875
Loans and receivables	6,159	61,807	67,966
	6,159	**66,682**	**72,841**

In 2008 the Company did not recognise any impairment losses on current financial assets.

c) 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. The main financial risks affecting the Company are as follows:

Qualitative information

a) Credit risk:

The Group does not have any significant credit risk exposure, since it places cash and arranges derivatives with highly solvent entities.

b) Liquidity risk:

The Group implements a prudent liquidity risk policy, maintaining sufficient cash and marketable securities, and arranging committed credit facilities of an amount sufficient to meet foreseeable needs.

c) Market risk:

At year-end cash flow swaps maturing in 2009 and 2013 had been arranged to hedge fluctuations in the interest rates on loans relating to the financing obtained to acquire Waste Recycling Group (see Notes 12 and 15). The estimated present value of the payment obligation at 2008 year-end amounted to EUR 41,613 thousand, of which EUR 13,927 thousand are hedging the tranche financed in sterling (see Note 12).

Both the Company's cash and its bank borrowings are exposed to interest rate risk, which could have an adverse effect on financial profit or loss and cash flows. The application of the Group's financing policy has resulted in 23.57% of its debt being tied at all times to fixed interest rates.

The foreign currency risk is concentrated mainly on the aforementioned loan relating to the financing of Azincourt Investment, S.L., Sole-Shareholder Company, a portion of which is denominated in sterling. In order to mitigate this risk the Company arranges financial instruments in that same currency (see Note 12).

Quantitative information

a) Credit risk: the Company does not have credit insurance to secure the risks of accounts receivable.

b) Interest rate risk:

	2008
Percentage of net financial debt tied to fixed rates	23.57 %

c) Foreign currency risk:

At 2008 year-end the Company had granted loans amounting to EUR 28,740 thousand in currencies other than the euro.

10. Investments in and payables to Group companies and associates

a) Non-current investments in Group companies and associates

At 31 December 2008, the detail of "Non-Current Investments in Group Companies and Associates" is as follows:

	Cost	Accumulated Impairment Losses	Impairment Loss Recognised in the Year
Equity instruments of Group companies	1,223,560	(10,138)	3,698
Equity instruments of associates	201,874	(79,242)	1,651
Loans to Group companies	1,282,076	-	-
Loans to associates	5,962	-	-
	2,713,472	**(89,380)**	**5,349**

The changes in the line items in the foregoing table are as follows:

	Balance at 01/01/08	Additions or Charge for the Year	Disposals or Reversals	Transfers	Balance at 31/12/08
Equity instruments of Group companies	1,434,389	13,663	(156,855)	(67,637)	1,223,560
Equity instruments of associates	134,237	-	-	67,637	201,874
Loans to Group companies	1,325,667	30,336	-	(73,927)	1,282,076
Loans to associates	4,479	2,776	(1,310)	17	5,962
Impairment losses	(94,729)	-	5,349	-	(89,380)
	2,804,043	**46,775**	**(152,816)**	**(73,910)**	**2,624,092**

The most noteworthy acquisitions were as follows:

- Incorporation of FCC Energía (99.99% owned by the Company) with an investment of EUR 4,000 thousand) of which 25% of the capital had been disbursed. The company is the head of the FCC Group's Energy Division and it engages in the following fields: combined heat and power, energy efficiency, renewable energies and the application of new technologies for the re-use of waste.
- Formation of Dédalo Patrimonial S.L., wholly-owned by the Company, with an investment of EUR 61 thousand. The only activity of this company is the effective ownership of all the shares of Hydrocarbon Recovery Services and International Petroleum Delaware amounting to EUR 144 million. These two companies are domiciled in the US and specialise in the treatment and recovery of industrial oils and other ancillary oil industry services.
- Incorporation of Ecoparque Mancomunidad del Este, S.A., 99% owned by the Company, on 23 June 2008 with an investment of EUR 16,803 thousand. 25% of the capital has not yet been paid. This company operates a new recycling and waste management centre for the joint local authority of the east of the Autonomous Community of Madrid.

The disposals under "Equity Instruments of Group Companies" relate in full to the sale of the ownership interest in Grucycsa, S.A. to the Group company AFIGESA, giving rise to a gain of approximately EUR 36 million (see Note 18).

The following should be noted in relation to Realia Business Holding, S.L. (owned 50% each by FCC and Caja Madrid), holder of 51% of Realia Business, S.A., a real estate company listed in Spain (the Realia Business Group):

- In 2007 the FCC Group obtained control over and the power to govern the financial and operating policies of the Realia Business Group, which was therefore fully consolidated in the consolidated financial statements of the FCC Group. Control over Realia was obtained through the execution of various agreements with Caja Madrid, the other reference shareholder of Realia Business, S.A. and was based on the reinforcement of the commitment of the FCC Group and Caja Madrid to growth, strengthening and increasing the value for shareholders of Realia Business through the acquisition of assets and companies, thereby making Realia Business a leader in its market.
- However, the drop in demand, excess supply and the international financial crisis have had a highly adverse effect on the real estate market, leading the original growth policies - which originally made the acquisition of control over the Realia Group by the FCC Group, as an industrial partner, attractive – to be rethought, and now priority is being given to

the financial management of the Realia Group against the backdrop of the crisis in the industry. In this context, on 31 December 2008, the FCC Group and Caja Madrid signed a modifying novation of the shareholder agreement of 8 May 2007 whereby it was agreed to return to joint management of the company with the collective participation of the FCC Group and Caja Madrid in the governing and managing bodies and in the taking of decisions relating to the management of the Realia Business Group. Consequently, Realia Business, S.A. has changed from being a Group company to being considered a jointly controlled entity.

— At 31 December 2008, Fomento de Construcciones y Contratas S.A., together with Afigesa, held a direct ownership interest of 2.2% in Realia Business, S.A. through various Group companies.

— In addition, on 29 December 2008, the Company, through the subsidiary Asesoría Financiera y de Gestión, S.A. (AFIGESA), signed a securities loan with a bank for 6,400,000 shares of Realia Business, S.A., representing 2.3% of the share capital. The maturity of the loan may be determined by either of the parties or is otherwise established at 364 days. The associated value of the loan, secured by the shares, is EUR 10.6 million (EUR 1.8 per share) and also includes the obligation for the Company to pay the bank any cash distributed by Realia Business, S.A. The Company retains the voting rights and title to the shares during the term of the loan. The fee for the loan is 8% per annum (with a minimum of 30 days).

The detail, by company, of the investments in Group companies and associates is 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, profit or loss, dividends received, whether or not it is listed and the carrying amount of the ownership interest.

The most noteworthy balances under "Non-Current Investments in Group Companies and Associates – Loans to Companies" are as follows:

Azincourt Investment, S.L., Sole-Shareholder Company	1,081,187
FCC Versia, S.A.	140,000
Dédalo Patrimonial, S.L.U.	28,740
Enviropower Investments, Ltd.	17,380
ASA Abfall Services AG	14,000
Other	769
	1,282,076

This heading included most notably the participating loan of EUR 1,081,187 thousand granted to Azincourt Investment, S.L., Sole-Shareholder Company, 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 (see Notes 12 and 15). 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 33,015 thousand 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.

The other loans relate to amounts granted to Group companies that mature in more than one year and earn interest at market rates.

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.

The most noteworthy balances under "Current Investments in Group Companies and Associates – Loans to Companies" relating to working capital requirements are as follows:

FCC Construcción, S.A.	855,323
Azincourt Investment, S.L., Sole-Shareholder Company	149,166
Giza Environmental Services, S.A.E.	18,425
Aqualia Gestión Integral del Agua, S.A.	175,857
FCC Energía, S.A.	32,793
Other	30,799
	1,262,363

These loans mature annually and earn interest at market rates.

c) 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:

FCC Finance, B.V.	53,650
Azincourt Investment, S.L., Sole-Shareholder Company	104,978
Corporación Financiera Hispánica, S.A.	187,794
Asesoría Financiera y de Gestión, S.A. (AFIGESA)	203,177
Other	101,463
	651,062

11. Trade receivables for sales and services

The breakdown of "Trade Receivables for Sales and Services" in the accompanying balance sheet, which relates mainly to the amounts receivable for Company services, is as follows:

Production billed not yet collected	498,008
Unbilled production	94,236
Trade receivables for sales and services	592,244
Customer advances	(33,464)
Total trade receivables, net	**558,780**

EUR 87,895 thousand of the net trade receivables relate to joint ventures.

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 120,336 thousand. These transactions bear interest at market rates and the factor assumes the risk of insolvency and late payment (from a certain period onwards) of the debtor. Fomento de Construcciones y Contratas, S.A. continues to manage collection.

12. Derivative financial instruments

the Company uses derivative financial instruments to hedge the risks to which its business activities, operations and future cash flows are exposed.

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

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

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

The Company met the requirements regarding measurement bases in order for the financial instruments detailed below to qualify for hedge accounting. Specifically, these instruments were formally designated as hedges and the hedges were assessed as being effective:

— 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 Company arranged cash-flow hedges within the framework of these transactions, the detail being as follows:

					Fair Value	
Classification	**Type of Derivative**	**Amount Arranged**	**Maturity**	**Ineffective Portion Recognised in Profit or Loss**	**Assets**	**Liabilities**
Cash flow hedge	IRS	171,218	30/12/13	-	-	13,927
Cash flow hedge	IRS	17,231	30/12/13	-	-	715
Cash flow hedge	IRS	144,310	30/12/13	-	-	6,942
Cash flow hedge	IRS	219,695	30/12/13	-	-	11,230
Cash flow hedge	IRS	122,771	30/12/13	-	-	5,833
Cash flow hedge	Basis swap	100,000	30/06/09	-	-	584
Cash flow hedge	Basis swap	100,000	30/06/09	-	-	540
Cash flow hedge	Basis swap	4,007	30/06/09	-	-	22
Cash flow hedge	Basis swap	100,000	30/06/09	-	-	776
Cash flow hedge	Basis swap	200,000	30/06/09	-	-	1,044
Cash flow hedge	Call option	61,596	30/09/13	-	3,011	-
Total		**1,240,828**		**-**	**3,011**	**41,613**

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 Company and the entities financing it.

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

The detail, by maturity, of the notional amount of the hedging transactions arranged at 31 December 2008 is as follows:

	Notional Maturity				
	2009	**2010**	**2011**	**2012**	**2013 and Subsequent Years**
IRSs	73,377	73,377	73,377	73,377	381,718
Basis swaps	504,007	-	-	-	-
Call options	-	-	-	-	61,595
	577,384	**73,377**	**73,377**	**73,377**	**443,313**

At the end of 2008 the Company had not arranged any fair value hedges or hedges of a net investment in a foreign operation.

Effectiveness tests on derivatives

Effectiveness tests are adapted to the type of hedge and the nature of the instruments used.

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

In the case of IRSs, in which the Company 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 to be fully effective when it achieves a reduction of at least 80% in the original variance of flows, i.e. when the instrument used reduces the variability of the flows by 80% or more. If this is not the case, the derivative is classified as speculative and its changes in value are recognised in profit or loss.

For cash flow hedges in which the derivative hedging instrument is not an IRS but an 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.

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.

Derivatives that do not qualify for hedge accounting

Although certain hedging derivatives are recognised as speculative, this is only for accounting purposes since for financial and management purposes all the hedges arranged by the Company have, at inception, an underlying financing 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 not classified as hedges are recognised in profit or loss.

This heading therefore includes the financial derivatives arranged by the Company to serve as hedges but which do not qualify for hedge accounting under the standard for measuring financial instruments because they do not pass the effectiveness tests prescribed therein. The changes in the fair value of these derivatives are recognised in profit or loss for the year.

At 2008 year-end, the impact of the changes in value of financial instruments that do not qualify for hedge accounting, relating mainly to transactions linked to the share option plan detailed below, amounted to EUR 19,602 thousand.

In order to hedge the risk of an increase in the Company's share price within the framework of the share option plan, in 2008 the Parent arranged an equity swap with BBVA. On 8 December 2008, the swap was replaced at the same bank by a call option, a put option and an interest rate/dividend swap with the same exercise price of EUR 34.22 and the same nominal amount of 1.8 million shares and maturing in October 2013. In both options the Company receives the dividend on the shares and pays interest at 1-month Euribor plus a spread of 0.90%. Finance costs of EUR 16,596 thousand (see Note 14) were recognised under "Change in Fair Value of Financial Instruments" relating to the settlement of the equity swap for the fair value thereof at the time of cancellation.

The Company measures and calculates the effectiveness of the call option separately from the other components (put option and interest rate/dividend swap). The call option is considered to be a cash flow hedge of the share option plan and, since it is effective, the changes in value are recognised in equity at each reporting date until the hedged item affects profit or loss. At 31 December 2008, the cumulative amount recognised in equity as a result of the change in value of the call option since designation was EUR 3,011 thousand. In 2008 no amounts were transferred from equity to profit or loss.

The put option and the interest-rate swap were not designated as hedges and, therefore, the changes in value are recognised directly in profit or loss for the year.

					Fair Value	
Classification	Type of Derivative	Amount Arranged	Maturity	Ineffective Portion Recognised in Profit or Loss	Assets	Liabilities
Speculative	Put option	61,596	30/09/13	-	-	27,368
Speculative	Swap	61,596	30/09/13	-	4,398	-
Total					**4,398**	**27,368**

Analysis of sensitivity to the interest rate

The changes in the fair value of the interest rate derivatives arranged by the Group depend on the changes in the Euribor interest rate curve and long-term swaps. The fair value of these derivatives at 31 December 2008 was a negative amount of EUR 41,613 thousand.

Following is a detail of the analysis of the sensitivity (changes in fair value at 31 December 2008) of the fair values of the derivatives recognised in equity (hedges) to changes in the euro interest rate curve:

Sensitivity (in euros)	31/12/08
+1% (increase in interest rates)	23,800
-1% (decrease in interest rates)	(23,950)

The sensitivity analysis shows that the negative fair value of interest rate derivatives drops (becoming positive) when interest rates rise since future interest rates would be higher than those set with the IRS and, therefore, the Company would be protected against interest rate rises. The negative fair value of the derivatives would increase if the interest rate dropped.

Since the derivatives are designated as hedges and are highly effective both prospectively and retrospectively, the change in fair value would be recognised in full in equity.

The Company also performed a sensitivity analysis for the amounts of financial debt at floating interest rates and concluded that a 1% increase in interest rates would lead to fluctuations of approximately EUR 23,100 thousand in the borrowing costs.

13. Equity

a) Share capital

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

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

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

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

The aforementioned company, B-1998, S.L., in which Esther Koplowitz Romero de Juseu, Simante, S.L., Larranza XXI, S.L. and Eurocis, S.A. have direct or indirect ownership interests of 83.927%, 5.726%, 5.339% and 5.008%, respectively, has certain obligations to its shareholders which are recorded and published by the Spanish National Securities Market Commission (CNMV) and in the FCC Group's Corporate Governance Report.

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

At the Annual General Meeting of 18 June 2008, the shareholders resolved to reduce the Company's capital through the retirement of 3,264,187 treasury shares. The impact on the share capital was equivalent to the par value of the shares, i.e. EUR 3,264 thousand, and the total negative effect on equity amounted to EUR 114,690 thousand.

b) Share premium

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

c) Legal reserve

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

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

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

At 31 December 2008, the legal reserve had reached the stipulated level.

d) Restricted reserves

The Company's reserves include an amount equal to the par value of the treasury shares retired in 2002 and 2008 with a charge to unrestricted reserves, in accordance with Article 167.3 of the Spanish Companies Law. 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 shares

Through the subsidiary Asesoría Financiera y de Gestión, S.A. (AFIGESA), the Company holds 2,682,260 treasury shares of EUR 1 par value each, representing 2.1% of its share capital, with a carrying amount at AFIGESA of EUR 60,142 thousand. At 31 December 2008, the Company did not hold any treasury shares directly.

In 2008 2,888,201 shares were acquired from Group companies which, together with the 375,986 treasury shares held by Company at the beginning of the year, were retired (see Note 13-a).

f) Grants

The accompanying balance sheet at 31 December 2008 includes grants received in the past amounting to EUR 7,939 thousand, after considering the related tax effect, of which EUR 5,078 thousand were taken to income, of which EUR 386 thousand relate to 2008. The above amount relates mainly to grants received by the joint ventures through which the Company jointly performs contracts.

14. Long-term provisions and other obligations

The changes in 2008 were as follows:

	Balance at 01/01/08	Additions	Amounts Used	Reversals	Transfers	Balance at 31/12/08
Share-based payments	-	733	-	-	-	733
Litigation	73,776	3,600	(3,512)	-	173	74,037
Warranties and obligations	31,882	11,010	(2,218)	-	-	40,674
Other contingencies	121,872	3,005	-	(32,602)	(173)	92,102
	227,530	**18,348**	**(5,730)**	**(32,602)**	**-**	**207,546**

"Additions" includes EUR 3,727 thousand related to the interest cost and the effect of the discount rate used to estimate long-term provisions.

Noteworthy among the other changes is the reversal of EUR 32,602 thousand resulting from the updating of the estimated cash outflows that might arise for the Company in the fulfilment of its current obligations.

Share-based payments

On 29 July 2008, the Parent's Board of Directors resolved to establish a remuneration system linked to the value of the Company's shares for executives and Board members who discharge executive functions. The key features of this system are as follows:

— Commencement date: 1 October 2008.

— Exercise period: from 1 October 2011 to 1 October 2013.

— Number of shares: 1,800,000 shares, of which 700,000 correspond to executive directors and senior executives (12 persons) and the remaining 1,100,000 to other executives (43 persons).

— Participants must use, for the acquisition of FCC shares, an amount at least equal to the difference between the average price of the Fomento de Construcciones y Contratas, S.A. share, net of fees, expenses and taxes, on the day that the option is exercised and the exercise price of the option.

— The option exercise price is EUR 34.22 per share.

Exercise of the options is conditional upon the participants continuing to provide services to the Company or to any Group company at the exercise date and on their having done so continuously throughout the term of the plan or since they became participants. Entitlement to exercise the options shall not be forfeited in the following situations:

— Death or certified incapacity of the participant.

— Retirement of the participant, at least one year after 1 October 2008, provided that the participant is at least 65 years of age on retirement.

— Termination of the employment relationship due to dismissal for objective reasons, for reasons attributable to the Parent or by mutual agreement.

— Termination of the employment relationship due to a dismissal considered by the courts to be improper.

With respect to the share-based employee remuneration plan, the Parent recognises the services received as staff costs as accrued, and also recognises the corresponding liability for the remuneration outstanding since the plan is settled only in cash.

The liability was measured at 2008 year-end on the basis of the fair value thereof at the date on which it qualified for recognition. At 31 December 2008, EUR 733 thousand 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 5,171 thousand.

In order to hedge the risk of an increase in the Company's share price within the framework of the share option plan, in 2008 the Parent arranged an equity swap with BBVA. On 8 December 2008, the swap was replaced at the same bank by a call option, a put option and an interest rate/dividend swap with the same exercise price of EUR 34.22 and the same nominal amount of 1.8 million shares and maturing in October 2013. In both options the Company receives the dividend on the shares and pays interest at 1-month Euribor plus a spread of 0.90%. Finance costs of EUR 16,596 thousand were recognised under "Change in Fair Value of Financial Instruments" relating to the settlement of the equity swap for the fair value thereof at the time of cancellation.

The Company measures and calculates the effectiveness of the call option separately from the other components (put option and interest rate/dividend swap). The call option is considered to be a cash flow hedge of the share option plan and, since it is effective, the changes in value are recognised in equity at each reporting date until the hedged item affects profit or loss. At 31 December 2008, the cumulative amount recognised in equity as a result of the change in value of the call option since designation was EUR 3,011 thousand. In 2008 no amounts were transferred from equity to profit or loss. The value of the call option was determined by using a binomial model based on the following assumptions:

— Volatility: in the absence of market data for the period under consideration, the historical volatility at the measurement date was calculated taking into account Bloomberg's data for 400 market days. The volatility used was 35.89%.

— Risk-free interest rate: this was estimated on the basis of the monetary curve (deposits) for the short term and the interest-rate swap curve for longer terms;

— Dividends: a dividend of EUR 1.2 was considered for 2009 and of EUR 1.25 for years until 2015;

— The spot price of the Company's share used as a reference for the measurement was EUR 31.90 per share.

The put option and the cash-flow swap were not designated as hedges and, therefore, the changes in value are recognised directly in profit or loss for the year Since the exercise of the written put option is conditional upon by the exercise of the call option, it is measured on a cashless-for-cash basis, on the premise that the sum of the three instruments could be measured as the difference between the exercise price of the options and the spot price at the measurement date. Consequently, the value of the put option subject to the exercise of the call option is estimated on the basis of the measurement of the hypothetical equity swap made up by the three instruments.

					Fair Value	
Classification	Type of Derivative	Amount Arranged	Maturity	Ineffective Portion Recognised in Profit or Loss	Assets	Liabilities
Speculative	Put option	61,596	30/09/13	-	-	27,368
Speculative	Swap	61,596	30/09/13	-	4,398	-
Total					**4,398**	**27,368**

15. Payables (non-current and current)

The balance of "Non-Current Payables" and "Current Payables" at the end of 2008 is as follows:

	Non-Current	Current
Bank borrowings	2,789,700	114,552
Limited recourse borrowings	427	2,701
Unlimited recourse borrowings	2,789,273	111,851
Obligations under finance leases	3,479	27,115
Other financial liabilities	6,847	151,478
Derivatives (Note 12)	68,981	-
	2,869,007	**293,145**

The detail, by maturity, of "Non-Current Payables" is as follows:

	Maturity				
	2010	2011	2012	2013	2014 and Subsequent Years
Limited recourse borrowings	427	-	-	-	-
Unlimited recourse borrowings	95,039	1,460,854	760,192	473,188	-
Obligations under finance leases and other financial liabilities	5,006	1,232	278	1,444	2,366
Derivatives	2,966	-	-	66,015	-
	103,438	**1,462,086**	**760,470**	**540,647**	**2,366**

a) Bank borrowings

The limited recourse project financing loans relate to the amounts payable in connection with the investments made by the Ute Aqualia-FCC-Vigo joint venture which engages in the provision of water supplies in Vigo.

The main features of these borrowings are as follows: the interest rate on the amount outstanding is Euribor plus a spread based on market rates; repayment is in half-yearly instalments ending in 2010; the repayments are being made using the joint venture's revenue from operating the service and, if the contract terms and conditions are met, there is no other liability for the venturers if the funds obtained during the term of the loan do not cover the full amount of the principal plus interest.

The detail of bank borrowings is disclosed later in this Note in the section on financing facilities.

Accounts payable are recognised at amortised cost at the balance sheet date, which does not differ significantly from the fair value thereof.

Financing lines:

The Company has long- and short-term credit facilities related to its bank borrowings with a limit of EUR 3,817 thousand, against which EUR 927 thousand had not been drawn down at 31 December 2008.

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 2008 was 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. "Non-Current Payables – Bank Borrowings" in the accompanying balance sheet includes EUR 796,393 thousand relating to this syndicated financing.

— 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 668,442 thousand of the tranche in euros (EUR 592,784 thousand at long term and the remainder at short term) and GBP 163,080 thousand of the tranche in sterling (which at the year-end euro/GBP exchange rate totalled EUR 169,767 thousand, EUR 151,151 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 determined 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 (see Note 12).

Also, due to fluctuations in the euro/sterling exchange rate, the loan in sterling gave rise to exchange gains in the year of EUR 54,382 thousand, which were recognised as finance income in the accompanying income statement.

— Syndicated credit facility totalling EUR 1,225 million arranged by the Company on 8 May 2008. The facility is divided into two tranches: a long-term loan of EUR 735,000 thousand and a long-term credit facility amounting to EUR 490,000 thousand. The term of the loan is three years (extendable for a further two years), the same period as that projected for the "2008-2010 Strategic Plan". The loan has a single maturity, 8 May 2011, and bears interest at Euribor plus a spread established on the basis of the FCC Group's debt/equity ratio per its financial statements for each year.

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

The agreement consists of three tranches:

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

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

b) Other current financial liabilities

"Other Current Financial Liabilities" includes mainly the interim dividend out of 2008 profit, which amounted to EUR 99,933 thousand, as indicated in Note 3.

16. Deferred taxes and tax matters

a) tax receivables and payables

The detail of the tax receivables and payables is as follows:

a.1) Tax receivables

Tax receivables:	Current	Non-Current
Deferred tax assets	-	63,342
Other tax receivables	-	-
- Tax refunds receivable	35,121	-
- VAT refundable	5,076	-
- Other	1,983	-
	42,180	**63,342**

"Deferred Tax Assets" relates mainly to the deferral of the tax losses contributed by the joint ventures which are included in taxable profit after one year, once they are deemed to be definitive.

The deferred tax assets were recognised because the Company's directors considered that, based on their best estimate of the Company's future earnings, it is probable that these assets will be recovered.

a.2) Tax payables

Tax payables:	Current	Non-Current
Deferred tax liabilities	-	57,747
Other tax payables	44,407	-
- Tax withholdings	10,094	-
- VAT and other indirect taxes payable	11,700	-
- Accrued social security taxes payable	18,632	-
- Other	3,981	-
	44,407	**57,747**

"Deferred Tax Liabilities" includes mainly the tax effect relating to 30% of the accelerated depreciation of the Torre Picasso building, which qualifies for the tax incentives provided for in Royal Decree-Law 2/1985 amounting to EUR 9,795 thousand. This deferred tax liability will reverse at the rate of EUR 178 thousand per year, calculated on the basis of the useful lives of the related assets.

b) Reconciliation of the accounting profit to the taxable profit

The reconciliation of the accounting profit to the taxable profit for income tax purposes is as follows:

Accounting profit for the year before tax			377,812
	Increase	Decrease	
Permanent differences	3,224	(1,798)	1,426
Adjusted accounting profit			379,238
Temporary differences			
- Arising in the year	7,581	(23,082)	(15,501)
- Arising in prior years	25,686	(57,065)	(31,379)
Taxable profit			**332,358**

The temporary differences arose mainly as a result of the following:

- The increases include most notably the provisions and expenses recognised for accounting purposes that will be tax deductible in subsequent years.
- The decreases include the profits of joint ventures, which will be included in the tax base for income tax purposes of the following year, the deferral of the depreciation charge relating to the non-current assets held under leases and expenses recognised in prior years which became tax deductible in 2008, since the requirements established by current legislation had been met.

The changes in 2008 in the current and non-current deferred tax assets and liabilities were as follows:

	Deferred Tax Assets	Deferred Tax Liabilities
Taxable timing differences		
Balance at 01/01/08	67,729	57,457
Arising in the year	2,274	6,924
Arising in prior years	(17,120)	(7,706)
Other adjustments	(2,023)	87
Balance at 31/12/08	50,860	56,762
Temporary differences		
Balance at 01/01/08	1,254	1,085
Arising in the year	11,228	(100)
Arising in prior years	-	-
Balance at 31/12/08	12,482	985
	63,342	**57,747**

c) Tax recognised in equity

The only tax recognised in equity in 2008 relates to the change in value of the Group's hedging instruments, amounting to EUR 10,459 thousand.

d) Reconciliation of accounting profit to the income tax expense

The reconciliation of the accounting profit to the income tax expense is as follows:

Adjusted accounting profit	379,238
Income tax charge (30%)	113,771
Tax credit for intra-Group double taxation	(76,010)
Reinvestment tax credit	(38)
Other tax credits and tax relief	(2,519)
Other adjustments	(298)
Income tax expense	**34,906**

The income tax expense relates in full to continuing operations.

In 2007 the reinvestment tax credit for the extraordinary profit arising from the sale of 17.04% of the portfolio of Realia Business, S.A. was deducted. The tax credit was applied to income totalling EUR 203,478 thousand. The reinvestment will be made in 2006-2009 in assets included among those provided for in Article 42 of Royal Decree-Law 4/2004, which will be held for the legally stipulated time periods. At 31 December 2008, there were no reinvestments outstanding in this connection.

e) Tax loss and tax credit carryforwards

At year-end the Company did not have any tax loss or tax credit carryforwards.

f) Years open for review and tax audits

Fomento de Construcciones y Contratas, S.A. has all the years not yet statute-barred open for review by the tax authorities for the taxes applicable to it. 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 that have been reviewed, in certain cases the criteria applied by the tax authorities gave rise to tax assessments, which are currently being appealed by the Company. However, the Company's directors consider that any resulting liabilities would not significantly affect the Company's equity.

g) Other tax disclosures

Under authorisation 18/89, Fomento de Construcciones y Contratas, S.A. files consolidated income tax returns with all the other Group companies that meet the requirements established by tax legislation.

17. Guarantee commitments to third parties and other contingent liabilities

At 31 December 2008, Fomento de Construcciones y Contratas, S.A. had provided guarantees amounting to EUR 379,497 thousand to government agencies and private-sector customers, mainly as performance bonds for services provided under urban cleaning contracts.

The Company had also provided guarantees to third parties for certain Group companies amounting to EUR 288,711 thousand.

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 14 and 4-j).Accordingly, any resulting liabilities would not have a significant effect on the Company's equity.

18. Income and expenses

a) Revenue

Substantially all the revenue relates to services provided in Spain, of which EUR 161,684 thousand relate to contracts performed through joint ventures.

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 25,911 thousand and EUR 6,878 thousand, respectively.

With respect to transactions with Group companies and associates, in 2008 Fomento de Construcciones y Contratas, S.A. performed work and provided services totalling EUR 98,057 thousand, which included most notably EUR 45,557 thousand billed for management and administration support services and the licence to use the FCC trade name sold to FCC Construcción, S.A., a wholly-owned subsidiary of the Company, which is recognised in the accompanying income statement. The Company also purchased EUR 30,264 thousand of services and consumables from the aforementioned companies.

b) Employees

The average number of employees at the Company in 2008 was as follows:

Managers and university graduates	363
Other qualified line personnel	285
Clerical and similar staff	848
Other salaried employees	24,562
	26,058

At 31 December 2008, the number of employees, directors and senior executives of the Company, by gender, was as follows:

	Men	Women	Total
Directors	16	5	21
Senior executives	12	-	12
Managers and university graduates	277	89	366
Other qualified line personnel	243	47	290
Clerical and similar staff	414	429	843
Other salaried employees	18,208	6,079	24,287
	19,170	**6,649**	**25,819**

"Staff Costs" includes EUR 733 thousand relating to the share option plan (see Note 14).

c) Fees paid to auditors

"Outside Services" in the accompanying income statement includes the fees for financial audit services provided to the Company, amounting to EUR 248.8 thousand, which include EUR 87.4 thousand for services relating to the limited review of the interim financial information at 30 June 2008. This amount also includes the fees relating to other services billed by the auditor or by other entities related to the auditor, amounting to EUR 75 thousand.

19. Related party transactions and balances

a) Related party transactions

The detail of the transactions with related parties in 2008 is as follows:

	Other Group Companies	Joint Ventures	Associates
Services rendered	98,057	1	2,742
Services received	32,563	42	402
Dividends	206,742	6,795	2,590
Finance costs	18,725	319	-
Finance income	82,996	-	99

"Finance Income" relates to the income on the loans granted by the Company to subsidiaries (see Note 10), including most notably the loans to FCC Construcción, S.A., Azincourt Investment, S.L. and FCC Versia, S.A. amounting to EUR 27,753 thousand, EUR 33,015 thousand and EUR 7,087 thousand, respectively.

The main finance cost relates to Corporación Financiera Hispánica, S.A., totalling EUR 11,762 thousand.

b) Related party balances

The detail of the balances with related parties is as follows:

	Group Companies	Joint Ventures	Associates
Current financial assets (Note 10)	1,259,752	3,463	5,244
Non-current financial assets (Note 10)	2,495,515	107,937	20,640
Payables to Group companies (Note 10)	631,027	20,035	-
Trade receivables	71,311	2	4,567
Trade payables	20,575	87	332

The detail of the current receivables from and payables to Group companies and associates is as follows:

Company	Receivable	Payable
FCC Construcción, S.A.	23,788	2,580
Conservación y Sistemas, S.A.	6,204	-
Aqualia, S.A.	14,092	-
FCC Medio Ambiente, S.A.	8,234	1,321
Limpieza e Higiene de Cartagena, S.A.	2,995	-
FCC Ámbito, S.A.	3,833	-
FCC Versia, S.A.	-	1,229
Sistemas y Vehículos de Alta Tecnología, S.A.	-	1,609
Estacionamientos y Servicios, S.A.	-	4,162
Other	16,734	10,093
	75,880	**20,994**

c) Remuneration of directors and senior executives

The detail of the remuneration earned by the directors of Fomento de Construcciones y Contratas, S.A. and payable to them by the Company is as follows (in thousands of euros):

Fixed remuneration	4,189
Variable remuneration	289
Bylaw-stipulated directors' emoluments	2,059
	6,537

An insurance policy was taken out and a premium was paid to cover payments arising from contingencies relating to death, permanent disability benefits, retirement bonuses and other items in relation to certain directors of Fomento de Construcciones y Contratas, S.A. (see Note 4-n). In 2008 the beneficiaries received EUR 5,952 thousand under the insurance policy.

Except as indicated in the foregoing paragraphs, no other remuneration, advances, loans or guarantees have been granted to the directors and there are no pension or life insurance obligations to former or current directors.

d) Detail 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 object 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:

— The director Miguel Blesa de la Parra declared that he had engaged in activities, as an independent professional or as an employee, that are similar or complementary to the activities that constitute the company object of FCC., in his capacity as: Chairman of the Board of Directors of Corporación Financiera Caja de Madrid, S.A., which holds direct or indirect ownership interests in Realia Business, S.A., a company in which FCC, S.A. has a direct or indirect shareholding. Caja Madrid holds 20% of the shares of RB Business Holdings, Corporación Financiera Caja de Madrid, S.A. owns 30% and Fomento de Construcciones y Contratas, S.A. the remaining 50%. RB Business Holdings holds a 51% direct ownership interest in Realia Business, S.A.

The following directors stated that they are members of the Board of Directors of other listed companies:

Name or Company Name of Director	Group Company Name	Position
Miguel Blesa de la Parra	Iberia L.A.E., S.A.	Deputy Chairman
Miguel Blesa de la Parra	Mapfre, S.A.	Director
Manuel Menéndez López	Inmobiliaria Colonial, S.A.	Director
José María Sagardoy Llonis	Inmobiliaria Colonial, S.A.	Director

— The other directors of Fomento de Construcciones y Contratas, S.A. have declared that they do not engage in any activity, as independent professionals or as employees that is identical, similar or complementary to the activity that constitutes the Company's object.

— The other Board members of the Company 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.

— In 2008 the other directors of Fomento de Construcciones y Contratas, S.A., or persons acting on their behalf, did not perform, with the Company or with any company in the same Group, any transactions that were not part of the Company's normal business activities or that were not conducted on an arm's length basis.

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

Name Or Company Name Of Director	Group Company Name	Position
Cartera Deva, S.A.	Cementos Portland Valderrivas, S.A.	Director
EAC Inversiones Corporativas, S.L.	Cementos Portland Valderrivas, S.A.	Director
EAC Inversiones Corporativas, S.L.	FCC Construcción, S.A.	Director
EAC Inversiones Corporativas, S.L.	Global Vía Infraestructuras, S.A.	Director
Fernando Falcó Fernández de Córdova	FCC Construcción, S.A.	Director
Fernando Falcó Fernández de Córdova	Cementos Portland Valderrivas, S.A.	Director
Fernando Falcó Fernández de Córdova	Giant Cement Holding, Inc.	Director
Fernando Falcó Fernández de Córdova	Waste Recycling Group Limited	Director
Rafael Montes Sanchez	FCC Construcción, S.A.	Director
Rafael Montes Sanchez	Cementos Portland Valderrivas, S.A.	Director
Juan Castells Masana	Waste Recycling Group Limited	Director
Robert Peugeot	FCC Construcción, S.A.	Director
Robert Peugeot	Alpine Holding Gmbh	Supervisory Board
Robert Peugeot	Waste Recycling Group Limited	Director
Baldomero Falcones Jaquotot	FCC Energía, S.A.	Chairman
Felipe B. García Pérez	FCC Energía, S.A.	Secretary

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.

20. Information on the environment

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 2008, the acquisition cost of the non-current assets assigned to production in the Services area totalled EUR 842,175 thousand, with accumulated depreciation amounting to EUR 450,298 thousand.

Company management considers that any possible contingencies in relation to the protection and improvement of the environment at 31 December 2008 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, www.fcc.es, among other channels, and provides the reader with more representative information than that included in this Note.

21. Events after the balance sheet date

On 8 January 2008, the Company executed the agreement reached on 22 August 2008 with Babcock & Brown Wind Partners for the purchase of the entire wind farm portfolio held by the latter in Spain through the Olivento Group. The portfolio comprises 14 wind farms in Andalucía, Galicia, Aragón, Castilla y León and Castilla - La Mancha with a total production capacity of 420.7 MW and an additional capacity of 45 MW currently under development, which is expected to come into service before 2012.

Other Olivento Group assets that were acquired include a 50% ownership interest in IM FUTURE, a company with a team of 50 highly experienced professionals in the field of wind farms.

The transaction amounted to EUR 780 million, of which EUR 190 million were paid in cash and the remaining EUR 590 million will be assumed as debt. The renewable energy subsidiary of the Australian company Babcock & Brown transferred 14 wind farms grouped under the Olivento Group to FCC Energía whereby, on acquiring 420.7 MW, FCC's new division became Spain's sixth-largest wind farm operator.

On 3 February 2009, the Parent's directors resolved to extend the Share Option Plan approved at the Board of Directors Meeting held on 29 July 2008 by adding a further 1,500,000 options in order to bring to 3,300,000 the number of options on FCC shares granted to executive directors and executives.

The resolution adopted by the Board granted 1,500,000 options on the following terms:

- Each option entitles the holder to receive on the exercise date the difference in cash between the market price of the FCC share at that time and the exercise price ("cashless for cash").
- Term of the plan: the term of the plan is five years from 6 February 2009.
- Exercise price: the exercise price, determined following the same procedure as that used in the first stage of the plan, amounts to EUR 24.71.
- Exercise period and conditions: the participants may exercise the options on one single occasion in the fourth and fifth years.

22. Explanation added for translation to english

These financial statements are presented on the basis of accounting principles generally accepted in Spain. Certain accounting practices applied by the Company that conform with generally accepted accounting principles in Spain may not conform with generally accepted accounting principles in other countries.

APPENDIX I - Group Companies

Company	Carrying Amount		% of Ownership	Dividends Received	Share Capital	Reserves	Other Equity Items	2008 Profit (Loss)	
	Assets	Impairment						Operating	Continuing Operations
AEBA, Ambiente y Ecología de Buenos Aires, S.A. Tucumán, 1321. 3ª. Buenos Aires. Argentina -Urban cleaning-	834	602	Direct 50.00 Indirect 2.50	500	1,000 (ARS)	872 (ARS)		446 (ARS)	355 (ARS)
Aqualia Gestión Integral del Agua, S.A. Federico Salmón, 13. Madrid -Water management-	254,768	-	Direct 99.99 Indirect 0.01	20,300	145,000	174,541	5,811	42,017	54,093
A.S.A. Abfall Service AG Hans-Hruschka-Gasse, 9. Himberg (Austria) -Urban cleaning-	226,784	-	Direct 99.98 Indirect 0.02	-	5,000	56,728		905	1,950
Asesoría Financiera y de Gestión, S.A. Federico Salmón, 13. Madrid -Financial services-	3,008	-	Direct 43.84 Indirect 56.16	-	6,843	474,895		1,175	(103,701)
FCC Global Insurance General Services, S.A. Pº de la Castellana, 111. Madrid	30	-	Direct 25 Indirect 75	-	120	2,760		5,653	4,433
Azincourt Investment, S.L., Sole-Shareholder Company Federico Salmón, 13. Madrid -Holding company-	3	3	100.00	-	3	(97,074)		41	(151,738)
Cementos Portland Valderrivas, S.A. Estella, 6. Pamplona -Cement-	175,953	-	Direct 58.76 Indirect 11.43	52,673	41,757	810,229	(10,415)	158,849	130,710
Compañía Auxiliar de Agencia y Mediación, S.A., Sole-Shareholder Company Federico Salmón, 13. Madrid -Holding company-	1,657	-	100.00	3	61	2,580		(2)	11,906
Compañía General de Servicios Empresariales, S.A., Sole-Shareholder Company Federico Salmón, 13. Madrid -Corporate vehicle-	60	-	100.00	2	60	17		(1)	2
Corporación Española de Servicios, S.A. Federico Salmón, 13. Madrid -Corporate vehicle-	44	-	Direct 99.99 Indirect 0.01		60	16		(1)	2
Corporación Financiera Hispánica, S.A. Federico Salmón, 13. Madrid -Holding company-	69,818	-	Direct 99.99 Indirect 0.01		58,393	342,376		255	8,330
Dédalo Patrimonial, S.L. (Sole-Shareholder Company) Federico Salmón, 13. Madrid -Holding company-	61		100.00		61			(2)	7,552
Ecoparque Mancomunidad del Este, S.A. Federico Salmón, 13. Madrid -Urban cleaning-	12,602	-	Direct 99.99 Indirect 0.01		12,604			(192)	(134)
Egypt Environmental Services SAE Cairo. Egypt -Urban cleaning-	7,760	1,967	Direct 97 Indirect 3	-	36,400 (EGP)	(6,812) (EGP)		16,064 (EGP)	16,385 (EGP)
Empresa Comarcal de Serveis Mediambientals del Baix Penedés ECOBP, S.L. Plaza del Centre, 3. El Vendrell (Tarragona) -Urban cleaning-	240	-	80.00	65	301	267		174	90
Empresa Municipal de Desarrollo Sostenible Ambiental de Úbeda, S.L. Pza. Vázquez Molina, s/n. Úbeda (Jaén) -Urban cleaning-	720	-	90.00	4	800	295		358	194

Company	Carrying Amount		% of Ownership	Dividends Received	Share Capital	Reserves	Other Equity Items	2008 Profit (Loss)	
	Assets	Impairment						Operating	Continuing Operations
Europea de Gestión, S.A., Sole-Shareholder Company Federico Salmón, 13. Madrid -Corporate vehicle-	63		100.00	4	60	220		(1)	2
FCC Construcción, S.A. Balmes, 36. Barcelona -Construction-	275,551		Direct 99.99 Indirect 0.01	121,212	130,000	155,743		218,930	165,778
FCC Construcciones y Contratas Internacional, S.L., Sole-Shareholder Company Federico Salmón, 13. Madrid -Corporate vehicle-	3		100.00		3				
FCC Energía, S.A. Federico Salmón, 13. Madrid -Energy-	1,000	-	Direct 99.99 Indirect 0.01		1,000	(32)		(1)	(750)
FCC Fomento de Obras y Construcciones, S.L., Sole-Shareholder Company Federico Salmón, 13. Madrid -Corporate vehicle-	3	-	100.00		3				
FCC Inmobiliaria Conycon, S.L., Sole-Shareholder Company Federico Salmón, 13. Madrid -Corporate vehicle-	3	-	100.00		3				
FCC International, B.V. Amsteldijk, 166. Amsterdam (Netherlands) -Holding company-	49,910		100.00	7,669	40,840			(41)	226
FCC Medio Ambiente, S.A. Federico Salmón, 13. Madrid -Urban cleaning-	35,102	-	Direct 98.98 Indirect 1.02	-	43,272	89,563		23,897	18,896
FCC Versia, S.A. Federico Salmón, 13. Madrid -Management company-	62,625	-	Direct 99.99 Indirect 0.01	3,900	40,337	72,930		3,597	(20,662)
FCC 1, S.L., Sole-Shareholder Company Federico Salmón, 13. Madrid -Corporate vehicle-	3	-	100.00		3				
F-C y C, S.L., Sole-Shareholder Company Federico Salmón, 13. Madrid -Corporate vehicle-	3	-	100.00		3				
Fedemés, S.L. Federico Salmón, 13. Madrid -Property development-	10,764	-	Direct 92.67 Indirect 7.33		10,301	15,208		897	594
Giza Environmental Services, S.A.E. Cairo. Egypt -Urban cleaning-	7,566	7,566	Direct 97.00 Indirect 3.00		35,500 (EGP)	(153,407) (EGP)		(1,170) (EGP)	(1,122) (EGP)
Limpiezas Urbanas de Mallorca, S.A. Fusters, 18. Manacor (Balearic Islands) -Urban cleaning-	5,097	-	Direct 99.92 Indirect 0.08		308	1,766		485	317
Per Gestora Inmobiliaria, S.L. Pza. Pablo Ruiz Picasso, s/n. Madrid -Property management and administration-	69	-	Direct 99.00 Indirect 1.00	8	60	51		(203)	(140)
Tratamientos y Recuperaciones Industriales, S.A. Angli, 31. Barcelona -Waste treatment-	21,455	-	Direct 74.92 Indirect 0.08	399	72	8,062		2,662	1,938
TOTAL	**1,223,559**	**10,138**		**206,739**					

NOTE

— Of the companies shown above, only Cementos Portland Valderrivas, S.A. is a listed company and its market price at the balance sheet date was EUR 24.70. The average market price in the last quarter of 2008 was EUR 26.96.

— As required by Article 86 of the Consolidated Spanish Companies Law, in 2008 the Company made the related notifications to the companies in which it had acquired direct or indirect holdings of over 10%.

APPENDIX II - Joint ventures

	% of Ownership
ABASTECIMIENTO VILLALÓN	20.00
AIGÜES DE LLEIDA	50.00
AGUAS TOMELLOSO	20.00
ALCANTARILLADO BILBAO	90.00
ALMEDA	51.00
AMPLIACIÓ LIXIVITATS	20.00
AMPLIACIÓN VERTEDERO GARDELEGUI	55.00
AMPLIACIÓN VERTEDERO PINTO	50.00
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
BILBOKO SANEAMENDU	50.00
BIOCOMPOST DE ÁLAVA	50.00
BOADILLA -	50.00
BOCAS DE RIEGO ZONA 4	50.00
BOMBEO VALMOJADO	20.00
CAMÍ SA VORERA	20.00
CAN BOSSA	20.00
CANA PUTXA	20.00
CANDAS	20.00
CANGAS	50.00
CASTELLAR DEL VALLÈS	50.00
CEMENTERIOS PERIFÉRICOS II	50.00
CHAPARRAL BAJO	20.00
CHAPARRAL BAJO FASE B	20.00
CHIPIONA	50.00
CIUTAT VELLA	50.00
CN III	45.00
COLEGIOS SANT QUIRZE	50.00
COMPLEJO DP. CABEZO DE TORRES	20.00
CONSERVACIÓN DE GALERÍAS	50.00
CONSERVACIÓN Y SISTEMAS	60.00
CONTADORES BURGOS	100.00
CTR-VALLES	20.00
CUENCA	20.00
CYCSA-EYSSA VIGO	50.00
DEIXALLERIA TARRAGONA	20.00
DEIXALLERIES	20.00
DEPÓSITO CABECERA	80.00
DEPURADORA HUESCA	80.00
DOS AGUAS	35.00
EDAR ALMANSA	5.00
EDAR ALMENDRALEJO	20.00
EDAR CUERVA	5.00
EDAR ELCHE	20.00
EDAR RANILLA	22.50
ENERGÍA SOLAR ONDA	25.00
ESPAI AMBIENTAL DEL VEDAT	100.00
F.L.F. LA PLANA	47.00
FANGOS IBIZA Y FORMENTERA	20.00
FANGOS VIC	20.00
FCC - ACISA - AUDING	45.00
FCC - ANPE	80.00

	% of Ownership
FCC - DISEL BARCELONA	80.00
FCC - DISEL N-VI	50.00
FCC - ERS LOS PALACIOS	50.00
FCC - FCCMA ALCOY	20.00
FCC - FCCMA COLMENAR VIEJO	20.00
FCC - FCCMA CORNELLÀ	90.00
FCC - FCCMA R.B.U. - L.V. JAVEA	20.00
FCC - FCCMA L.V. PAMPLONA	20.00
FCC - FCCMA OLESA	20.00
FCC - FCCMA RBU TUDELA	20.00
FCC - FCCMA S.U. DENIA	20.00
FCC - FCCMA SAN JAVIER	20.00
FCC - FCCMA SEGRIÀ	20.00
FCC - FIRA 2000	80.00
UTE FCC - FOCONSA	50.00
FCC - HIJOS DE MORENO, S.A.	50.00
FCC - HIMOSA	50.00
FCC - ICS	80.00
FCC - PALAFRUGELL	20.00
FCC - PROMECO 2000, S.L.	50.00
FCC - SUFI MAJADAHONDA	50.00
FCC - SUFI PESA	50.00
FCC - SYF PLAYAS	40.00
FCC - TEGNER	50.00
FCC - TPA PILAS	80.00
FCC - LUMSA	50.00
FCC - SECOPSA I	50.00
FCCSA - GIRSA	80.00
FUENTES XÀTIVA	50.00
GESTIÓ DE RUNES DEL PAPIOL	40.00
GESTIÓN INSTALACIÓN III	34.99
GESTIÓN PISCINA DE MULA	20.00
GIREF	20.00
GIRSA - FCC	20.00
GUADIANA	20.00
HÉROES DE ESPAÑA	50.00
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.J. SAN SEBASTIÁN	20.00
L.V. SAN SEBASTIÁN	20.00
LIMPIEZA Y RSU LEZO	55.00
LOGROÑO LIMPIO	50.00
LVR MUSKIZ II	70.00
M-110	50.00
MADRID I	50.00
MADRID II	50.00
MADRID III	50.00
MANACOR	30.00
MANCOMUNIDAD ALTO MIJARES	50.00

	% of Ownership
MANCOMUNIDAD DE ORBIGO	20.00
MANTENIMIENTO COLEGIOS BILBAO	70.00
MANTENIMIENTO COMISARÍAS	100.00
MANTENIMIENTO DE EDIFICIOS	60.00
MÉRIDA	10.00
METEOROLÓGICAS A-6	33.00
MOLINA	5.00
MOLLERUSA	60.00
MONTCADA	50.00
MORALEJA	50.00
MORELLA	50.00
MURO	20.00
NIGRÁN	10.00
NIJAR	20.00
NOROESTE	33.00
NOVELDA	5.00
OCAÑA	75.00
ONDA EXPLOTACIÓN	33.33
PARQUES SINGULARES MÓSTOLES	50.00
PASAIA	70.00
PAVIMENTO ZONA I	50.00
PAVIMENTOS PAMPLONA	50.00
PEQUEÑAS OBRAS 2006 FUENLABRADA	50.00
PINTO	50.00
PISCINA CUBIERTA MUN. L'ELIANA	85.00
PISCINA CUBIERTA C. DEP. ALBORAYA	42.50
PISCINA CUBIERTA MANISES	65.00
PISCINA CUBIERTA PAIPORTA	90.00
PISCINA MUNICIPAL ALBATERA	65.00
PISCINA POLIDEPORTIVO PAIPORTA	65.00
PLA D'URGELL	60.00
PLANTA BIOMETANIZACIÓN LAS DEHESAS	50.00
PLANTA DE TRATAMIENTOS VALLADOLID	60.00
PONIENTE ALMERIENSE	50.00
POSU - FCC VILLALBA	50.00
POZUELO	20.00
PRISMA 2004-2005	50.00
PUERTO	50.00
RBU VILLA-REAL	47.00
R.S. PONIENTE ALMERIENSE	50.00
REDONDELA	10.00
REFORMA PLAZA DEL CRISTO	20.00
RESIDENCIA	50.00
RESTAURACIÓN GARRAF	27.50
RIVAS	30.00
S.U. BILBAO	70.00
SABIÑÁNIGO	80.00
SALTO DEL NEGRO	50.00
SAN FERNANDO	20.00
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
SEAFSA - FCCSA ALCALÁ	20.00
SEGURIDAD VALDEBEBAS	20.00
SELECTIVA SAN MARCOS	65.00
SELECTIVA UROLA-KOSTA	60.00

	% of Ownership
SELLADO VERTEDERO LOGROÑO	50.00
SERVICIOS EXPO	60.00
SIMÓN HERNÁNDEZ	50.00
SOLANA	35.00
TIRVA FCC - FCCMA RUBÍ	20.00
TABLADA	20.00
TANATORIO PATERNA	50.00
TARAZONA	80.00
TOLOSALDEA	60.00
TOMELLOSO	50.00
TORREJÓN	25.00
TORRIBERA	50.00
TORRIBERA RSU	50.00
TORRIBERA III	50.00
TREMP	51.00
TRIAGTGE I CLASSIFICACIÓ D'ENVASOS	60.00
TXINGUDI	75.00
URNIETA	20.00
URRETXU Y ZUMARRAGA	65.00
VERTEDERO GARDELEGUI	70.00
VERTEDERO GARDELEGUI II	70.00
VERTEDERO PINTO FASE II	50.00
VERTRESA	10.00
VIGO RECICLAJE	70.00
VINAROZ	50.00
VIVIENDAS MARGEN DERECHA	60.00
WTC ZARAGOZA	51.00
ZARAGOZA DELICIAS	51.00
ZARAUTZ	20.00
ZONZAMAS FASE II	30.00
ZURITA	50.00

APPENDIX III - Associates and jointly controlled entities

Company	Carrying Amount		% of Ownership	Dividends Received	Share Capital	Reserves	Other Equity Items	2008 Profit (Loss)	
	Assets	Impairment						Operating	Continuing Operations
Clavegueram de Barcelona, S.A. Hacer, 16. Barcelona -Urban cleaning-	733	-	20.33	180	3,606	3,635		1,446	1,144
Ecoparc del Besós, S.A. Rambla Cataluña, 91-93. Barcelona -Urban cleaning-	2,621		Direct 31.00 Indirect 18.00		7,710	(3,458)		3,231	335
Ecoserveis Urbans de Figueres, S.L. Pg. Empordà Internacional, Calle A, parcela 50. Vilamalla (Girona) -Urban cleaning-	301	-	50.00	94	601	64		136	291
Empresa Mixta de Limpieza de la Villa de Torrox, S.A. Pz. de la Constitución, 1. Torrox (Málaga) -Urban cleaning-	300	-	50.00	111	600	289		318	211
Empresa Mixta de Medio Ambiente de Rincón de la Victoria, S.A. Pz. Al Andalus, 1. Rincón de la Victoria (Málaga) -Urban cleaning-	301	-	50.00	143	601	346		379	184
Gestión Integral de Residuos Sólidos, S.A. Santa Amalia, 2. Valencia -Urban cleaning-	4,732	-	49.00	890	781	1,650		2,639	1,560
Ingeniería Urbana, S.A. Saturno, 6. Alicante -Urban cleaning-	3,786	-	35.00	944	6,010	2,773		5,257	2,571
Pallars Jussà Neteja i Serveis, S.A. Pau Casals, 14. Tremp (Lleida) -Urban cleaning-	25	-	40.80		60	(17)		85	34
Proactiva Doña Juana E.S.P.S.A Calle 98 nº 9-03 of. 804 Ed. Torre Sancho Santa Fe de Bogotá (Colombia) -Urban cleaning-	284	-	Direct 23.75 Indirect 27.05		2,250,000 (COP)	1,453,661 (COP)	2,250,000 (COP)	2,147,924 (COP)	1,386,506 (COP)
Proactiva Medio Ambiente, S.A. Cardenal Marcelo Spínola, 8. Madrid -Urban cleaning-	119,542	79,242	50.00	1,226	56,520	(97,171)	170,080	4,229	5,381
RB Business Holding, S.L. Paseo de la Castellana, 216. Madrid -Property development-	63,400	-	50.00	5,220	300,000	49,800		(45)	10,440
Realia Business, S.A. Paseo de la Castellana, 216. Madrid -Property development-	4,237	-	Direct 1.70 Indirect 28.32	349	66,570	518,237		53,789	2,876
Servicios Urbanos de Málaga, S.A. Ulises, 18. Madrid -Urban cleaning-	1,610	-	51.00	228	3,156	346		(24)	384
Suministros de Agua de Queretaro S.A. de C.V. Santiago de Queretaro (Mexico) -Water management-	2	-	Direct 24.00 Indirect 0.03		100 (MXN)	2,290 (MXN)	(6,399) (MXN)	21,259 (MXN)	21,259 (MXN)
TOTAL	**201,874**	**79,242**		**9,385**					

NOTE

— Of the companies shown above, only Realia Business, S.A. is a listed company and its market price at the balance sheet date was EUR 1.55. The average market price in the last quarter of 2008 was EUR 1.95.

— As required by Article 86 of the Consolidated Spanish Companies Law, in 2008 the Company made the related notifications to the companies in which it had acquired direct or indirect holdings of over 10%.

APPENDIX IV - "Report of the Board of Directors of Fomento de Construcciones y Contratas, S.A. for the distribution of an interim dividend in 2008".

In accordance with Article 216 of the Consolidated Spanish Companies Law, which requires the Company's directors to present an accounting statement evidencing the existence of sufficient liquidity for the distribution of an interim dividend, it is hereby stated that:

1. The after-tax profit of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. at 30 September 2008 amounted to EUR 226,987 thousand.
2. The Company's after-tax cash flow in the first nine months of 2008 amounted to EUR 273,637 thousand.
3. The Company's cash and cash equivalents at 30 September 2008 amounted to EUR 850,947 thousand, evidencing the existence of sufficient funds for the distribution of the interim dividend.

Therefore, since at the date of this report there had been no material changes with respect to the foregoing data, the directors consider that there is sufficient liquidity for the distribution of an interim dividend of EUR 99,934 thousand out of 2008 profit.

The number of shares carrying the entitlement to an interim dividend is calculated by subtracting the treasury shares existing at the date of payment of the dividend from the 127,303,296 shares representing the total share capital.

Accordingly, it is proposed that the following interim dividend out of 2008 profit be approved:

Gross % of the par value of each share carrying dividend rights	78.5 %
Gross interim dividend per share	EUR 0.785

The legally required personal income tax or corporation tax withholdings, as appropriate, will be made from the gross interim dividend declared.

The members of the Board resolved unanimously:

1. To approve the report transcribed above; and
2. To distribute an interim dividend out of the profit for 2008 in the amount indicated in the report, which will be paid on 9 January 2009 and will be duly announced on a timely basis

Madrid, 18 December 2008

management **report**

Fomento de Construcciones y Contratas, S.A.

Introduction

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. It also engages in the lease of offices and premises in the emblematic Torre Picasso building, which is 99% owned by the Company.

Fomento de Construcciones y Contratas, S.A. is the Parent of the FCC Group, which comprises a broad spectrum of subsidiaries that engage in activities such as construction, urban cleaning and integrated water cycle services, car parks, street furniture, passenger transport, vehicle roadworthiness tests, passenger and aircraft ground handling, logistics, cement, real estate, etc. Consequently, for a fully comprehensive representation of the economic events of 2008, the reader is referred to the information contained in the consolidated financial statements.

The economic and financial information presented in this directors' report was prepared in accordance with the Spanish Commercial Code and the Spanish Companies' Law.

The figures given below are expressed in millions of euros.

Company performance in 2008

Main Aggregates	2008	2007(*)	Change	
			Absolute	%
Revenue	1,241.1	1,152.3	88.8	7.7%
Profit from operations	171.8	136.2	35.6	26.1%
% margin	13.8%	11.8%		
Dividends received from subsidiaries	216.1	214.8	1.3	0.6%
Other financial profit (loss)	(112.5)	215.8	(328.3)	-152.1%
Extraordinary profit (loss)	-	-	-	N/A
Profit before tax	377.8	566.8	(189.0)	-33.3%
Net profit	342.9	504.9	(162.0)	-32.1%
Dividend to be distributed per share (euros)	1.57	2.13		

(*) Pro forma figures

Revenue increased in 2008 by 7.7% to stand at EUR 1,241 million. Profit from operations amounted to EUR 171.8 million, up 26.1% on the EUR 136.2 million reported in 2007.

The dividends received from the subsidiaries in which the Company holds ownership interests amounted to EUR 216.1 million in 2008, a figure similar to that of 2007. However, the financial loss increased due to greater indebtedness and higher interest rates.

Net profit for the year fell with respect to 2007 due mainly to the result of the public offering of Realia, which gave rise to gains of EUR 258 million in 2007.

Dividends

The Board of Directors proposes the distribution of a final dividend of EUR 0.785 per share, representing 78.5% of the par value of the shares outstanding at the date of payment, and the allocation of the remaining profit to unrestricted reserves. Earlier, on 9 January 2009, an interim dividend of EUR 0.785 per share was paid pursuant to the resolution adopted by the Board of Directors on 18 December 2008.

Acquisitions of treasury shares

In 2008 the Group acquired 2,137,477 treasury shares, representing 1.68% of the share capital, for EUR 68.9 million.

On 30 June 2008, capital was reduced through the retirement of 2.49% of the share capital with a charge to reserves.

At 31 December 2008, through the subsidiary Asesoría Financiera y de Gestión, S.A. (AFIGESA), the Company held 2,682,260 treasury shares of EUR 1 par value each, representing 2.1% of its share capital, with a carrying amount at AFIGESA of EUR 60,142 thousand. These shares are also deemed to be shares of the Parent pursuant to Article 87 of the Consolidated Spanish Companies Law.

In accordance with Article 79.4 of the Spanish Companies Law, the changes in the number of shares in the year are detailed in the table below.

	FCC, S.A.	Asesoría Financiera y de Gestión, S.A.	Cía. Auxiliar de Agencia y Mediación	FCC Group
At 31 December 2007	375,986	5,046,871	316,098	5,738,955
Intra-Group acquisitions and sales	2,888,201	(2,572,103)	(316,098)	-
Acquisitions or additions	-	2,137,477	-	2,137,477
Sales or disposals	-	(1,929,985)	-	(1,929,985)
Retirements	(3,264,187)	-	-	(3,264,187)
At 31 December 2008	**-**	**2,682,260**	**-**	**2,682,260**

Research and development activities

The FCC Group is actively present in the world of research, development and technological innovation. The Group's initiatives in this field encompass the issues which, either directly or indirectly, have a bearing on its business activities. Noteworthy in 2008 were the steps taken in the course of its activities aimed at protecting the environment in order to facilitate sustainable growth.

In the sphere of **Environmental Services**, research continued throughout 2008 in various projects launched in prior years. These include most notably: the Environmental Monitoring project, whose objectives for 2008 were to establish the traceability of "yellow bag" (recyclable) waste and containers and to optimise the composting process; the DIANA project, which continued to research into the treatment of municipal solid waste though anaerobic digestion; and the VRU project, which focused in 2008 on obtaining alternative fuels from the items rejected by waste treatment plants.

With regard to waste elimination, mention must be made of the studies carried out for the treatment of waste using a plasma converter (Termoplas project). The objective is to use plasma technology to break down waste into its constituent components, thus obtaining various sub-products for industrial use. Also, two new projects were launched: one focuses on the treatment of waste using revolving drums in order to obtain an alternative fuel from the breakdown of paper/cardboard fibre and other organic matter contained in the items rejected by waste treatment plants, whereas the aim of the other, the INDALOS project, is to optimise the anaerobic digestion process in existing waste treatment methods, modelling their behaviour on the basis of various parameters involved in the process.

In the field of industrial waste, research continued into the reduction of the quantity and toxicity of the sludge produced by urban wastewater treatment plants.

In the **Street Furniture** sector of the **Versia** area, several projects are being carried out aimed at protecting the environment and promoting sustainable growth. The most notable is the EPISOL (Electrical Vehicle 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. Versia is working on this project in conjunction with INSIA (University Institute for Automotive Research of Universidad Politécnica de Madrid) and IAI (the Industrial Automation Institute of the Spanish Higher Council for Scientific Research (CSIC)). There are also plans for the Guigiaro Design team to join the project to design the vehicle's new bodywork. Other important projects include C-CYCLES under the auspices of which a complete unattended bicycle hire system is being developed which functions with smart cards and features payment by credit card. The project responds to the need for sustainable urban mobility promoting multi-modal transport. The Company is also working on several 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. Consumption has so far been reduced to a third but, since the target is to reduce it to a quarter, research will continue. The Company's solar PV projects include the development of a solar PV 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 latest noteworthy projects in which the Street Furniture sector is involved relate to digital advertising; their aim is to implement a digital advertising system incorporating LCD screens and the technology required for them to be viewed properly outdoors. The ultimate objective of these projects is for digital advertising to replace analogue advertising.

In the sphere of **Construction**, FCC Construcción, S.A. and its subsidiaries are fully aware of the important role played by R&D in maintaining a competitive position in the market and in the ongoing improvement of the quality of their construction projects. Therefore, they implement a policy focused on the active promotion of research, technological development and innovation. It should be noted in this regard that FCC Construcción, S.A. is participating in the European Construction Technology Platform and heads the Spanish Construction Technology Platform. The aim of both organisations is to combine the efforts of research centres, industries and universities in all areas relating to research, development and technological innovation.

With respect to projects carried out in 2008, those launched in previous years were continued, such as the Tunconstruc project, for the optimisation of underground construction; the Manubuild project, for the industrialisation of construction; the Arfrisol project, which focuses on the development of bioclimatic architecture and solar energy; the Hatcons project, which studies various aspects of underground construction work, such as high-performance concretes and the interaction between machines, facings and land; the Integral Bridges project, for the design of bridges without joints; the Cleam project, for efficient and environment-friendly construction; the Safe Port project, which is developing a system that can link natural surroundings with the occupational risks in maritime construction works and the Submerged Tunnels project, for submerged tunnels in seismic zones. As a result of the work carried out in the various projects, a bioclimatic building was constructed for the Fundación Barredo in Asturias (Afrisol project) and a system to enhance safety in the construction of Laredo port (Safe Port project) was developed. New projects commenced in 2008 include most notably the OLIN project for the study, testing and justification of the extension of the soil to be used in embankments and the formation of E3 esplanades with soil treated only with lime; the Urban Tunnels project, which aims to develop an integrated model for the design and study of tunnels in urban areas; the Pontoon project, which aims to develop a pontoon system made of concrete reinforced with fibre; and the Continuous Wall project, for the development of continuous elements made from slipformed concrete reinforced with structural fibre. In 2008 the FCC Group won its fourth "Premio Fomento a la Innovación" (Innovation Prize) for the Prefabricados Delta project entitled "Automation of the railway sleeper manufacturing process".

In its efforts to ensure ongoing customer satisfaction, the Cementos Portland Valderrivas Group provides full guarantees for the quality of its products, which have been extended to all the Cement area companies. In 2008 work was carried out to unify the quality manuals of the various cement companies comprising the Cementos Portland Valderrivas Group.

The expansion of the product range also continued in close collaboration with the sales and R&D&I departments.

The Cementos Portland Valderrivas Group achieved major R&D&I goals in the technical assistance and technology transfer activities at the Group's Giant and Keystone factories in the US and at the San Luis de Cementos Avellaneda factory in Argentina. In 2008 the R&D&I division also worked on the rollout of the quality management system in the remaining business areas.

Lastly, the Cementos Portland Valderrivas Group continued to participate in Spanish and international research forums and to lead the organisation of the International Congress on the Chemistry of Cement to be held in Madrid in 2011.

Financial risk management objectives and policies

The concept of financial risk refers to the changes in the financial instruments arranged by the FCC Group due to political, market (volatility) and other factors. The Group's risk management philosophy is consistent with its business strategy and seeks to achieve maximum profitability and solvency at all times. To this end, strict financial risk control and management criteria have been established to identify, measure, analyse and control the risks incurred in the Group's operations, and the Risk Policy has been properly integrated into the organisation. In line with this Risk Policy, the financial instruments arranged by the Group are intended solely to hedge the related transaction and are not used for speculative purposes.

In view of the volatility of the money markets, the FCC Group actively implements an interest rate risk management policy to ensure that it is in the most advantageous position at all times. Since its activities are closely linked to inflation, the Group's financial policy consists of ensuring that both its current financial assets - which to a large extent act as a natural hedge for its current financial liabilities - and its debt are tied to floating interest rates. However, since the future trends of interest rates are not predictable, and complying with the policy of classifying original instruments as hedges, interest rate derivatives are arranged, mainly swaps, in which the Group companies pay fixed interest rates and receive floating interest rates.

A significant consequence of the FCC Group's positioning in the international markets is the exposure resulting from net positions in foreign currencies against the euro or in one foreign currency against another when the investment and financing of an activity cannot be made in the same currency. The FCC Group's general policy is to mitigate, as far as possible, the adverse effect on its financial statements of exposure to foreign currencies, with regard to both transactional and purely equity-related changes.

The Group actively manages its foreign currency risk by arranging financial transactions in the same currency as that in which the related asset is denominated, i.e. efforts are made, at all times, to obtain in local currency the financing required for the local activity of the company in the country of origin of the investment, with a view to creating a natural hedge or a matching of the cash flows generated to the financing. However, there are occasions when this is not possible due to the monetary weakness of the country of origin of the investment, in which case the financing is obtained in the currency used in consolidation or in the currency with which there is a closer correlation.

In order to mitigate liquidity risk, the FCC Group is present at all times in various markets, thus facilitating the obtainment of financing lines and minimising the risk arising from the concentration of operations. Accordingly, the Group obtains financing from over 100 Spanish and international banks and it operates in a wide variety of markets, with 94% of its debt in euros and 6% in several international markets, in various currencies, mainly the US dollar and sterling. It also uses an extensive array of financial products, such as credit facilities, debentures, syndicated transactions and discounting facilities.

Outlook for 2009

set forth below are the prospects for 2009 for the various lines of business composing the FCC Group. The construction and services backlogs at 2008 year-end, which amounted to EUR 32,706.7 million, guarantee the continuation of a high level of activity over the coming years.

In the **Environmental Services** area, the large market share obtained will be consolidated and growth will be linked to contract extensions and renewals and to the start-up of new treatment plants and recycling facilities. In the International business, expansion in Eastern and Central Europe through the ASA Group, which specialises in integral waste management and treatment services, is the prime objective of the growth strategy. Authorisation was obtained in 2008 for the incorporation of two companies in Macedonia and Russia. The Group will thus begin its expansion into these countries, which afford considerable potential for development. In the UK, where it had already been active in the collection and cleaning industry through Focsa Services UK, the FCC Group became one of the leading operators in the industry after the acquisition of WRG in 2006. This marked the beginning of an important phase of presenting bids for PFI projects, several of which had been awarded to the Group in prior years. Further contracts of this kind are expected to be obtained in the course of 2009. The new waste collection, treatment and elimination services are among the businesses with the best outlook for growth. The Allington incinerator has overcome the technical problems that prompted several shutdowns and it is expected to be fully operational in 2009. Lastly, one of the prime strategic objectives is to increase business efficiency through a substantial reduction in costs.

Following the consolidation of the acquisition of the US companies Hydrocarbon Recovery Services Inc. and International Petroleum Corp. and in view of the full-capacity operation of the new facilities built in Portugal and the commencement of soil decontamination work at the Flix reservoir, production in the **Industrial Waste** sector is expected to increase significantly subject to the record prices of recovered materials.

In the **Water Management** sector, the Company has improved its significant position in Spain while also intensifying the geographical diversification strategy embarked upon three years ago. New contracts were obtained in Portugal in 2008 and, boosted by the concession granted in Italy (Caltanissetta, in operation) and by the contracts that have opened new avenues for the Czech company SmVAK, further business opportunities are being sought in these countries and in their geographical areas of influence. To this must be added the new major contracts and contract renewals and extensions secured in Spain in municipalities such as Adeje, La Puebla de Montalbán, Gáldar, Mancomunidad de Aguas de Mairaga, Nájera, Lardereo, Comillas, Cassá de la Selva, Nerja, Manilva and Guadiana del Caudillo, as well as the contract to manage the wastewater and treatment plant in Arroyo Culebro (Madrid). As part of its business diversification policy, the Group has entered the sphere of sports facility management (heated swimming pools, spas) and obtained the contracts for the Denia municipal swimming pool and the Masia Lloret sports hall in Villajoyosa.

At the beginning of 2009, the Services Area backlog amounted to EUR 22,547.3 million, equivalent to over six years of production.

Growth of the **Versia** Area in 2009 will foreseeably be limited as a result of the economic crisis which already in 2008 started to have a considerable impact on certain major activities of the area directly related to consumption (Logistics), the airline industry (Airport

Handling) and advertising (Street Furniture), which are not expected to recover in 2009 However, the activity of the Street Furniture sector is expected to increase significantly in the US due to the mature New York contract and the rise in advertising space to be sold.

In 2009 the focus will be on consolidating and reaping the rewards of growth obtained in previous years by Street Furniture in New York, the airport handling contracts in Spain and the acquisition of the Logístico Santos Group and Aeroporti di Roma Handling, which will enable Versia to reduce its borrowings.

In the **Construction** area, due to the performance of the real estate market in Spain, the revenue from residential building construction in 2009 is expected to be lower than in 2008. By contrast, revenue from civil engineering work is expected to increase due to the existing backlog of projects and the measures announced by government agencies, which intend to promote the construction of infrastructure and public works in general in 2009 in order to reactivate the economy. Thus, the drop in residential building construction will foreseeably be offset by the increase in civil engineering and, therefore, total revenue in Spain should not fall below that obtained in 2008.

Since civil engineering work is the main activity in the International sphere, it is anticipated that revenue will increase slightly both in the European market, in which FCC operates through the Alpine Group (based in Austria and present in numerous Eastern European countries), and in the Americas, where the Group is present through investees operating in Central America and Mexico.

At the beginning of 2009, the Construction backlog amounted to EUR 10,159 million, equivalent to more than 1.4 years' production.

The future performance of the **Cement** area will be marked by the activity of the construction and civil engineering industries in the countries and regions in which it operates. The outlook for the markets as a whole suggests that the volume of sales will slightly exceed that of 2008. Consumption of cement for residential building in Spain is expected to drop in line with the trend set in 2008. However, the civil engineering industry is expected to recover in the second half of the year as public funds are approved for this purpose. Exports are also projected to increase considerably. As far as the US market is concerned, the residential sector will remain stagnant, although it is not a great consumer of cement. However, road and other infrastructure projects are expected to begin and, therefore, consumption will foreseeably rise slightly with respect to 2008. Keystone's renovated cement plant in Pennsylvania will also come into service. With regard to the other international markets of the Cement area, with the exception of the UK, where sales will be similar to those for 2008, sales in the other countries - Tunisia, Argentina and Uruguay – will increase, with a notable rise in exports.

One of the main objectives of the FCC Group's strategic plan until 2010 (Plan 10) was to diversify into the energy business, focusing particularly on combined heat and power, energy efficiency and renewable energies. In order to achieve this objective, on 4 September 2008 Fomento de Construcciones y Contratas, S.A. and Europea de Gestión, S.A.U. incorporated FCC Energía, S.A., the head of the future **Energy and Sustainability** area, with an initial capital of EUR 4 million.

The first step taken by the FCC Group for the new business was the acquisition in September 2008 of all the shares of two PV farms in Córdoba province with an installed capacity of 20 MW. Both farms were connected to the grid in September 2008 and at 31 December 2008 they had both been transferred to FCC Energía, S.A.

The investment totalled EUR 140 million and on 22 December 2008 a syndicated loan of EUR 132 million was arranged with Banesto, Caja Madrid, ICO and Banco Popular.

The agreement for the acquisition from the Australian group Babcock & Brown Wind Partners of the entire portfolio of wind farms held by it in Spain (through Olivento) is expected to be concluded at the beginning of 2009. The portfolio consists of 14 wind farms in Andalucía, Galicia, Aragón, Castilla y León and Castilla La Mancha with annual billings of EUR 100 million. The total production capacity of the farms is 422 MW. An additional capacity of 45 MW currently under development is expected to come into service before 2012.

In addition to the assets of Olivento, a 50% ownership interest will be acquired in IM Future, a company with a team of 50 highly experienced professionals in the field of wind farms who will monitor the operation of the farms to be purchased.

The cost of the transaction will be approximately EUR 800 million, which will be financed with the Group's equity and a syndicated loan of EUR 528 million arranged on 25 November 2008 with a group of banks headed by Banco Santander.

The investments in electricity production assets will be consolidated in the course of 2009 and investments will be made in new assets in accordance with FCC's strategic plan (Plan 10).

The new investments will give priority to projects focused on developing assets rather than any opportunities to acquire operating assets that may arise. The development of assets will enable FCC to consolidate and improve its position in the renewable energy business and build up the technological capacity required for the construction, operation and maintenance of the Group's facilities. The prime geographical targets for investment will be Spain, EU countries in Eastern Europe and the US. All these areas share the characteristic of the legal certainty required for medium-term investment commitments and their respective governments that have expressed the wish to boost the development and promotion of renewable energy sources.

As regards production technologies, the Group will use all the existing technologies that are sufficiently mature to ensure the profitability of the assets. Consequently, the first-choice technologies will be wind, PV and solar thermal.

Under the Social Responsibility and Sustainability Plan, FCC is developing and implementing systems to enhance the efficiency of its own energy consumption through the incorporation of new technologies, improved purchase and supply processes and the use of alternative fuels in certain production processes. In addition to giving rise to important cost savings, these actions will generate new business opportunities through the implementation of new processes at our customers' facilities. FCC will create an energy services company to carry on energy efficiency and saving activities.

Lastly, the FCC Group is actively analysing the opportunities in the waste-to-energy field in order to fully harness the energy produced by waste to achieve renewable, local and competitive production free of greenhouse gas emissions.

Additional information in compliance with Art. 116.Bis of Securities Market Law 24/1988, of 28 July, as established by Law 6/2007, of 12 April

a) Structure of the share capital, including any securities not traded in a regulated EU market, indicating, where appropriate, the various classes of shares and, for each class, the rights and obligations conferred and the percentage of share capital represented

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 transferability of the shares

There are no bylaw restrictions as to the transferability of the shares other than those established in the Consolidated Spanish Companies Law.

c) Significant ownership interests in the share capital (direct and indirect)

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.

Inmobiliaria Colonial, S.A. owns 11,024,608 shares directly, representing 8.66% of the share capital.

d) Restrictions on voting rights

There are no bylaw restrictions on the exercise of voting rights.

e) Shareholders agreements

Parties to the Shareholders Agreement	% of Share Capital Affected	Summary of the agreement
Esther Koplowitz Romero de Juseu	52.483	Significant event of 30/07/04 www.cnmv.es (see note)
Esther Koplowitz Romero de Juseu	52.483	Significant event of 13/01/05 www.cnmv.es (see note)
Esther Koplowitz Romero de Juseu	52.483	Significant event of 13/01/05 www.cnmv.es (see note)
Esther Koplowitz Romero de Juseu	52.483	Significant event of 19/07/07 www.cnmv.es (see note)
Esther Koplowitz Romero de Juseu	52.483	Significant event of 26/12/07 www.cnmv.es (see note)
Esther Koplowitz Romero de Juseu	53.829	Significant event of 04/02/08 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 Peugeot family (through 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. (part of the Bodegas Faustino Group) 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.

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. will no longer be a party to the shareholders agreement that regulates the relationship between the shareholders of B 1998, S.L. Simultaneously, on the aforementioned effective date, Ibersuizas Holdings, S.A. will resign as a member of the Board of Directors of B 1998, S.L. and Ibersuizas Alfa, S.L. will resign as a member of the Board of Directors of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A."

On 4 February 2008, the effective acquisition by Esther Koplowitz of the ownership interest previously held by Ibersuizas Holdings in B 1998, S.L., the majority shareholder of Fomento de Construcciones y Contratas, S.A. (FCC) with an ownership interest of 53.829%" was published as a Significant Event. This agreement was reached on 24 December 2007.

Following this restructuring, the shareholder structure of B 1998, S.L. stands as follows:

- Esther Koplowitz (directly or indirectly) 83.92%
- Eurocis, S.A. 5.01%
- Simante, S.L. 5.73%
- Larranza XXI, S.L.: 5.33%

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:

- 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.
- 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. The Investors taken as a whole may appoint a maximum of three directors and under no circumstances more than one-third of the members of the Board of Directors of FCC.
- 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 investments of the latter 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 Meetings 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 disapplication 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 bylaw and non-bylaw 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 companies other 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 Meetings or of the Board of Directors) are subject to the approval by a simple majority of the share capital; a series of special situations are expected 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 700,000,000 (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.

Further information is available in the full text of the shareholders agreements published on the website of the Spanish National Securities Market Commission as Significant Events of the Company dated 30 July 2004, 13 January 2005, 19 July 2007, 26 December 2007 and 4 February 2008.

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 managing body and to the amendment of the Company's bylaws

The related provisions are the Board Regulations, which in **Chapter IV Appointment and Removal of Directors**, establishes the articles applicable to the appointment and removal of the Board members and the amendment of the Company's bylaws:

Article 16. Appointment, confirmation or 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 Meeting for their consideration and the resolutions regarding appointment adopted by the Board by virtue of the powers of co-optation 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 Meeting 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;

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 Meeting, 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 Board members

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 Meeting 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. Directors appointed by co-optation shall discharge office until the date of the first General Meeting. This period shall not count for the purposes of the preceding paragraph.
3. Directors whose term of office has concluded or who, for any other reason, cease to discharge their position may not render services at any entity that is a competitor of FCC for a period of two years.
4. Should it be deemed appropriate, the Board of Directors may release an outgoing director from this obligation or shorten the term thereof.

Article 19. Re-election of directors

Before any re-election of directors is submitted for consideration to the shareholders at the General Meeting, 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 Meeting, by virtue of the powers attributed to them by law or in the bylaws, so resolve.
2. Directors must place their office at the disposal of the Board and, where the Board of Directors sees fit, must tender their formal resignation 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 subject to any statutorily envisaged 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 continued membership of the Board could jeopardise the Company's credit and reputation. Directors must inform the Board of any criminal suits in which they are involved as the accused and also of the subsequent developments of such proceedings. 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 tender 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.

g) The powers of the members of the Board of Directors and, in particular, those relating to the possibility of issuing or repurchasing shares:

Baldomero Falcones Jaquotot is the only member of the Board of Directors on whom powers of attorney have been conferred.

The powers delegated to him are as follows:

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.

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 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 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 and direction, 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 Meetings 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' meetings, 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, follow up and discontinue all manner of appeals, as appropriate, against decisions of 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' meetings.- 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 meeting's proposals and to attend insolvency creditors' meetings 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 et al 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 Consolidated Spanish Companies Law and within the limits and under the conditions established by the shareholders at the General Meeting 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.

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

h) Significant agreements entered into by the Company which come into force, are amended or terminate in the event of a change in control of the Company resulting from a takeover bid, and their effects, except when disclosure thereof may be seriously detrimental to the Company. This exception shall not apply when the Company is required by law to publish this information.

There are no such agreements.

i) Agreements between the Company and its directors, executives or employees that provide for termination benefits when the latter resign or are dismissed without justification or if the employment relationship comes to an end as a result of a takeover bid.

The Company has not established any supplementary pension plans in addition to those of the social security system. In accordance with the Consolidated Pension Fund and Plan Law, in the specific cases in which there are similar obligations the Company externalises the related obligations to the employees.

Also, following authorisation from the Executive Committee, on a previous date an insurance policy was arranged and the related premium paid to cover the contingencies of death, permanent occupational disability, retirement bonuses and pensions and other situations for, inter alia, the executive directors and executives. Specifically, the contingencies giving rise to indemnities are those entailing the termination of the employment relationship on any of the following grounds:

a) Unilateral decision by the Company.

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

c) Death or permanent disability.

d) Other grounds of physical or legal incapacity.

e) Substantial change in the working conditions.

f) Vacation of office, upon reaching 60 years of age, at the executive's request and with the Company's agreement.

g) Vacation of office upon reaching 65 years of age.

audit **report**

Fomento de Construcciones y Contratas, S.A.

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Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain and of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 22). 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. comprising the balance sheet at 31 December 2008 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 preparation of these financial statements is the responsibility of the Company's directors. Our responsibility is to express an opinion on the financial statements taken as a whole based on our audit work performed in accordance with generally accepted auditing standards, which require examination, by means of selective tests, of the evidence supporting the financial statements and evaluation of their presentation, of the accounting policies applied and of the estimates made.

2. The accompanying financial statements for 2008 are the first that the directors of Fomento de Construcciones y Contratas, S.A. have prepared in accordance with the Spanish National Chart of Accounts approved by Royal Decree 1514/2007. In this regard, in accordance with Transitional Provision Four.1 of the aforementioned Chart of Accounts, these financial statements have been considered to be initial financial statements and, therefore, they do not include comparative figures. Note 2 to the financial statements "Matters arising from the transition to the new accounting rules" includes the balance sheet and income statement contained in the approved financial statements for 2007 prepared in accordance with the Spanish National Chart of Accounts in force in that year, together with an explanation of the main differences between the accounting policies applied in 2007 and those applied in 2008, as well as a quantification of the impact of this change in accounting policies on equity at 1 January 2008, the date of transition. Our opinion refers only to the 2008 financial statements. On 3 April 2008, we issued our auditors' report on the 2007 financial statements, prepared in accordance with generally accepted accounting principles and standards under the Spanish regulations in force in that year, in which we expressed an unqualified opinion.

3. Fomento de Construcciones y Contratas, S.A. is the head of a corporate group which presents consolidated financial statements separately from the accompanying financial statements. On this same date we issued our auditors' report on the 2008 consolidated financial statements of Fomento de Construcciones y Contratas, S.A. and Subsidiaries prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs), in which we expressed an unqualified opinion. Per the consolidated financial statements prepared in accordance with EU-IFRSs, the total consolidated assets and sales amounted to EUR 20,592 million and EUR 14,016 million, respectively, and the consolidated profit for the year and equity attributable to the Parent amounted to EUR 337 million and EUR 2,547 million, respectively.

4. In our opinion, the accompanying financial statements for 2008 present fairly, in all material respects, the equity and financial position of Fomento de Construcciones y Contratas, S.A. at 31 December 2008 and the results of its operations, the changes in equity and its cash flows for the year then ended, and contain the required information, sufficient for their proper interpretation and comprehension, in conformity with the generally accepted accounting principles and standards under the Spanish regulations applicable to the Company.

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, Tomo 13.650, folio 188, sección 8, hoja M-54414.
Inscripción 96, C.I.F.: B 79104469. Domicilio Social: Plaza Pablo Ruiz Picasso, 1 - Torre Picasso, 28020 Madrid.

5. The accompanying directors' report for 2008 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 2008. 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
25 February 2009