

Fomento de Construcciones y Contratas, S.A. and Subsidiaries

Consolidated Financial Statements for the
year ended 31 December 2014 and
Consolidated Directors' Report, together with
Independent Auditor's Report

*Translation of a report originally issued in Spanish based on
our work performed in accordance with the audit regulations
in force in Spain and of consolidated financial statements
originally issued in Spanish and prepared in accordance
with the regulatory financial reporting framework applicable
to the Group in Spain (see Notes 2 and 35). In the event of a
discrepancy, the Spanish-language version prevails.*

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 35). In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Fomento de Construcciones y Contratas, S.A. ("the Parent") and Subsidiaries ("the Group"), which comprise the consolidated balance sheet as at 31 December 2014, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended.

Directors' Responsibility for the Consolidated Financial Statements

The Parent's directors are responsible for preparing the accompanying consolidated financial statements so that they present fairly the consolidated equity, consolidated financial position and consolidated results of Fomento de Construcciones y Contratas, S.A. and Subsidiaries in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the audit regulations in force in Spain. Those regulations require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation by the Parent's directors of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated equity and consolidated financial position of Fomento de Construcciones y Contratas, S.A. and Subsidiaries as at 31 December 2014, and their consolidated results and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain.

Report on Other Legal and Regulatory Requirements

The accompanying consolidated directors' report for 2014 contains the explanations which the Parent's directors consider appropriate about the situation of Fomento de Construcciones y Contratas, S.A. and Subsidiaries, the evolution of their 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 2014. 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

Javier Parada Pardo
27 February 2015



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

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 35). In the event of a discrepancy, the Spanish-language version prevails.

Consolidated Financial Statements and Directors' Report 2014



CONSOLIDATED BALANCE SHEET

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

Consolidated Financial Statements

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 35). In the event of a discrepancy, the Spanish-language version prevails.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 35). In the event of a discrepancy, the Spanish-language version prevails.

CONSOLIDATED BALANCE SHEET

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND SUBSIDIARIES as at 31 December 2014 (in thousands of euros)

ASSETS	31/12/14	31/12/13 (*)
NON-CURRENT ASSETS	7,853,777	8,458,110
Intangible assets (Note 7)	2,967,524	2,864,395
Concessions (Notes 7 and 11)	1,366,247	1,249,081
Goodwill	1,472,038	1,446,518
Other intangible assets	129,239	168,796
Property plant and equipment (Note 8)	3,154,474	3,736,266
Land and buildings	957,785	969,961
Plant and other items of property, plant and equipment	2,196,689	2,766,305
Investment property (Note 9)	21,090	16,827
Investments accounted for using the equity method (Note 12)	239,804	371,826
Non-current financial assets (Note 14)	426,674	386,799
Deferred tax assets (Note 25)	1,044,211	1,081,997
CURRENT ASSETS	6,169,092	7,174,031
Non-current assets classified as held for sale (Note 4)	1,002,520	2,172,503
Inventories (Note 15)	760,581	798,264
Trade and other receivables	2,399,070	2,743,546
Trade receivables for sales and services (Note 16)	2,011,034	2,291,875
Other receivables (Notes 16 and 25)	388,036	451,671
Other current financial assets (Note 14)	380,398	396,331
Other current assets	89,375	75,765
Cash and cash equivalents (Note 17)	1,537,148	987,622
TOTAL ASSETS	14,022,869	15,632,141

The accompanying Notes 1 to 35 and Appendices I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2014.

(*) The 2013 column was adjusted to reflect the impact of applying IFRS 11, "Joint Arrangements".

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 35). In the event of a discrepancy, the Spanish-language version prevails.

**FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.
AND SUBSIDIARIES**
as at 31 December 2014 (in thousands of euros)

EQUITY AND LIABILITIES	31/12/14	31/12/13 (*)
EQUITY (Note 18)	495,422	243,156
Equity attributable to the Parent	271,679	3,184
Shareholders' equity	592,864	330,953
Share capital	260,572	127,303
Retained earnings and other reserves	1,026,288	1,680,144
Treasury shares	(5,278)	(6,103)
Profit (Loss) for the year attributable to the Parent	(724,294)	(1,506,305)
Other equity instruments	35,576	35,914
Valuation adjustments	(321,185)	(327,769)
Non-controlling interests	223,743	239,972
NON-CURRENT LIABILITIES	7,833,952	3,475,349
Grants	239,271	228,728
Long-term provisions (Note 20)	1,157,870	1,092,483
Non-current financial liabilities (Note 21)	5,682,244	1,136,956
Debt instruments and other marketable securities	829,026	402,411
Bank borrowings	4,595,876	518,026
Other financial liabilities	257,342	216,519
Deferred tax liabilities (Note 25)	562,366	802,771
Other non-current liabilities (Note 22)	192,201	214,411
CURRENT LIABILITIES	5,693,495	11,913,636
Liabilities associated with non-current assets classified as held for sale (Note 4)	776,929	1,729,204
Short-term provisions (Note 20)	288,469	341,375
Current financial liabilities (Note 21)	1,381,098	6,394,671
Debt instruments and other marketable securities	77,697	448,700
Bank borrowings	1,160,517	5,710,390
Other financial liabilities	142,884	235,581
Trade and other payables (Note 23)	3,246,999	3,448,386
Payable to suppliers	1,405,588	1,500,262
Other payables (Notes 23 and 25)	1,841,411	1,948,124
TOTAL EQUITY AND LIABILITIES	14,022,869	15,632,141

The accompanying Notes 1 to 35 and Appendices I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2014.

(*) The 2013 column was adjusted to reflect the impact of applying IFRS 11, "Joint Arrangements".

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 35). In the event of a discrepancy, the Spanish-language version prevails.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND SUBSIDIARIES for the year ended 31 December 2014 (in thousands of euros)

	2014	2013 (*)
Revenue (Note 29)	6,334,066	6,749,981
In-house work on non-current assets	45,099	99,608
Other operating income (Note 28)	218,614	221,685
Changes in inventories of finished goods and work in progress	(18,921)	(56,039)
Procurements (Note 28)	(2,220,917)	(2,604,551)
Staff costs (Note 28)	(1,916,696)	(2,005,001)
Other operating expenses	(1,637,289)	(1,898,203)
Depreciation and amortisation charge (Notes 7, 8 and 9)	(404,269)	(425,793)
Allocation to the consolidated statement of profit or loss of grants related to non-financial non-current assets and other grants	2,689	2,492
Impairment and gains or losses on disposals of non-current assets (Note 28)	(651,901)	(238,745)
Other gains or losses (Note 28)	(96,028)	(153,104)
PROFIT (LOSS) FROM OPERATIONS	(345,553)	(307,670)
Finance income (Note 28)	177,262	71,605
Finance costs (Note 28)	(553,053)	(510,093)
Changes in fair value of financial instruments (Note 28)	3,862	22,586
Exchange rate differences	35	(11,158)
Impairment and gains or losses on disposals of financial instruments (Note 28)	(16,581)	(89,232)
FINANCIAL PROFIT (LOSS)	(388,475)	(516,292)
Result of companies accounted for using the equity method (Note 28)	(84,784)	34,284
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	(818,812)	(789,678)
Income tax (Note 25)	64,171	135,376
PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	(754,641)	(654,302)
Profit (Loss) for the year from discontinued operations, net of tax (Note 4)	21,228	(876,014)
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR	(733,413)	(1,530,316)
Profit (Loss) attributable to the Parent	(724,294)	(1,506,305)
Profit (Loss) attributable to non-controlling interests (Note 18)	(9,119)	(24,011)
EARNINGS PER SHARE (Note 18)		
Basic	(5.70)	(12.73)
Diluted	(5.70)	(12.73)

The accompanying Notes 1 to 35 and Appendices I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2014.

(*) The 2013 column was adjusted to reflect the impact of applying IFRS 11, "Joint Arrangements".

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND SUBSIDIARIES for the year ended 31 December 2014 (in thousands of euros)

	2014	2013 (**)
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR	(733,413)	(1,530,316)
Income and expense recognised directly in equity	(79,482)	(15,281)
Revaluation of financial instruments	22	(2,952)
Cash flow hedges	(24,052)	21,977
Translation differences	56,707	(52,397)
Actuarial gains and losses (*)	(16,247)	6,760
Companies accounted for using the equity method	(79,256)	7,103
Tax effect	(16,656)	4,228
Transfers to the consolidated statement of profit or loss	79,705	121,376
Cash flow hedges	59,726	81,813
Translation differences	9,148	7,949
Companies accounted for using the equity method	15,951	54,624
Tax effect	(5,120)	(23,010)
TOTAL COMPREHENSIVE INCOME	(733,190)	(1,424,221)
Attributable to the Parent	(724,655)	(1,392,430)
Attributable to non-controlling interests	(8,535)	(31,791)

(*) Amounts that may not be recognised in the consolidated statement of profit or loss in any circumstances.

(**) The 2013 column was adjusted to reflect the impact of applying IFRS 11, "Joint Arrangements".

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CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND SUBSIDIARIES for the year ended 31 December 2014 (in thousands of euros)

	Share capital (Note 18-a)	Share premium and reserves (Note 18-b)	Interim dividend	Treasury shares (Note 18-c)	Profit (Loss) for the year attributable to the Parent	Other equity instruments (Note 18-d)	Valuation adjustments (Note 18-e)	Equity attributable to shareholders of the Parent (Note 18)	Non-controlling interests (Note 18.II)	Total equity
Equity at 31 December 2012	127,303	2,897,174	—	(345,019)	(1,027,963)	35,914	(427,526)	1,259,883	461,719	1,721,602
Adjustment due to application of IAS 19		(12,977)						(12,977)	(11,635)	(24,612)
Equity at 31 December 2012	127,303	2,884,197	—	(345,019)	(1,027,963)	35,914	(427,526)	1,246,906	450,084	1,696,990
Total income and expense for the year		4,705			(1,506,305)		109,170	(1,392,430)	(31,791)	(1,424,221)
Transactions with shareholders or owners		(143,853)		338,916				195,063	3,915	191,148
Capital increases/(reductions)									784	784
Dividends paid									(4,699)	(4,699)
Treasury share transactions (net)		(143,853)		338,916				195,063		195,063
Other transactions with shareholders or owners										
Other changes in equity		(1,064,905)			1,027,963		(9,413)	(46,355)	(174,406)	(220,761)
Equity at 31 December 2013	127,303	1,680,144	—	(6,103)	(1,506,305)	35,914	(327,769)	3,184	239,972	243,156
Total income and expense for the year		(13,062)			(724,294)		12,701	(724,655)	(8,535)	(733,190)
Transactions with shareholders or owners	133,269	841,200		825				975,294	1,373	976,667
Capital increases/(reductions)	133,269	841,749						975,018	6,515	981,533
Dividends paid									(5,142)	(5,142)
Treasury share transactions (net)		(549)		825				276		276
Other transactions with shareholders or owners										
Other changes in equity (Note 18)		(1,481,994)			1,506,305	(338)	(6,117)	17,856	(9,067)	8,789
Equity at 31 December 2014	260,572	1,026,288	—	(5,278)	(724,294)	35,576	(321,185)	271,679	223,743	495,422

The accompanying Notes 1 to 35 and Appendices I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2014.

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CONSOLIDATED STATEMENT OF CASH FLOWS (INDIRECT METHOD)

**FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.
AND SUBSIDIARIES**
for the year ended 31 December 2014 (in thousands of euros)

	2014	2013 (*)
Profit (Loss) before tax from continuing operations	(818,812)	(789,678)
Adjustments to profit (loss)	1,598,430	1,535,313
Depreciation and amortisation charge (Notes 7, 8 and 9)	404,269	425,793
Impairment of goodwill and non-current assets (Notes 7 and 8)	665,130	346,334
Other adjustments to profit (loss) (net) (Note 28)	529,031	763,186
Changes in working capital	22,290	264,753
Other cash flows from operating activities	(193,049)	(235,597)
Dividends received	22,364	19,161
Income tax recovered/(paid) (Note 25)	(78,656)	(112,058)
Other proceeds/(payments) relating to operating activities	(136,757)	(142,700)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	608,859	774,791
Payments due to investments	(485,502)	(479,559)
Group companies, associates and business units	(28,534)	(20,200)
Property, plant and equipment, intangible assets and investment property (Notes 7, 8 and 9)	(393,968)	(419,051)
Other financial assets	(63,000)	(40,308)
Proceeds from disposals	227,568	310,653
Group companies, associates and business units	146,442	221,734
Property, plant and equipment, intangible assets and investment property (Notes 7, 8 and 9)	49,410	64,320
Other financial assets	31,716	24,599
Other cash flows from investing activities	90,721	(242,587)
Interest received	19,634	38,010
Other proceeds/(payments) relating to investing activities	71,087	(280,597)
TOTAL CASH FLOWS FROM INVESTING ACTIVITIES	(167,213)	(411,493)
Proceeds and (payments) relating to equity instruments (Note 18)	982,852	246,487
Issues/(Redemptions)	982,539	183
(Acquisitions)/Disposals	313	246,304
Proceeds and (payments) relating to financial liability instruments (Note 21)	(554,384)	(211,066)
Issues	874,902	361,390
Repayments and redemptions	(1,429,286)	(572,456)
Dividends and returns on other equity instruments paid (Note 6)	(4,852)	(3,755)
Other cash flows from financing activities	(337,920)	(399,825)
Interest paid	(358,536)	(402,318)
Other proceeds/(payments) relating to financing activities	20,616	2,493
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES	85,696	(368,159)
Effect of foreign exchange rate changes	22,184	(11,487)
Cash and cash equivalents of assets held for sale and of discontinued operations, reclassified	—	(166,229)
OTHER CASH FLOWS	22,184	(177,716)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	549,526	(182,577)
Cash and cash equivalents at beginning of year	987,622	1,170,199
Cash and cash equivalents at end of year	1,537,148	987,622

The accompanying Notes 1 to 35 and Appendices I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2014.

(*) The 2013 column was adjusted to reflect the impact of applying IFRS 11, "Joint Arrangements".

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 35). In the event of a discrepancy, the Spanish-language version prevails.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.
AND SUBSIDIARIES
as at 31 December 2014**

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1. GROUP ACTIVITIES

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

- **Environmental Services.** Services related to urban water treatment, treatment of industrial waste and waste-to-energy (waste recovery).
- **Integral Water Management.** Services related to the integral water cycle: collection, treatment and distribution of water for human consumption; wastewater collection, filtering and treatment; design, construction, operation and maintenance of water infrastructure for municipal, industrial, agricultural and other services.
- **Construction.** This area specialises in infrastructure construction projects, building construction and related activities, such as motorways, dual carriageways and other roads, tunnels, bridges, hydraulic 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.

International operations, which represent approximately 44% of the FCC Group's revenue (2013: 43%), are carried on mainly in the European, US and Latin American markets.

The FCC Group is undergoing an internal reorganisation process with the aim of focusing on its core activities. As a result of this process, the Group is implementing a divestment plan for its non-core assets which, at the reporting date, are presented as non-current assets classified as held for sale in the consolidated balance sheet and as discontinued operations in the consolidated statement of profit or loss (see Note 4, "Non-Current Assets Classified as Held for Sale and Liabilities Associated with Non-Current Assets Classified as Held for Sale and Discontinued Operations").

With regard to the Renewable Energies Area, it is important to note that, pursuant to the Strategic Plan, on 4 April 2014 Fomento de Construcciones y Contratas, S.A. sold 51% of the Energy business to Plenum FMGP, S.L. In accordance with accounting legislation, the result on the transaction is recognised under "Discontinued Operations" (see Note 4).

Also, the FCC Group has a presence in the real estate industry through its 36.96% ownership interest in Realia Business, S.A., which engages mainly in housing development and office rental, both in Spain and abroad. The Group decided not to sell the ownership interest in Realia Business, S.A. because, following the capital increase, the investment and divestment plan is currently being revised. Accordingly, the ownership interest was classified as a continuing operation (see Note 4).

The Group also engages, mainly through its 50% ownership interest in Globalvía Infraestructuras, S.A., in infrastructure concessions (toll roads, tunnels, marinas, railways, tramways and buildings for a variety of uses). This activity was classified as a discontinued operation (see Note 4).

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

a) Basis of presentation

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

The 2014 consolidated financial statements of the FCC Group were formally prepared by the Board of Directors of Fomento de Construcciones y Contratas, S.A. and will be submitted for approval by the shareholders at the Annual General Meeting. However, no changes are expected to be made to the consolidated financial statements as a result of compliance with this requirement. The 2013 consolidated financial statements were approved by the shareholders of Fomento de Construcciones y Contratas, S.A. at the Annual General Meeting held on 23 June 2014.

These consolidated financial statements of the FCC Group present fairly its equity and financial position at 31 December 2014 and 2013, and its consolidated results, the changes in the consolidated equity and the consolidated cash flows in the years then ended.

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

In order to uniformly present the various items composing these consolidated financial statements, accounting standardisation criteria were applied to the separate financial statements of the companies included in the scope of consolidation. In general, in 2014 and 2013 the reporting date of the financial statements of the companies included in the scope of consolidation was the same as that of the Parent, i.e. 31 December.

The consolidated financial statements are expressed in thousands of euros.

Reclassifications

Pursuant to IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations", the non-core assets that are currently being sold are recognised under "Non-Current Assets Classified as Held for Sale" and "Liabilities Associated with Non-Current Assets Classified as Held for Sale" in the accompanying consolidated balance sheet and under "Profit (Loss) for the Year from Discontinued Operations, Net of Tax" in the accompanying consolidated statement of profit or loss.

Note 4 "Non-Current Assets Classified as Held for Sale and Liabilities Associated with Non-Current Assets Classified as Held for Sale and Discontinued Operations" includes a detail and explanation of the related changes with regard to discontinued operations.

Standards and interpretations issued but not yet in force

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

		Obligatory application for the FCC Group
Not adopted by the European Union		
IFRS 9	Financial Instruments	1 January 2018
IFRS 14	Regulatory Deferral Accounts	1 January 2016
IFRS 15	Revenue from Contracts with Customers	1 January 2017
Amendments to IFRS 10, IFRS 12 and IAS 28	Exception from consolidation for parent companies that meet the definition of investment entities	1 January 2016
Amendments to IAS 1	Disclosure Initiative	1 January 2016
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to IAS 27	Equity Method in Separate Financial Statements	1 January 2016
Amendments to IFRS 16 and IAS 41	Bearer Plants	1 January 2016
Amendments to IFRS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Adopted by the European Union but not yet in force		
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions	1 January 2015
IFRIC 21	Levies	1 January 2015

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

Significant standards and interpretations applied in 2014

The standards already adopted by the European Union that came into force in 2014 and were applied by the Group where applicable, were as follows:

New standards, amendments and interpretations:		Obligatory application for the FCC Group
Approved for use in the European Union		
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
Amendments to IFRS 10, 11 and 12	Clarification of the guidance for transition to these standards	1 January 2014
Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities	1 January 2014
Amendments to IAS 27	Separate Financial Statements	1 January 2014
Amendments to IAS 28	Investments in Associates and Joint Ventures	1 January 2014
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities	1 January 2014
IFRS 10	Consolidated Financial Statements	1 January 2014
IFRS 11	Joint Arrangements	1 January 2014
IFRS 12	Disclosure of Interests in Other Entities	1 January 2014

In general, the application of the aforementioned regulatory changes did not have a material impact on the accompanying consolidated financial statements.

In particular, the application of IFRS 11 “Joint Arrangements” did not have a material impact, since the FCC Group previously applied the option of accounting for the jointly controlled entities using the equity method provided for in IAS 31 “Interests in Joint Ventures” which IFRS 11 has superseded. The information provided relating to 2013 was adjusted in accordance with IFRSs, the effects of which on “Revenue” and “Profit (Loss) from Operations” amounted to EUR 23,430 thousand and EUR (3,789) thousand, respectively. The application of IFRS 11 did not have any impact on the consolidated results of the Group or its consolidated equity. Since the impact of adjustment is not material, it was not considered necessary to disclose the differences between the statutory financial statements for 2013 and the adjusted financial statements or to include a third balance sheet.

Similarly, the application of IFRS 10 “Consolidated Financial Statements” did not have a material impact, since the definition of control under IFRS 10 does not result in significant changes in the scope of the Group's subsidiaries.

b) Basis of consolidation

Subsidiaries

The subsidiaries listed in Appendix I, over which Fomento de Construcciones y Contratas, S.A. exercises control, i.e. where Fomento de Construcciones y Contratas, S.A. has the power to govern the significant activities of the investee; has exposure, or rights, to variable returns from involvement with the investee; and has the ability to use power over the investee to affect the amount of the investor's returns, either directly or through other investees controlled by it, were fully consolidated.

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

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

Joint arrangements

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

In accordance with IFRS 11 "Joint Arrangements", the Group accounts for the interests in joint ventures using the equity method and recognises them under "Investments Accounted for Using the Equity Method" in the accompanying consolidated balance sheet. The share in the after-tax profit or loss for the year of these companies is recognised under "Result of Companies Accounted for Using the Equity Method" in the accompanying consolidated statement of profit or loss.

Joint operations, primarily in the Construction and Environmental Services Areas, most of which have the legal form of unincorporated temporary joint ventures and similar entities, were included in the accompanying consolidated financial statements in proportion to the Group's percentage interest in the assets, liabilities, income and expenses arising from the transactions performed by these entities, and reciprocal asset and liability balances and income and expenses not realised with third parties were eliminated.

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

Associates

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

Transactions between Group companies

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

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

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

Changes in the scope of consolidation

Appendix IV shows the changes in 2014 in the fully consolidated companies and the companies accounted for using the equity method. The results of these companies are included in the consolidated statement of profit or loss from the effective date of acquisition to year-end or from the beginning of the year to the effective date of disposal or derecognition, as appropriate.

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

3. ACCOUNTING POLICIES

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

a) Service concession arrangements

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

The concession right generally means that the concession operator has an exclusive right to provide the service under the concession for a given period of time, after which the infrastructure assigned to the concession and required to provide the service is handed over to the concession grantor, generally for no consideration. The concession arrangement must provide for the management or operation of the infrastructure. Another common feature is the existence of obligations to acquire or construct all the items required to provide the concession service over the concession term.

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

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

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

For concessions classified as intangible assets, provisions for dismantling, removal and restoration and any work to upgrade the infrastructure or increase its capacity, the revenue from which is envisaged in the initial contract, are capitalised at the start of the concession and the amortisation of these assets and the interest cost relating to the provisions are recognised in the consolidated statement of profit or loss. Also, provisions to replace and repair the infrastructure are systematically recognised in the consolidated statement of profit or loss as the obligation is incurred.

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

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

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

b) Business combinations and goodwill

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

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

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

In general, the non-controlling interests are measured at their proportionate share of the acquiree's assets and liabilities.

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

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

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

c) Intangible assets

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

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

d) Property, plant and equipment and investment property

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

f) Leases

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

f.1) Finance leases

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

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

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

f.2) Operating leases

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

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

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

g) Investments accounted for using the equity method

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

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

h) Financial assets

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

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

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

- **Financial assets at fair value through profit or loss**, which comprise:
 - **held-for-trading financial assets** are assets acquired with the intention of realising them at short term based on fluctuations in their prices. These assets, which are expected to mature within 12 months, are included under "Other Current Financial Assets" in the accompanying consolidated balance sheet.

Held-for-trading financial assets which, when arranged, mature within three months or less and whose realisation is not expected to give rise to significant costs are included under "Cash and Cash Equivalents" in the accompanying consolidated balance sheet. These assets are considered to be investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and therefore relate basically to very short-term, highly liquid investments with a high turnover.
 - **financial assets initially classified as at fair value through profit or loss**, which are financial assets not considered to be held for trading.
- **Held-to-maturity investments** are financial assets with fixed or determinable payments and fixed maturity. Those maturing within no more than twelve months are classified as current assets and those maturing within more than twelve months as non-current assets.
- **Loans and receivables** maturing within no more than twelve months are classified as current items and those maturing within more than twelve months as non-current items. This category includes collection rights arising from the application of IFRIC 12 "Service Concession Arrangements" as detailed in Note 3-a.
- **Available-for-sale financial assets** are securities acquired that are not held for trading purposes and are not classified as held-to-maturity investments. They are classified as non-current in the accompanying consolidated balance sheet since it is intended to hold them at long term.

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

In the case of financial assets at fair value through profit or loss, the gains or losses arising from changes in fair value are recognised in net profit or loss for the year whereas in the case of available-for-sale financial assets, they are recognised in equity until the asset is disposed of, at which time the cumulative gains previously recognised in equity are recognised in the consolidated statement of 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 used up, the related loss is recognised in the consolidated statement of profit or loss.

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

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

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

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

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

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

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

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

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

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

j) Inventories

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

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

k) Foreign currency

k.1) Translation differences

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

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

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

k.2) Exchange differences

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

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

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

l) Equity instruments

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

Treasury shares acquired by the Parent 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 the consolidated statement of profit or loss.

The Group had in force up to 5 February 2014 (the date on which the scheme expired without any option being exercised) a remuneration scheme for its Executive Directors and Executives that was linked to the value of the Parent's shares. This scheme is described in Note 19, "Equity Instrument-Based Transactions".

m) Grants

Grants are recognised according to their nature.

m.1) Grants related to assets

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

m.2) Grants related to income

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

n) Provisions

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

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

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

Also, certain Group companies recognise provisions for restructuring costs when there is a detailed formal plan in place for this restructuring that has been communicated to the affected parties. Noteworthy among which are the provisions recognised for the reorganisation processes underway at the Group (see Note1).

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

o) Financial liabilities

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

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

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

p) Financial derivatives and hedge accounting

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

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

- Fair value hedges: in this case, the changes in fair value of the hedging instrument are recognised in profit or loss and offset the changes in fair value of the hedged item.
- Cash flow hedges: in hedges of this 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 consolidated statement of profit or loss in the same period during which the hedged item affects profit or loss.
- Hedges of a net investment in a foreign operation: hedges of this type are aimed at covering foreign currency risk and are accounted for similarly to cash flow hedges.

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

- Formal designation and documentation, at inception of the hedge, of the hedging relationship and the entity’s risk management objective and strategy for undertaking the hedge.
- Documentation identifying the hedged item, the hedging instrument and the nature of the risk being hedged.

- Prospective (analytical) evidence of the effectiveness of the hedge.
- Objective and verifiable ex-post measurements.

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

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

In the case of interest rate swaps (IRSs) in which the FCC Group receives a floating rate equal to that of the hedged borrowings and pays a fixed rate, since the objective is to reduce the variability of the borrowing costs, the effectiveness is estimated using a test that prospectively and retrospectively checks that the changes in fair value of the cash flows of the IRS offset the changes in the fair value of the hedged risk.

A hypothetical derivative is used to quantify the hedged risk, whereby the hedged risk is replicated, isolating it from the other factors that influence expected cash flows. Using this approach, the present value of the cash flows is calculated on the basis of the difference between the forward interest rates for the applicable periods at the date of the effectiveness test and the interest rate that would have been obtained had the debt been arranged at the market rate prevailing on inception of the hedge. The hedge will be considered highly effective where the changes in the fair value of the cash flows of the real derivative and the cash flows of the hypothetical derivative are offset within a range of 80% and 125%. If this is not the case, the derivative is not classified as a hedge and changes in its fair value are recognised in the consolidated statement of profit or loss.

For cash flow hedges in which the derivative hedging instrument is not an IRS but an option, the reduction in the variance of costs is taken into consideration only if the hedge is “activated”, i.e. if the reference rates fall within the hedged variability range. The methodology used once the hedge has been activated is the same as that used to test the effectiveness of the IRSs, with the exception that only the intrinsic value of the option will be taken into account in the effectiveness test, in accordance with IAS 39.

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

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

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

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

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

- The IRSs were measured by discounting all the flows envisaged in each contract on the basis of its characteristics, such as the notional amount and the collection and payment schedule. This measurement was made using the zero-coupon yield curve determined by employing a bootstrapping process for the deposits and swaps traded at any given time. This zero-coupon yield curve was used to obtain the discount factors for the measurements, which were made assuming the absence of arbitrage opportunity (AAO). When there were caps and floors or combinations thereof, on occasions conditional upon special conditions being met, the interest rates used were the same as those used for the swaps, although in order to introduce the component of randomness in the exercise of the options, the generally accepted Black-Scholes model was used.
- In the case of a cash flow hedging derivative tied to inflation, the method used is very similar to that applied to interest rate swaps. The projected inflation is estimated on the basis of the inflation included implicitly in the ex-tobacco European inflation-indexed swaps quoted on the market and is aligned with Spanish inflation by means of a convergence adjustment.

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

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

q) Income tax

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

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

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

r) Pension obligations

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

s) Operating income and expenses

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

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

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

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

The Group receives the CO₂ emission allowances for its cement business free of charge under the respective national allocation plans and it recognises the related income and expense flows when it sells its surplus allowances or purchases the allowances it requires.

t) Related party transactions

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

Note 32 to these consolidated financial statements details the main transactions with the significant shareholders of the Parent, its Directors and Senior Executives and between Group companies.

u) Consolidated statement of cash flows

The FCC Group prepares its consolidated statement of cash flows in accordance with the indirect method under IAS 7 “Statement of Cash Flows”, using the following terms with the meanings specified:

- Cash flows are inflows and outflows of cash and cash equivalents.
- Operating activities are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities. Operating cash flows include most notably "Other Adjustments to Profit (Loss) (Net)" which consists of, primarily, items that are included in “Profit (Loss) before Tax” but do not have an impact on the change in cash, and items that are included in other line items of the consolidated statement of cash flows in accordance with their nature.
- Investing activities relate to the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities are activities that result in changes in the size and composition of the equity and borrowings of the Group.

For the purpose of preparing the consolidated statement of cash flows, “Cash and Cash Equivalents” were considered to be cash on hand, demand bank deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

v) Use of estimates

In the Group’s consolidated financial statements for 2014 and 2013, estimates were made in order to quantify certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- The impairment losses on certain assets (see Notes 7, 8 and 9)
- The measurement of goodwill (see Note 7)
- The recoverability of amounts to be billed for construction work performed being processed (see Notes 3-s and 16)
- The recoverability of deferred tax assets (see Note 25).
- The measurement of assets and liabilities classified as held for sale, when their net value is recognised at an amount less than the carrying amount, since their selling price, less costs to sell, is estimated to be lower than their carrying amount (see Note 4)
- The identification and the determination of the fair value of the assets and liabilities acquired in business combinations (see Note 5)
- The useful life of the intangible assets, property, plant and equipment and investment property (see Notes 7, 8 and 9)
- The calculation of the recoverable amount of inventories (see Note 15)
- The amount of certain provisions (see Note 20)
- The assumptions used in the actuarial calculation of the post-employment benefit liabilities and obligations (see Notes 20 and 26)
- The market value of derivatives (see Note 24)

In 2014 and 2013, due to the continued deterioration of the general economic environment, certain legislative changes and the specific conditions of certain markets in which the FCC Group operates, the Group recognised impairment losses on goodwill and on items of property, plant and equipment, as described in Notes 7 and 8, respectively. Furthermore, impairment losses were recognised in order to reduce the carrying amount of certain assets held for sale to the amount expected to be obtained through their sale (see Note 4).

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.

IFRS 7 "Financial Instruments: Disclosures" requires that the fair value measurements of financial instruments, both assets and liabilities, be classified in accordance with the significance of the variables used in the measurements. For this purpose, it establishes the following hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical instruments.
- Level 2: inputs other than quoted prices that are observable for the financial instrument, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the financial instrument that are not based on observable market data.

Substantially all the Group's financial assets and liabilities measured at fair value are Level 2.

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

In accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" (see Note 3-i), the non-core assets that, in accordance with the Strategic Plan, are included in the divestment process and for which there were committed sales plans, as indicated in Note 1 above, were reclassified.

The assets held for sale, after deducting their liabilities, were measured at the lower of carrying amount and the expected selling price less costs to sell, which gave rise to the recognition of the related impairment losses.

It should be noted in relation to the Energy Area that an agreement was reached to sell it to Plenium FMGP, S.L. on 27 December 2013. However, since the agreement is subject to the customary conditions precedent for this type of agreement, the most significant being the Spanish National Competition Commission's approval of the transaction, the effects of the sale were not recognised in 2013, except for the related impairment loss up to the selling price set forth in the aforementioned agreement. The sale was completed on 4 April 2014 and, accordingly, the effects thereof were recognised on that date.

The divestments of the Logística Group and the FCC Environmental (USA) Group were completed in April and October 2014, respectively, and the result up to sale and the result on disposal were recognised under "Profit (Loss) for the Year from Discontinued Operations, Net of Tax".

In 2014 the ownership interest in the Realía Business subgroup was reclassified from "Discontinued Operations" to "Continuing Operations" as a result of the Group's decision to abandon the sale process. Consequently, the consolidated statement of profit or loss for the year ended 2013 was adjusted. This adjustment did not have any impact on results since it consisted of a mere reclassification between items.

Lastly, as a result of the ongoing liquidation process involving the Alpine Group, in 2013 it was excluded from the scope of consolidation, the effects of which are detailed below:

- a) Derecognition of the assets and liabilities of the Alpine Group. The net result on disposal amounts to EUR 10,517 thousand, which relates to EUR 2,233,172 thousand of assets and EUR 2,222,655 thousand of liabilities. In the explanatory notes, these changes are recognised under "Changes in the Scope of Consolidation, Translation Differences and Other Changes" in the related tables.
- b) Classification of the FCC Group's ownership interest in these companies -heads of the Alpine Group- as financial assets written down in full, and on the other hand, recognition in 2013 of a provision for contingencies and charges, net of the related tax effect, of EUR 85,317 thousand, to cover the amount of possible third-party liability and guarantees assumed by the FCC Group.
- c) Since the Alpine Group represents a significant business line tied to a geographic area, it was classified as a discontinued operation in accordance with IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations". Therefore, "Profit (Loss) for the Year from Discontinued Operations, Net of Tax" in the accompanying consolidated statement of profit or loss for 2013 includes: the result of its inclusion in the scope of consolidation from 1 January 2013 up to the date of exclusion, the impairment loss to write down the investment in full and the provision recognised to cover possible third-party liability and guarantees.

The sections below detail the results, cash flows and balance sheet items relating to assets and liabilities classified as held for sale and discontinued operations.

	Energy Area	Cemusa Group	Logística Group	Alpine Group	Globalvía Group	FCC Environmental (USA) Group	Total
2014							
Revenue	36,676	130,321	61,230	—	—	70,739	298,966
Operating expenses	(21,024)	(111,236)	(62,623)	—	—	(72,313)	(267,196)
Profit (Loss) from operations	(400)	39,889	(2,173)	—	—	(4,862)	32,454
Profit (Loss) before tax	(51,692)	27,267	4,198	—	5,949	(5,385)	(19,663)
Income tax	65,132	20,875	4,455	—	—	10,908	101,370
Impairment losses on discontinued operations after tax	—	(64,698)	—	—	4,218	—	(60,480)
Profit (Loss) for the year from discontinued operations, net of tax	13,440	(16,556)	8,653	—	10,167	5,523	21,227
Profit (Loss) attributable to non-controlling interests	(1,286)	(267)	—	—	—	—	(1,553)
2013							
Revenue	118,545	142,160	252,198	889,901	—	122,397	1,525,201
Operating expenses	(48,257)	(114,054)	(252,827)	(1,259,345)	—	(161,773)	(1,836,256)
Profit (Loss) from operations	31,670	3,993	973	(723,174)	—	(39,262)	(725,800)
Profit (Loss) before tax	(15,141)	(25,191)	(3,129)	(614,556)	(15,596)	(40,334)	(713,947)
Income tax	2,059	335	666	190,688	—	15,310	209,058
Impairment losses on discontinued operations after tax	(254,193)	—	(23,520)	—	(55,018)	(38,394)	(371,125)
Profit (Loss) for the year from discontinued operations, net of tax	(267,275)	(24,856)	(25,983)	(423,868)	(70,614)	(63,418)	(876,014)
Profit (Loss) attributable to non-controlling interests	(2,430)	—	—	(171)	—	—	(2,601)

Statement of profit or loss

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

It should be noted that in 2014 “Profit (Loss) for the Year from Discontinued Operations, Net of Tax” in the Energy Area includes, on the one hand, income of EUR 63,948 thousand in relation to the deduction for tax purposes in 2014 of a portion of the impairment loss recognised in 2013 that, in accordance with the accounting principle of prudence in valuation, was not capitalised in that year and, on the other, a loss of EUR 41,455 thousand due to the recognition in the consolidated statement of profit or loss of the valuation adjustments existing on disposal.

As indicated in Note 3-v, the result for 2014 in the table above includes a total amount of EUR 60,480 thousand (31 December 2013: EUR 371,125 thousand) in relation to impairment losses recognised on assets classified as held for sale to reduce their carrying amounts to the lower of their value in use and the estimated selling price, less costs to sell. The result from discontinued operations for 2013 includes impairment losses recognised on assets of the Energy Area amounting to EUR 262,510 thousand.

Statement of cash flows

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

	Energy Area	Cemusa Group	Logística Group	Alpine Group	FCC Environmental (USA) Group	Total
2014						
Profit (Loss) before tax from discontinued operations	(51,692)	27,267	4,198	—	(5,385)	(25,612)
Adjustments to profit (loss)	77,022	16,321	(3,718)	—	5,530	95,155
Changes in working capital	(20,344)	(9,639)	967	—	(4,198)	(33,214)
Other cash flows from operating activities	(81)	3,777	(45)	—	(1,054)	2,597
Cash flows from operating activities	4,905	37,726	1,402	—	(5,107)	38,926
Payments due to investments	(711)	(80,513)	(943)	—	(1,181)	(83,348)
Proceeds from disposals		29,361	176	—	161	29,698
Other cash flows from investing activities	15	6,392	80	—	(849)	5,638
Cash flows from investing activities	(696)	(44,760)	(687)	—	(1,869)	(48,012)
Proceeds and (payments) relating to equity instruments	(458)	—	—	—	—	(458)
Proceeds and (payments) relating to financial liability instruments	121	12,731	4,162	—	6,422	23,436
Other cash flows from financing activities	(8,447)	(10,598)	(500)	—	503	(19,042)
Cash flows from financing activities	(8,784)	2,133	3,662	—	6,925	3,936
Total cash flows	(4,575)	(4,901)	4,377	—	(51)	(5,150)
2013						
Profit (Loss) before tax from discontinued operations	(15,141)	(25,191)	(3,129)	(614,556)	(40,334)	(698,351)
Adjustments to profit (loss)	98,333	61,875	4,419	373,521	39,845	577,993
Changes in working capital	19,711	15,884	3,098	28,183	7,451	74,327
Other cash flows from operating activities	(2,769)	(14,627)	9,863	(2,231)	499	(9,265)
Cash flows from operating activities	100,134	37,941	14,251	(215,083)	7,461	(55,296)
Payments due to investments	(92,109)	(46,647)	(3,997)	(10,855)	(6,766)	(160,374)
Proceeds from disposals	1,312	450	776	10,595	2,097	15,230
Other cash flows from investing activities	2,097	(686)	2,669	(1,646)	(549)	1,885
Cash flows from investing activities	(88,700)	(46,883)	(552)	(1,906)	(5,218)	(143,259)
Proceeds and (payments) relating to equity instruments	452,610	—	60,000	98,766	31	611,407
Proceeds and (payments) relating to financial liability instruments	(377,811)	24,642	(70,987)	89,725	(2,533)	(336,964)
Other cash flows from financing activities	(62,745)	(7,496)	(890)	(20,447)	(411)	(91,989)
Cash flows from financing activities	12,054	17,146	(11,877)	168,044	(2,913)	182,454
	23,488	8,204	1,822	(48,945)	(670)	(16,101)

Balance sheet. Non-current assets and liabilities classified as held for sale

Following is a detail of the various assets and liabilities reclassified as held for sale under the respective headings in the accompanying balance sheet:

	2014		2013	
	Assets	Liabilities	Assets	Liabilities
Energy Area	—	—	933,279	918,677
Cemusa Group	777,520	776,929	709,013	714,633
Logística Group	—	—	79,968	74,105
FCC Environmental (USA) Group	—	—	81,139	21,788
Globalvía Group	225,000	—	275,000	—
Realia Business Group	—	—	94,104	—
	1,002,520	776,929	2,172,503	1,729,203

Following is a detail, by balance sheet heading, of the assets and liabilities presented under the respective held-for-sale headings:

	2014	2013
Intangible assets	569,765	736,158
Property, plant and equipment	154,556	1,031,447
Financial assets	341,439	447,530
Deferred tax assets	6,273	66,243
Current assets	108,257	294,492
Impairment of non-current assets classified as held for sale	(177,770)	(403,367)
Non-current assets classified as held for sale	1,002,520	2,172,503
Non-current financial liabilities	537,929	1,265,416
Other non-current liabilities	12,600	71,468
Current financial liabilities	170,368	239,904
Other current liabilities	56,032	152,415
Liabilities associated with assets classified as held for sale	776,929	1,729,203

In relation to the status of the sales processes not yet completed as at 31 December 2014, it should be noted that in relation to the Cemusa subgroup, the New York City Council has not yet approved the transaction. With regard to Globalvía, negotiations are still ongoing, with an investor expected to submit its offer within the first quarter of 2015.

5. CHANGES IN THE SCOPE OF CONSOLIDATION

No noteworthy acquisitions took place either in 2014 or in 2013 and, consequently, there were no significant changes in the scope of consolidation of the FCC Group in this connection.

In order to focus on its core businesses (see Note 1), the FCC Group, pursuant to its Strategic Plan in force up to the capital increase, carried out major divestments, including most notably the following:

- The sale of 51% of the Energy Area for EUR 8,000 thousand, the main impact of which on results was the recognition of income EUR 63,948 thousand in relation to the deduction for tax purposes in 2014 of a portion of the impairment loss recognised in 2013 that, in accordance with the accounting principle of prudence in valuation, was not capitalised in that year (see Note 4).
- The sale of the FCC Environmental (USA) Group for EUR 69,044 thousand (see Note 4).
- The sale of the FCC Logística Group for EUR 6,330 thousand (see Note 4).

- The sale of FCC Connex and its subsidiaries engaging in passenger transport services for EUR 13,130 thousand.

In turn, pursuant to the aforementioned Strategic Plan, the following divestments were performed in 2013:

- The performance of an exchange transaction whereby the ownership interest in the Cementos Lemona subgroup was given up in exchange for the non-controlling interest in the Uniland subgroup owned until then by the CRH cement group. The transaction was valued at EUR 321,886 thousand. As a part of the same transaction, Southern Cement Limited was sold for EUR 22,103 thousand. As a result, a gain of EUR 104,960 thousand (see Note 28), a decrease in reserves of EUR 105,697 thousand and a decrease in non-controlling interests of EUR 216,190 thousand (see Note 18) were recognised in the consolidated financial statements.
- The sale of the Proactiva subgroup, a joint venture engaging in integral water management, urban cleaning and waste treatment in Latin America, for EUR 125,000 thousand in cash and the possibility of obtaining an additional contingent price of EUR 25,000 thousand if certain conditions are met. In 2014 EUR 5,000 thousand of the aforementioned contingent price were collected.
- The disposal of 49% of Aqualia Czech, S.L. and Aqualia Infraestructuras Inzenyring, S.R.O., its Czech subsidiary that engages in integral water management, to Mitsui for EUR 96,500 thousand. However, control was not transferred in this transaction and, accordingly, both companies are still classified as subsidiaries. In accordance with IAS 27, this is considered an equity transaction and the difference between the selling price and the carrying amount of the investment sold was taken to reserves. The transaction gave rise to the recognition of increases of EUR 60,729 thousand in reserves and EUR 38,703 thousand in non-controlling interests (see Note 18).
- With regard to the Alpine subgroup, the information on the impact of its exclusion from the scope of consolidation on the consolidated financial statements is described in detail in Note 4 to these consolidated financial statements.

6. DISTRIBUTION OF PROFIT OR LOSS

Although Fomento de Construcciones y Contratas, S.A. did not distribute a dividend in 2014 or 2013, certain subsidiaries with non-controlling interests did distribute a dividend, which gave rise to following payments to these non-controlling interests:

	2014	2013
Shareholders of Fomento de Construcciones y Contratas, S.A.	—	—
Other non-controlling interests of the other companies	4,852	3,755
	4,852	3,755

7. INTANGIBLE ASSETS

The detail of the carrying amount of intangible assets at 31 December 2014 and 2013 is as follows:

	Cost	Accumulated amortisation	Impairment	Carrying amount
2014				
Concessions (Note 11)	1,999,926	(578,974)	(54,705)	1,366,247
Goodwill	1,990,502	—	(518,464)	1,472,038
Other intangible assets	351,474	(206,781)	(15,454)	129,239
	4,341,902	(785,755)	(588,623)	2,967,524
2013				
Concessions (Note 11)	1,811,503	(517,587)	(44,835)	1,249,081
Goodwill	2,173,838	—	(727,320)	1,446,518
Other intangible assets	371,725	(188,405)	(14,524)	168,796
	4,357,066	(705,992)	(786,679)	2,864,395

a) Concessions

The changes in “Concessions” in the consolidated balance sheet in 2014 and 2013 were as follows:

	Concessions	Accumulated amortisation	Impairment
Balance at 31/12/12	1,618,804	(458,482)	(8,550)
Additions or charge for the year	216,042	(63,004)	(36,382)
Disposals or reductions	(4,517)	3,005	—
Changes in the scope of consolidation, translation differences and other changes	6,780	896	—
Transfers	(25,606)	(2)	97
Balance at 31/12/13	1,811,503	(517,587)	(44,835)
Additions or charge for the year	104,126	(66,112)	(9,870)
Disposals or reductions	(8,963)	7,866	—
Changes in the scope of consolidation, translation differences and other changes	25,819	(2,768)	—
Transfers	67,441	(373)	—
Balance at 31/12/14	1,999,926	(578,974)	(54,705)

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

The most significant additions in 2014 relate to the following companies: Autovía Conquense, S.A. (EUR 41,238 thousand (2013: EUR 21,753 thousand)), FCC Environment (UK) Group -PFI Holdings (EUR 27,079 thousand) and concessions operated by FCC Aqualia, S.A. (EUR 12,990 thousand (2013: EUR 16,829 thousand)).

The disposals in 2014 relate mainly to concessions operated by FCC Aqualia, S.A. (EUR 8,186 thousand) and in 2013 they related mainly to FCC Aqualia, S.A. (EUR 2,337 thousand) and FCC Medio Ambiente, S.A. (EUR 2,070 thousand).

Noteworthy under “Changes in the Scope of Consolidation, Translation Differences and Other Changes” in 2014 is the inclusion in the scope of consolidation of Aguas de Alcázar Empresa Mixta, S.A. for EUR 8,052 thousand.

The borrowing costs capitalised in 2014 amounted to EUR 1,667 thousand (2013: EUR 2,465 thousand) and accumulated capitalised borrowing costs amounted to EUR 22,934 thousand (2013: EUR 21,173 thousand).

b) Goodwill

The breakdown of goodwill in the accompanying consolidated balance sheet as at 31 December 2014 and 2013 is as follows:

	2014	2013
Cementos Portland Valderrivas, S.A.	809,351	226,269
Corporación Uniland Group	—	583,082
FCC Environment (UK) Group	335,920	313,837
A.S.A. Group	136,890	136,890
FCC Aqualia, S.A.	82,763	82,763
FCC Ámbito, S.A.	23,311	23,311
Giant Cement Holding, Inc.	29,308	25,870
FCC Industrial e Infraestructuras Energéticas, S.L.U.	21,499	21,499
Marepa Group	12,220	12,220
FCC Construcción de Centroamérica Group	8,460	8,460
Tratamientos y Recuperaciones Industriales, S.A.	869	869
Canteras de Aláiz, S.A.	4,332	4,332
Cementos Alfa, S.A.	3,712	3,712
Other	3,403	3,404
	1,472,038	1,446,518

The main change in the foregoing table resulted from the merger by absorption of the parent of the Corporación Uniland Group and certain of its subsidiaries into Cementos Portland Valderrivas, S.A., which gave rise to the latter recognising in its separate financial statements the goodwill arising from the acquisition of the Corporación Uniland Group.

The impairment tests performed by the Group on its goodwill are described in Note 3-b. Based on the methods used and on the estimates, projections and valuations available to Group management, indications have been detected that additional impairment losses might arise on these assets, as evidenced by the impairment losses recognised on the property, plant and equipment of FCC Environment (UK). At 31 December 2014, an impairment loss before tax of EUR 649,681 thousand was recognised on the property, plant and equipment of the FCC Environment (UK) subgroup as a result of the planned discontinuation of operations at certain landfill sites that are not profitable, with volumes much lower than projected as a result of the landfill tax. In this context, the goodwill of this subgroup was tested for impairment (the goodwill had already been written down in 2012 and 2013), and it was concluded that the cash-generating unit generates sufficient cash flows to support the carrying amount of the goodwill at 31 December 2014.

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

Cementos Portland Valderrivas

It should be noted that the goodwill recognised for this group, amounting to EUR 809,351 thousand, comprises three separately identifiable items:

- goodwill of EUR 583,082 thousand recognised in the separate financial statements of Cementos Portland Valderrivas, S.A. arising from the merger by absorption of the parent of the Corporación Uniland Group and certain of its subsidiaries;
- EUR 113,505 thousand relating to the cash-generating unit (CGU) consisting of the Alcalá de Guadaira plant; and
- Goodwill of EUR 112,764 thousand arising from the successive acquisitions by FCC, S.A. (the Parent of the Group) of additional ownership interests in Cementos Portland (in turn, the parent of the cement business) prior to the entry into force of the current version of IFRS 3, with respect to which the CGU to be considered, therefore, is the entire business activity of the Cementos Portland Valderrivas Group, and this policy has been applied on an ongoing basis since the entry into force of IFRS 3 (2005).

Following is a description of the main assumptions used in each of the impairment tests performed on the three aforementioned CGUs.

a) Corporación Uniland

Impairment losses amounting to EUR 234,100 were recognised on the goodwill related to the Corporación Uniland CGU in prior years and also, as a result of acquisitions following the obtainment of control, EUR 71,596 thousand were recognised in reserves. The cash flow projections are based on historical data and future projections of both the Group and external bodies.

As indicated above, the parent of the Corporación Uniland Group and certain of its subsidiaries were absorbed by Cementos Portland Valderrivas, S.A. and, accordingly, the goodwill of the former is recognised in the separate financial statements of Cementos Portland Valderrivas, S.A.

Using the framework described above, a gradual improvement was estimated in revenue with growth ranging from a maximum of 10.7% in 2021 to more modest projected growth in the last three years of the series, from 8.7% in 2022 to 5.2% in 2024. This growth gives rise to a sustained improvement in the gross operating margin from the current figure of around 23.5% to approximately 35.4% in 2024, the last year of the series, driven mainly by the characteristics of the cement market in which, once fixed costs are covered, the margin increases significantly since the variable costs are very low compared with revenue growth. In view of the characteristics of the business and its cycle, a ten-year time horizon was considered, and the estimated cash flows were discounted using a discount rate of 6.23%. A zero growth rate was used to calculate the perpetual return. The present value of the perpetual return represents 67.6% of the total recoverable amount. The test showed that the recoverable amount of the cash-generating unit is EUR 406,275 thousand higher than its carrying amount and would withstand an increase of just over 180 basis points and a decrease in the present value of the cash flows of around 27.5% without the need to recognise any impairment loss.

It should be noted that the main aggregates for 2014 exceeded significantly those used for that year in the impairment test performed in 2013.

b) Alcalá de Guadaira

The cash flows corresponding to the Alcalá de Guadaira CGU were calculated using assumptions consistent with those employed for Uniland, which were adapted to the particular circumstances of this CGU. More specifically, the projected future revenue growth considered a volume of cement consumption based on external third-party reports together with the best estimates of Group commercial management, while future prices were estimated on the basis of knowledge of the market in the geographical area in which the unit operates. In view of the features and cycle of the cement business, the projections considered a ten-year time horizon and a 6.23% discount rate. A zero growth rate was used to calculate the perpetual return. The present value of the perpetual return represents 70.1% of the total recoverable amount. The current projections disclose that the recoverable amount is EUR 157,880 thousand higher than the CGU's carrying amount and would withstand an increase in the discount rate of more than 430 basis points and a reduction of more than 35% of the present value of the cash flows.

c) Cementos Portland Valderrivas Group

As regards the goodwill associated with the CGU consisting of the entire cement business, it should be noted that if we consider the sum of the present values of the cash flows for the CGUs tested for impairment because goodwill had been allocated to them, discounted at a rate of 6.23%, such as Uniland, the Alcalá de Guadaira plant, Giant, etc., taking into consideration that in the case of the other CGUs the recoverable amount is at least equal to the carrying amount, the aggregate recoverable amount exceeds the carrying amount of the total cement business and, therefore, there is no impairment. If the cash flows relating to the entire cement business were taken into consideration, the excess of recoverable amount over carrying amount would be even greater. A zero growth rate was used to calculate the perpetual return, so that the present value of the perpetual return represents 64.3% of the total recoverable amount. The current projections disclose that the recoverable amount is EUR 1,029,689 thousand higher than the carrying amount and would withstand an increase in the discount rate of more than 300 basis points and a reduction of more than 35% of the present value of the cash flows.

FCC Environment (UK) Group, formerly WRG Group.

In 2013 an impairment loss of EUR 236,435 thousand was recognised to add to the loss of EUR 190,229 thousand recognised in 2012.

The main assumptions used relate to revenue growth of approximately 4-8% for 2016-2018, dropping to 2% in 2020 to then remain constant for the remaining years. Also, the gross operating margin drops from 23.8% in 2015 to around 19% for 2019-2024, due largely to the change in the mix of activities, with activities with lower margins gaining relative importance. The discount rate used was 6.80% and a ten-year time horizon was considered for the estimates, in view of the structural characteristics of its business and the long useful lives of its assets. A growth rate of 1% was used in calculating the perpetual return, since the planned discontinuation of the activity at certain unprofitable landfills will be offset by the strengthening of other waste treatment alternatives which, therefore, will experience sustained growth over time. The present value of the perpetual return represents 70.6% of the total recoverable amount. The test showed that the recoverable amount of the cash-generating unit is EUR 117,089 thousand higher than its carrying amount and would withstand an increase of 73 basis points and a decrease in the present value of the cash flows of around 13%, without the need to recognise any impairment loss.

The aforementioned impairment of the property, plant and equipment of the FCC Environment (UK) subgroup did not have any impact on the cash flows for 2014, since it related to the gradual planned closure of certain landfill sites that are no longer profitable. The orderly closure process will expedite the transformation of its waste management business, thereby increasing the relative importance of the recycling, recovery and treatment activity, which will enable the subgroup to improve its profitability in the long term.

The changes in goodwill in the accompanying consolidated balance sheet in 2014 and 2013 were as follows:

Balance at 31/12/12		1,971,234
Changes in the scope of consolidation, translation differences and other changes:		
FCC Environment (UK) Group	(11,928)	
Giant Cement Holding, Inc.	(1,142)	
Other	<u>(4,305)</u>	(17,375)
Reclassifications to or from assets held for sale: (Note 4)		
Alpine Bau Group	(188,705)	
FCC Environmental LLC	(50,447)	
International Petroleum Corp. of Delaware	<u>(5,499)</u>	(244,651)
Impairment losses: (Note 28-d)		
FCC Environment (UK) Group	(236,435)	
FCC Ámbito, S.A.	(17,424)	
Other	<u>(8,831)</u>	(262,690)
Balance at 31/12/13		1,446,518
Changes in the scope of consolidation, translation differences and other changes:		
FCC Environment (UK) Group	22,082	
Giant Cement Holding, Inc.	<u>3,438</u>	25,520
Balance at 31/12/14		1,472,038

In 2013 the goodwill of the Alpine Group amounting to EUR 188,705 thousand was excluded from the scope of consolidation as a result of the liquidation of that group, and the goodwill relating to FCC Environmental LLC and International Petroleum Corp. of Delaware was reduced by EUR 50,447 thousand and EUR 5,499 thousand, respectively, as both of these companies were reclassified as discontinued operations (see Note 4).

“Changes in the Scope of Consolidation, Translation Differences and Other Changes” in 2014 includes most notably the effect of the appreciation of the pound sterling against the euro, which gave rise to an increase of EUR 22,082 thousand (2013: decrease of EUR 11,928 thousand) in the goodwill associated with the FCC Environment (UK) Group (formerly the WRG Group).

c) Other intangible assets

The changes in “Concessions” in the consolidated balance sheet in 2014 and 2013 were as follows:

	Other intangible assets	Accumulated amortisation	Impairment
Balance at 31/12/12	1,282,233	(571,826)	(4,150)
Additions or charge for the year	48,201	(21,945)	(10,277)
Disposals or reductions	(17,766)	10,627	—
Changes in the scope of consolidation, translation differences and other changes	(940,893)	394,718	(97)
Transfers	(50)	21	—
Balance at 31/12/13	371,725	(188,405)	(14,524)
Additions or charge for the year	45,950	(19,523)	(1,086)
Disposals or reductions	(4,188)	3,074	156
Changes in the scope of consolidation, translation differences and other changes	10,704	(2,545)	—
Transfers	(72,717)	618	—
Balance at 31/12/14	351,474	(206,781)	(15,454)

This heading includes mainly:

- Amounts paid to public or private bodies in relation to royalties for the award of contracts that do not qualify as concession arrangements pursuant to IFRIC 12 "Service Concession Arrangements", relating mainly to the Environmental Services Area;
- The amounts recognised as intangible assets on initial recognition of certain business combinations representing items such as customer portfolios and contracts in force on the purchase date;
- The rights to operate quarries relating to the Cement Area; and
- Computer software.

In 2013 “Changes in the Scope of Consolidation, Translation Differences and Other Changes” included EUR 540,965 thousand relating to the logistics and street furniture businesses (Cemusa Group), and the FCC Environmental (USA) Group (see Note 4).

8. PROPERTY, PLANT AND EQUIPMENT

The detail of the carrying amount of property, plant and equipment at 31 December 2014 and 2013 is as follows:

	Cost	Accumulated depreciation	Impairment	Carrying amount
2014				
Land and buildings	1,552,183	(504,712)	(89,686)	957,785
Land and natural resources	791,872	(141,829)	(75,103)	574,940
Buildings for own use	760,311	(362,883)	(14,583)	382,845
Plant and other items of property, plant and equipment	7,852,831	(4,972,475)	(683,667)	2,196,689
Plant	5,083,305	(2,906,756)	(663,277)	1,513,272
Machinery and transport equipment	2,046,456	(1,565,997)	(17,102)	463,357
Property, plant and equipment in the course of construction and advances	64,518	—	—	64,518
Other items of property, plant and equipment	658,552	(499,722)	(3,288)	155,542
	9,405,014	(5,477,187)	(773,353)	3,154,474
2013				
Land and buildings	1,513,928	(423,608)	(120,359)	969,961
Land and natural resources	779,630	(98,275)	(105,461)	575,894
Buildings for own use	734,298	(325,333)	(14,898)	394,067
Plant and other items of property, plant and equipment	7,552,915	(4,753,454)	(33,156)	2,766,305
Plant	4,819,911	(2,734,196)	(16,049)	2,069,666
Machinery and transport equipment	2,053,887	(1,538,955)	(13,881)	501,051
Property, plant and equipment in the course of construction and advances	52,108	—	—	52,108
Other items of property, plant and equipment	627,009	(480,303)	(3,226)	143,480
	9,066,843	(5,177,062)	(153,515)	3,736,266

The changes in 2014 and 2013 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 and advances	Other items of property, plant and equipment	PLANT AND OTHER ITEMS OF PROPERTY, PLANT AND EQUIPMENT	ACCUMULATED DEPRECIATION	IMPAIRMENT
Balance at 31/12/12	801,292	1,016,346	1,817,638	5,178,640	2,546,320	83,959	826,249	8,635,168	(5,711,850)	(116,801)
Additions or charge for the year	933	21,505	22,438	17,178	64,030	39,977	26,643	147,828	(339,349)	(36,988)
Disposals or reductions	(8,807)	(12,479)	(21,286)	(11,887)	(74,565)	(1,517)	(26,455)	(114,424)	112,339	1,469
Changes in the scope of consolidation, translation differences and other changes	(14,818)	(281,037)	(295,855)	(402,114)	(491,924)	(23,947)	(204,445)	(1,122,430)	759,368	1,773
Transfers	1,030	(10,037)	(9,007)	38,094	10,026	(46,364)	5,017	6,773	2,430	(2,968)
Balance at 31/12/13	779,630	734,298	1,513,928	4,819,911	2,053,887	52,108	627,009	7,552,915	(5,177,062)	(153,515)
Additions or charge for the year	33	18,244	18,277	40,544	92,549	50,276	48,155	231,524	(323,545)	(652,984)
Disposals or reductions	(10,086)	(13,470)	(23,556)	(13,302)	(141,843)	(1,764)	(23,951)	(180,860)	163,477	6,745
Changes in the scope of consolidation, translation differences and other changes	18,285	18,526	36,811	214,129	38,437	713	5,080	258,359	(149,773)	25,337
Transfers	4,010	2,713	6,723	22,023	3,426	(36,815)	2,259	(9,107)	9,716	1,064
Balance at 31/12/14	791,872	760,311	1,552,183	5,083,305	2,046,456	64,518	658,552	7,852,831	(5,477,187)	(773,353)

The most significant “Additions” in 2014 were the investments made for the performance of contracts in the Environmental Services Area, mainly at the FCC Environment (UK) Group (formerly the WRG Group), amounting to EUR 62,843 thousand (2013: EUR 53,436 thousand), at Fomento de Construcciones y Contratas, amounting to EUR 45,530 thousand (2013: EUR 30,291 thousand) and those made in the Integral Water Management Area, primarily by SmVak, amounting to EUR 18,358 thousand (2013: EUR 18,568 thousand).

Impairment losses for the year included most notably those recognised at the FCC Environment (UK) Group amounting to EUR 649,681 thousand. The aforementioned impairment losses arose as a result of the extensive transformation experienced by the waste management market in the UK as a result of the British Government's policy in implementing European Directives, which requires that waste be treated prior to being sent to the landfill sites, establishes ambitious recycling targets and increases the landfill tax from GBP 56 per tonne in 2011 to GBP 80 per tonne in 2014; all of these actions being intended to promote the use of alternative treatment technologies. This environmental policy, together with the severe financial crisis (decreased consumption and generation of waste), resulted in a rapid drop in the waste disposal activity at landfill sites; waste disposal at the landfill sites of the FCC Group in the UK dropped from 9.1 million tonnes in 2007 to 4.4 million tonnes in 2013. This situation forced the FCC Group to review its business strategy and model and to consider, on the one hand, restructuring the landfill business so as to enable the capacity and availability of landfill sites to be adapted to market needs and, on the other, making a firm commitment to a diversification strategy aimed at providing waste collection, recycling and treatment, and renewable energy production, services. Impairment losses in 2013 included most notably EUR 36,032 thousand recognised in the cement business on non-current assets used mainly in closed or loss-making aggregate, mortar and concrete production plants.

To determine the impairment of the FCC Environment (UK) Group's property, plant and equipment, the landfill sites were considered as individual cash-generating units (CGUs) since they generate independent cash flows. The carrying amount of these CGUs was determined principally by calculating their value in use, using discounted cash flows to estimate their present value on the basis of the estimated useful life of each of the units. The discount rate before tax used was 6.8%.

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

“Changes in the Scope of Consolidation, Translation Differences and Other Changes” in 2014 includes most notably the effect of the appreciation of the pound sterling and US dollar against the euro. In 2013 “Changes in the Scope of Consolidation, Translation Differences and Other Changes” included the transfer of non-current asset amounting to EUR 178,462 thousand net of depreciation and impairment losses to non-current assets classified as held for sale and EUR 405,710 thousand relating to the exclusion from the scope of consolidation of the Alpine Group as a result of its liquidation process (see Note 4).

The borrowing costs capitalised in 2014 amounted to EUR 4,558 thousand (2013: no borrowing costs were capitalised) and accumulated capitalised borrowing costs amounted to EUR 32,593 thousand (2013: EUR 45,255 thousand).

The Group companies take out the insurance policies they consider necessary to cover the possible risks to which their property, plant and equipment are subject. At 2014 year-end the Parent considered that the property, plant and equipment were fully insured.

Fully depreciated property, plant and equipment which, being in good working order, are used in production amounted to EUR 3,111,506 thousand as at 31 December 2014 (31 December 2013: EUR 2,844,371 thousand).

At 31 December 2014, property plant and equipment in the accompanying consolidated balance sheet located outside Spain amounted to EUR 1,891,015 thousand, net of depreciation (31 December 2013:

EUR 2,392,982 thousand). The change in this line item arose mainly as a result of the impairment of the FCC Environment (UK) Group amounting to EUR 649,681 thousand.

Restrictions on title to assets

Of the total property, plant and equipment in the consolidated balance sheet as at 31 December 2014, there are restrictions on title to assets amounting to EUR 557,912 thousand (31 December 2013: EUR 584,229 thousand), the detail being as follows:

	Cost	Accumulated depreciation	Impairment	Carrying amount
2014				
Buildings, plant and equipment	2,302,285	(1,734,863)	(63,293)	504,129
Other items of property, plant and equipment	170,168	(116,385)	—	53,783
	2,472,453	(1,851,248)	(63,293)	557,912
2013				
Buildings, plant and equipment	1,047,596	(623,724)	—	423,872
Other items of property, plant and equipment	759,510	(599,153)	—	160,357
	1,807,106	(1,222,877)	—	584,229

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

Purchase commitments

In the course of their business activities, the Group companies had formalised property, plant and equipment purchase commitments amounting to EUR 1,197 thousand at 31 December 2014 (31 December 2013: EUR 593 thousand), the detail being as follows:

	2014	2013
Buildings for own use	—	—
Plant	—	—
Machinery and transport equipment	1,197	272
Other items of property, plant and equipment	—	321
	1,197	593

9. INVESTMENT PROPERTY

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

The detail of “Investment Property” at 31 December 2014 and 2013 is as follows:

	Cost	Accumulated depreciation	Carrying amount
2014			
Investment property	21,271	(181)	21,090
	21,271	(181)	21,090
2013			
Investment property	16,835	(8)	16,827
	16,835	(8)	16,827

The changes in 2014 and 2013 were as follows:

Balance at 31/12/12	70,668
Additions	59
Disposals	(35,529)
Depreciation and impairment charge	(629)
Changes in the scope of consolidation, translation differences and other changes	(20,830)
Transfers	3,088
Balance at 31/12/13	16,827
Additions	792
Disposals	
Depreciation and impairment charge	(173)
Changes in the scope of consolidation, translation differences and other changes	3,644
Transfers	—
Balance at 31/12/14	21,090

“Changes in the Scope of Consolidation, Translation Differences and Other Changes” in 2014 includes most notably the increase of EUR 3,644 thousand since, as a result of the final sale agreement of the Alpine Energie subgroup, the Group assumed the assets and liabilities of Alpine Energie Holding AG as a result of the company ultimately not being included in the sale transaction.

The “Disposals” in 2013 include EUR 35,529 thousand relating to FCC Construcción, S.A. for the sale of homes located in Tres Cantos (Madrid) that in 2012 began to be held to earn rentals under a seven-year lease agreement with a purchase option.

“Changes in the Scope of Consolidation, Translation Differences and Other Changes” in 2013 includes most notably EUR 14,691 thousand relating to the exclusion from the scope of consolidation of the Alpine Group due to its liquidation process (see Note 4).

At the end of 2014 and 2013 the Group did not have any firm commitments to purchase or construct investment property.

10. LEASES

a) Finance leases

The detail of the finance leases in force at the end of 2014 and 2013 and of the related cash flows is as follows:

	Movable property	Real estate	Total
2014			
Carrying amount	65,322	6,275	71,597
Accumulated depreciation	35,681	3,416	39,097
Cost of the assets	101,003	9,691	110,694
Finance costs	6,997	3,216	10,213
Capitalised cost of the assets	108,000	12,907	120,907
Lease payments paid in prior years	(31,821)	(579)	(32,400)
Lease payments paid in the year	(27,639)	(5,005)	(32,644)
Lease payments outstanding, including purchase option	48,540	7,323	55,863
Unaccrued finance charges	(2,050)	(186)	(2,236)
Present value of lease payments outstanding, including purchase option (Note 21-c and 21-d)	46,490	7,137	53,627
Contract term (years)	2 to 5	10	
Value of purchase options	6,405	5,487	11,892

	Movable property	Real estate	Total
2013			
Carrying amount	59,808	7,209	67,017
Accumulated depreciation	33,840	3,238	37,078
Cost of the assets	93,648	10,447	104,095
Finance costs	6,172	3,192	9,364
Capitalised cost of the assets	99,820	13,639	113,459
Lease payments paid in prior years	(41,954)	(5,435)	(47,389)
Lease payments paid in the year	(15,450)	(587)	(16,037)
Lease payments outstanding, including purchase option	42,416	7,617	50,033
Unaccrued finance charges	(1,506)	(273)	(1,779)
Present value of lease payments outstanding, including purchase option (Note 21-c and 21-d)	40,910	7,344	48,254
Contract term (years)	2 to 5	10	
Value of purchase options	543	5,493	6,036

The detail, by maturity, of the total amount of the lease payments and of their present value at 31 December 2014 is as follows:

	Within one year	Between one and five years	After five years	Total
2014				
Lease payments outstanding, including purchase option	16,420	39,044	399	55,863
Unaccrued finance charges	(657)	(1,563)	(16)	(2,236)
Present value of lease payments outstanding, including purchase option	15,763	37,481	383	53,627

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 2014 no expense was incurred in connection with contingent rent.

b) Operating leases

The operating lease payments recognised as an expense by the Group as a lessee in the year ended 31 December 2014 amounted to EUR 201,582 thousand (31 December 2013: EUR 205,812 thousand). These payments relate mainly to machinery leased in the Construction Area and to plant and to buildings leased for use by the Group in all the activities carried on by it.

The agreement entered into by the FCC Group and Hewlett Packard Servicios España, S.L. on 19 November 2010, under which the IT Infrastructure Operation Services were outsourced in order to improve efficiency and enable the Group to be more flexible and competitive on an international scale, was renegotiated on 30 May 2014, establishing the final expiration of the agreement in July 2018.

The agreements arranged in prior years include most notably the lease for the office building located in Las Tablas (Madrid), in effect since 23 November 2012 for an 18-year term, extendable at the FCC Group's discretion by two five-year periods, with an annual rent adjustable each year based on the increase in the CPI. Also worthy of note is the lease agreement entered into in 2011 between Fomento de Construcciones y Contratas, S.A. and the owners of the buildings housing the FCC Group's Central Services offices, located at Federico Salmón 13, in Madrid and at Balmes 36, in Barcelona, for a non-cancellable minimum term of 30 years, extendable at the Group's discretion by two five-year periods, each with an annual rent adjustable each year based on the increase in the CPI. The owners, in turn, granted a purchase option to Fomento de Construcciones y Contratas, S.A., which can be exercised only at the end of the lease term at the higher of fair value and the CPI-adjusted selling price.

At 2014 year-end the non-cancellable future payment obligations relating to operating leases for buildings, structures and IT infrastructure operation services amounted to EUR 483,188 thousand (2013: EUR 428,303 thousand). The detail, by maturity, of the non-cancellable future minimum payments at 31 December 2014 is as follows:

	2014
Within one year	59,321
Between one and five years	151,079
After five years	272,788
	483,188

As a lessor, the FCC Construction Group recognises an insignificant amount of income from investment property (see Note 9).

11. SERVICE CONCESSION ARRANGEMENTS

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

The following table includes the total amount of the assets held by the Group companies under service concession arrangements and recognised under "Intangible Assets", "Non-Current Financial Assets", "Current Financial Assets" and "Investments Accounted for Using the Equity Method" in the accompanying consolidated balance sheets as at 31 December 2014 and 2013.

	Intangible assets	Financial assets	Joint ventures - concession operators	Associates - concession operators	Total investment
2014					
Water services	1,391,327	30,524	43,645	95,752	1,561,248
Motorways and tunnels	417,613	—	7,502	41,442	466,557
Other	190,986	158,820	18,436	16,289	384,531
TOTAL	1,999,926	189,344	69,583	153,483	2,412,336
Accumulated amortisation	(578,974)	—	—	—	(578,974)
Impairment losses	(54,705)	—	—	(54,000)	(108,705)
	1,366,247	189,344	69,583	99,483	1,724,657
2013					
Water services	1,336,506	28,507	43,380	80,389	1,488,782
Motorways and tunnels	248,987	—	8,466	33,153	290,606
Other	226,010	124,981	18,255	62,208	431,454
TOTAL	1,811,503	153,488	70,101	175,750	2,210,842
Accumulated amortisation	(517,587)	—	—	—	(517,587)
Impairment losses	(44,835)	—	—	—	(44,835)
	1,249,081	153,488	70,101	175,750	1,648,420

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

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

It should also be noted that under the concession contracts the concession operators in which the Group holds ownership interests are obliged to purchase or construct, during the term of the related concession, property, plant and equipment items assigned to concessions amounting to EUR 76,720 thousand at 31 December 2014 (31 December 2013: EUR 104,386 thousand).

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

“Investments Accounted for Using the Equity Method” includes the value of the investments in companies accounted for using the equity method and the long-term loans granted to such companies which, as indicated in Note 2-b, include joint ventures and associates, the detail being as follows:

	2014	2013
Joint ventures	14,795	135,903
Associates	225,009	235,923
	239,804	371,826

The foregoing balances include loans granted to companies accounted for using the equity method, most notably: EUR 7,749 thousand (2013: EUR 10,186 thousand) granted to the jointly controlled entity Empresa Municipal de Aguas de Benalmádena, S.A.; EUR 8,837 thousand (2013: EUR 8,433 thousand) granted to Sociedad Concesionaria Tranvía de Murcia, S.A.; EUR 54,837 thousand (2013: EUR 51,579 thousand) granted to the associate Concessió Estacions Aeroport L9, S.A.; and EUR 11,319 thousand (2013: EUR 9,863 thousand) granted to the associate Aquos El Realito, S.A.

a) Joint ventures

The breakdown of the joint ventures by company is presented in Appendix II to these consolidated financial statements. The detail of the main companies is as follows:

	2014	2013
Orasqualia for the Development of the Waste Water Treatment Plant	20,221	16,878
Sociedad Concesionaria Tranvía de Murcia, S.A.	19,035	18,415
Zabalgarbi, S.A.	13,466	14,954
Atlas Gestión Medioambiental, S.A.	13,143	13,015
Empresa Municipal de Aguas de Benalmádena, S.A.	9,545	12,168
Mercia Waste Management, Ltd.	10,921	9,556
FCC-Connex Corporación, S.L.	–	12,464
Constructora Nueva Necaxa Tihuatlan, S.A. de C.V.	(43,164)	910
Other	(28,372)	37,543
	14,795	135,903

The negative amounts in the table above relate to provisions recognised, in companies belonging to the Construction Area, to cover risks that may give rise to future losses on work they carry out.

The changes in 2014 and 2013 were as follows:

	Balance at 31/12/12	Profit (Loss) for the year	Dividends paid	Changes in fair value of financial instruments recognised in reserves	Purchases	Sales	Changes in consolidation method and transfers	Translation differences and other changes	Changes in loans granted	Balance at 31/12/13
Sociedad Concesionaria Tranvía de Murcia, S.A.	28,185	(1,686)	—	—	—	—	—	—	(8,084)	18,415
Atlas Gestión Medioambiental, S.A.	13,219	497	(700)	—	—	—	—	(1)	—	13,015
FCC-Connex Corporación, S.L.	14,104	(61)	(1,507)	—	—	—	—	(72)	—	12,464
Proactiva Group	54,858	2,674	—	1,594	—	(58,050)	—	(1,076)	—	—
Mercia Waste Management Ltd.	8,829	1,745	(870)	—	—	—	—	(148)	—	9,556
Zabalgarbi, S.A.	16,633	(1,649)	—	(30)	—	—	—	—	—	14,954
Empresa Municipal de Aguas de Benalmádena, S.A.	17,132	671	(851)	(14)	—	—	—	—	(4,770)	12,168
Orasqualia for the Development of the Waste Treatment Plant, S.A.E.	16,785	2,270	—	—	—	—	—	(2,171)	(6)	16,878
Globalvía Group	368,386	—	—	28,893	—	—	—	(397,279)	—	—
Other	51,222	(14,247)	(56)	(149)	435	494	—	1,662	(908)	38,453
Total joint ventures	589,353	(9,786)	(3,984)	30,294	435	(57,556)	—	(399,085)	(13,768)	135,903

	Balance at 31/12/13	Profit (Loss) for the year	Dividends paid	Changes in fair value of financial instruments recognised in reserves	Purchases	Sales	Changes in consolidation method and transfers	Translation differences and other changes	Changes in loans granted	Balance at 31/12/14
Sociedad Concesionaria Tranvia de Murcia, S.A.	18,415	215	—	—	—	—	—	1	404	19,035
Atlas Gestión Medioambiental, S.A.	13,015	848	(721)	—	—	—	—	1	—	13,143
FCC-Connex Corporación, S.L.	12,464	—	—	—	—	(12,464)	—	—	—	—
Mercia Waste Management, Ltd.	9,556	3,896	(3,319)	—	—	—	—	788	—	10,921
Zabalgarbi, S.A.	14,954	(1,065)	—	(423)	—	—	—	—	—	13,466
Empresa Municipal de Aguas de Benalmádena, S.A.	12,168	487	(617)	(54)	—	—	—	—	(2,439)	9,545
Orasqualia for the Development of the Waste Treatment Plant, S.A.E.	16,878	1,523	—	—	—	—	—	1,813	7	20,221
Constructora Nuevo Necaxa Tihuatlan, S.A. de C.V.	910	(44,558)	—	—	—	—	—	484	—	(43,164)
Other	37,543	(2,310)	(3,532)	(2,160)	7	(6,025)	(54,318)	5,741	(3,318)	(28,372)
Total joint ventures	135,903	(40,964)	(8,189)	(2,637)	7	(18,489)	(54,318)	8,828	(5,346)	14,795

Following are the main aggregates in the financial statements of the joint ventures, in proportion to the percentage of ownership held therein, at 31 December 2014 and 2013.

	2014	2013
Non-current assets	369,102	370,561
Current assets	237,599	360,253
Non-current liabilities	260,647	253,182
Current liabilities	364,881	379,936
Income statement		
Revenue	270,262	601,145
Profit (Loss) from operations	(40,774)	16,108
Profit (Loss) before tax	(56,772)	(3,734)
Profit (Loss) attributable to the Parent	(40,964)	(9,786)

It should be noted that "Result of Companies Accounted for Using the Equity Method" for 2013 recognised in the consolidated statement of profit or loss includes the result arising from disposals, mainly from the gain obtained on the sale of the Proactiva Group (see Notes 5 and 28) amounting to EUR 51,959 thousand, which includes a loss of EUR 12,479 arising from the recognition in results of negative valuation adjustments (which had no impact on equity).

The core activities carried on by the joint ventures consist of the operation of concessions relating to, inter alia, motorways, the integrated water cycle, urban waste handling activities, tunnels and passenger transport.

Guarantees amounting to EUR 32,287 thousand (2013: EUR 93,225 thousand) have been provided, mostly to Government Agencies and private customers, for joint ventures owned jointly with non-FCC Group third parties, as security for the performance of contracts in the Group's various business areas.

b) Associates

The breakdown of the associates by company is presented in Appendix III to these consolidated financial statements. The detail of the main companies is as follows:

	2014	2013
Realia Business Group	54,437	—
Cedinsa Group	40,399	32,281
Shariket Tahlya Miyah Mostaganem	28,482	24,841
Cleon, S.A.	25,656	25,649
Concessió Estacions Aeroport L9, S.A.	18,749	60,802
Aquos El Realito, S.A. de C.V.	16,064	14,242
Metro de Málaga, S.A.	13,672	13,672
Tirme Group	13,015	11,663
Shariket Miyeh Ras Djinet, SpA	11,063	9,872
Suministro de Agua de Queretaro, S.A. de C.V.	10,922	10,564
Aguas del Puerto Empresa Municipal, S.A.	9,043	—
Metro de Lima Línea 2, S.A.	8,347	—
N6 (Construction) Limited	(38,517)	(38,733)
Other	13,677	71,070
	225,009	235,923

The changes in 2014 and 2013 were as follows:

CONSOLIDATED GROUP

	Balance at 31/12/12	Profit (Loss) for the year	Dividends paid	Changes in fair value of financial instruments recognised in reserves	Purchases	Sales	Changes in consolidation method and transfers	Translation differences and other changes	Changes in loans granted	Balance at 31/12/13
Autopistas del Valle, S.A.	6,394	6,644	(6,571)	—	—	(5,073)	—	(350)	—	1,044
Alpine Holding, GmbH	41,994	—	—	—	—	(13,517)	—	—	(28,477)	—
Cedinsa Group	44,481	(2,051)	(1,563)	(12,311)	3,995	—	—	(269)	(1)	32,281
Cleon, S.A.	25,610	(64)	—	—	—	—	—	—	103	25,649
Concessió Estacions Aeroport L9, S.A.	37,124	8,890	(1,942)	16,731	—	—	—	(1)	—	60,802
Tirme Group	11,131	1,044	(514)	—	—	—	—	2	—	11,663
Aquos El Realito, S.A. de CV	8,791	277	—	(1,502)	—	—	—	(312)	6,988	14,242
Shariket Miyeh Ras Djinet, SpA	8,557	1,617	—	—	—	—	—	(302)	—	9,872
Shariket Tahlya Miyah Mostaganem, SpA	20,091	5,493	—	—	—	—	—	(743)	—	24,841
Suministro de Agua de Queretaro, S.A. de C.V.	15,937	1,363	(1,187)	—	—	—	—	(613)	(4,936)	10,564
Metro de Málaga, S.A.	13,672	—	—	—	—	—	—	—	—	13,672
N6 (Construction) Limited	(37,339)	(1,393)	—	—	—	—	—	(1)	—	(38,733)
Realia Business Group	56,609	(29,145)	—	8,241	—	—	(94,104)	58,399	—	—
Other	92,634	(15,561)	(2,335)	3,341	2,438	(2,533)	—	3,196	(11,154)	70,026
Total associates	345,686	(22,886)	(14,112)	14,500	6,433	(21,123)	(94,104)	59,006	(37,477)	235,923

	Balance at 31/12/13	Profit (Loss) for the year	Dividends paid	Changes in fair value of financial instruments recognised in reserves	Purchases	Sales	Changes in consolidation method and transfers	Translation differences and other changes	Changes in loans granted	Balance at 31/12/14
Autopistas del Valle, S.A.	1,044	108	(102)	—	—	—	—	136	—	1,186
Cedinsa Group	32,281	481	(3,128)	10,787	—	(20)	—	(2)	—	40,399
Cleon, S.A.	25,649	(11)	—	—	—	—	—	—	18	25,656
Concessió Estacions Aeroport L9, S.A.	60,802	10,914	(4,640)	(51,583)	—	—	—	(1)	3,257	18,749
Metro de Lima Línea 2, S.A.	—	—	—	—	8,583	—	—	(236)	—	8,347
Tirme Group	11,663	2,762	(1,176)	—	—	—	—	(234)	—	13,015
Aguas del Puerto Empresa Municipal, S.A.	—	(365)	—	—	4,295	—	—	—	5,113	9,043
Aguas El Realito, S.A. de CV	14,242	810	—	(491)	—	—	—	47	1,456	16,064
Shariket Miyeh Ras Djinet, SpA	9,872	1,085	—	—	—	—	—	106	—	11,063
Shariket Tahlya Miyah Mostaganem, SpA	24,841	3,374	—	—	—	—	—	267	—	28,482
Suministro de Agua de Queretaro, S.A. de C.V.	10,564	1,417	(1,177)	—	—	—	—	118	—	10,922
Metro de Málaga, S.A.	13,672	—	—	—	—	—	—	—	—	13,672
N6 (Construction) Limited	(38,733)	216	—	—	—	—	—	—	—	(38,517)
Realia Business Group	—	(35,807)	—	4,858	—	—	94,104	(8,718)	—	54,437
Other	70,026	(33,296)	(2,894)	(5,978)	1,396	(4,492)	—	(11,682)	(589)	12,491
Total associates	235,923	(48,312)	(13,117)	(42,407)	14,274	(4,512)	94,104	(20,199)	9,255	225,009

With regard to the table above, note should be made of the transfer from assets held for sale of the ownership interest in Realia Business, arising from the decision not to sell it. Of note in 2013 was the decrease due to the transfer to discontinued operations (see Note 4) of the Realia Business Group, included in the "Translation Differences and Other Changes" column, and the decrease arising from the exclusion due to de-consolidation of the Alpine Group, due to the liquidation process in which it is currently involved (see Note 4).

The detail of the assets, liabilities, revenue and profit or loss for 2014 and 2013 of the associates, in proportion to the percentage of ownership held in each associate, is as follows:

	2014	2013
Non-current assets	1,862,974	2,327,534
Current assets	776,534	616,064
Non-current liabilities	1,899,066	1,937,256
Current liabilities	536,639	411,488
Revenue	314,064	309,587
Profit (Loss) from operations	73,437	40,871
Profit (Loss) before tax	(42,115)	(22,489)
Profit (Loss) attributable to the Parent	(48,312)	(22,886)

13. JOINT ARRANGEMENTS JOINT OPERATIONS

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

Following are the main aggregates of the joint arrangements included in the various line items in the accompanying consolidated balance sheet and consolidated statement of profit or loss, in proportion to the ownership interest held therein, at 31 December 2014 and 2013.

	2014	2013
Non-current assets	151,783	128,347
Current assets	1,154,668	1,299,069
Non-current liabilities	53,010	57,329
Current liabilities	1,225,749	1,271,046
Income statement		
Revenue	883,693	1,090,901
Gross profit (loss) from operations	116,630	150,931
Net profit (Loss) from operations	87,476	128,892

At 2014 year-end the property, plant and equipment purchase commitments entered into directly by the joint arrangements amounted to EUR 11,372 thousand (2013: EUR 22,349 thousand), calculated on the basis of the percentage of ownership of the Group companies.

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

Guarantees amounting to EUR 1,285,413 thousand (2013: EUR 1,836,993 thousand) were provided, mostly to Government Agencies and private customers, for joint arrangements managed jointly with non-Group third parties as security for the performance of construction projects and urban cleaning contracts.

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

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

a) Non-current financial assets

The detail of the non-current financial assets at 31 December 2014 and 2013 is as follows:

	Financial assets at fair value through profit or loss	Available-for-sale financial assets	Loans and receivables	Held-to-maturity investments	Hedging derivatives	Total
2014						
Equity instruments	—	44,171	—	—	—	44,171
Debt securities	—	—	—	697	—	697
Derivatives	1,820	—	—	—	—	1,820
Other financial assets	7,876	—	372,110	—	—	379,986
	9,696	44,171	372,110	697	—	426,674
2013						
Equity instruments	—	44,037	—	—	—	44,037
Debt securities	—	—	—	404	—	404
Derivatives	—	—	—	—	—	—
Other financial assets	—	—	342,358	—	—	342,358
	—	44,037	342,358	404	—	386,799

a.1) Available-for-sale financial assets

Breakdown of the balance at 31 December 2014 and 2013:

	Effective percentage of ownership	Fair value
2014		
Ownership interests of 5% or more:		
World Trade Center Barcelona, S.A.	16.52%	6,036
Vertederos de Residuos, S.A.	16.03%	9,128
Consortio Traza, S.A.	16.60%	8,624
Other		6,856
Ownership interests of less than 5%:		
Xfera Móviles, S.A.	3.44%	11,215
Other		2,312
		44,171
2013		
Ownership interests of 5% or more:		
World Trade Center Barcelona, S.A.	16.52%	6,036
Vertederos de Residuos, S.A.	16.03%	9,128
Consortio Traza, S.A.	16.60%	8,624
Other		5,763
Ownership interests of less than 5%:		
Xfera Móviles, S.A.	3.44%	11,215
Other		3,271
		44,037

It should be noted that at 31 December 2014 Fomento de Construcciones y Contratas, S.A. had granted loans to Xfera Móviles, S.A. totalling EUR 24,114 thousand (2013: same amount) and had provided guarantees for it amounting to EUR 12,384 thousand (2013: same amount).

a.2) Loans and receivables

The scheduled maturities of the loans and accounts receivable by the Group companies from third parties are as follows:

	2016	2017	2018	2019	2020 and subsequent years	Total
Deposits and guarantees	4,874	1,388	143	312	36,908	43,625
Non-trade loans	20,663	26,858	9,799	9,203	90,497	157,020
Non-current collection rights - concession arrangement (Notes 3-a and 11)	36,022	3,906	5,182	6,031	120,324	171,465
	61,559	32,152	15,124	15,546	247,729	372,110

The non-trade loans include mainly the amounts granted to Government Agencies for the refinancing of debt in the water service and urban cleaning businesses, which earn interest at market rates, in addition to the loans granted to Xfera Móviles, S.A. referred to in the preceding section. In 2014 there were no events that raised doubts concerning the recovery of these collection rights.

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

b) Other current financial assets

The detail of "Other Current Financial Assets" at 31 December 2014 and 2013 is as follows:

	Financial assets at fair value through profit or loss	Loans and receivables	Held-to-maturity investments	Hedging derivatives	Total
2014					
Equity instruments	50	—	—	—	50
Debt securities	—	—	74	—	74
Derivatives	—	—	—	—	—
Deposits and guarantees given	—	58,915	—	—	58,915
Other financial assets	—	314,820	6,539	—	321,359
	50	373,735	6,613	—	380,398
2013					
Equity instruments	743	—	—	—	743
Debt securities	—	—	238	—	238
Derivatives	—	—	—	—	—
Deposits and guarantees given	—	46,631	—	—	46,631
Other financial assets	—	342,428	6,291	—	348,719
	743	389,059	6,529	—	396,331

"Other Current Financial Assets" in the accompanying consolidated balance sheet includes current financial assets which, maturing at more than three months in order to cater for certain specific cash situations, are classified as held-for-trading financial assets, held-to-maturity investments or loans and receivables, based on the initial nature of the investments. "Loans and Receivables" consists mainly of loans granted and other receivables from joint ventures and associates in the Construction Area amounting to EUR 228,807 thousand, loans to third parties amounting to EUR 44,993 thousand, deposits at banks amounting to EUR 18,054 thousand and accounts receivable for concession services (financial asset model) amounting to EUR 17,879 thousand.

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

15. INVENTORIES

The detail of “Inventories” as at 31 December 2014 and 2013 is as follows:

	2014	2013
Property assets	337,953	353,222
Raw materials and other supplies	277,367	309,744
Construction	154,652	189,464
Cement	87,915	82,770
Integral Water Management	12,529	12,687
Environmental Services	<u>22,271</u>	<u>24,823</u>
Finished goods	22,171	23,568
Advances	123,090	111,730
	760,581	798,264

“Property Assets” includes building lots earmarked for sale that were acquired by the FCC Construcción Group mainly in exchange for completed or outstanding construction work. This heading also includes “Property Assets” in progress for which there are sale commitments representing a final value on delivery to customers of EUR 14,368 thousand (2013: EUR 24,345 thousand). The advances paid by certain customers for the aforementioned “property assets” are secured by insurance contracts or bank guarantees, pursuant to the requirements of Law 57/1968, of 27 July, as amended by Law 38/1999, of 5 November. The detail of the main unsold real estate products in the Construction Area is as follows:

	2014	2013
Properties in Badalona (Barcelona)	13,236	13,236
Properties in Ensanche Vallecas (Madrid)	—	6,006
Properties in Sant Joan Despí (Barcelona)	43,820	48,030
Properties in Tres Cantos (Madrid)	109,460	103,650
Residential development - Pino Montano (Sevilla)	14,055	16,006
Atlético de Madrid land lots (Madrid)	58,506	36,658
Residential development - Vitoria (Álava)	7,037	8,727
Building - Calle Barquillo (Madrid)	—	11,500
Other properties and developments	69,819	87,554
	315,933	331,367

The real estate inventories were measured mainly based on end market references, calculating the terminal value of the land with respect to its current market value where the inventories are located. Where purchase offers have been received, the price of such offers was used for their measurement and, ultimately, when it was impossible to use that methodology, the exit price in the auctions held by the Bank Restructuring Asset Management Company (SAREB) was used as a reference. A write-down of EUR 16,250 thousand was recognised in 2014 in relation to certain properties in Toledo (Spain).

As a result of these measurements, a real estate inventory write-down of EUR 16,305 thousand was recognised in 2014 (31 December 2013: EUR 63,256 thousand), and the total accumulated write-down amounted to EUR 178,034 thousand (31 December 2013: EUR 193,303 thousand). A provision of EUR 34,000 thousand was also recognised to cover real estate-related risks in the Construction Area (see Notes 20 and 28).

Certain of the aforementioned "property assets" have been pledged as the required security for the deferred payment of taxes and social security contributions authorised by the Public Authorities, as indicated in Notes 22 and 23 to these consolidated financial statements.

At 2014 year-end there were no significant property asset purchase commitments.

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

At 31 December 2014, there were no material differences between the fair value and the carrying amount of the assets recognised.

16. TRADE AND OTHER RECEIVABLES

a) Trade receivables for sales and services

"Trade Receivables for Sales and Services" in the accompanying consolidated balance sheet includes the present value of revenue receivable, measured as indicated in Note 3-s, contributed by the various activities of the Group and which are the basis of the result from operations.

The detail of the balance of accounts receivable from non-Group debtors at 31 December 2014 and 2013 is as follows:

	2014	2013
Progress billings receivable and trade receivables for sales	1,219,271	1,352,974
Amounts to be billed for work performed	674,972	777,989
Retentions	33,633	64,891
Production billed to associates and jointly controlled entities	83,158	96,021
Trade receivables for sales and services	2,011,034	2,291,875
Advances received on orders (Note 23)	(775,516)	(771,470)
Total net balance of trade receivables for sales and services	1,235,518	1,520,405

The foregoing total is the net balance of trade receivables, after considering the adjustments for the risk of doubtful debts amounting to EUR 394,349 thousand (31 December 2013: EUR 352,079 thousand) and after deducting the balance of the item "Trade and Other Payables - Advances Received on Orders" on the liability side of the accompanying consolidated balance sheet. This item also includes the amounts of progress billings in various connections, irrespective of whether or not they have been collected.

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

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

At 2014 year-end trade receivables amounting to EUR 161,611 thousand had been factored to banks without recourse against the Group companies in the event of default (31 December 2013: EUR 290,473 thousand). This amount was deducted from the balance of "Progress Billings Receivable and Trade Receivables for Sales". Also, the Group sold EUR 34,994 thousand of future collection rights arising from construction contracts awarded under the "total price payment" system (31 December 2013: EUR 163,739 thousand). This amount was deducted from the balance of "Amounts to Be Billed for Work Performed".

The second Municipal Council and Autonomous Community Government payment plan included in Spanish legislation took effect in 2013. This gave rise to collections of outstanding invoices by the FCC Group amounting to approximately EUR 225 million.

b) Other receivables

The detail of "Other Receivables" at 31 December 2014 and 2013 is as follows:

	2014	2013
Public Administrations - VAT refundable (Note 25)	94,871	134,692
Public Administrations - Other tax receivables (Note 25)	79,716	38,977
Other receivables	194,411	238,303
Advances and loans to employees	4,730	5,536
Current tax assets (Note 25)	14,308	34,163
Total other receivables	388,036	451,671

17. CASH AND CASH EQUIVALENTS

Until the financing agreement of FCC, S.A. came into effect in June 2014, cash management was aimed at being fully optimised, retaining as little available funds as possible in bank accounts in order to repay working capital financing lines.

However, the signing of the syndicated agreement gave rise to the repayment of all the bilateral financing lines of the consolidated companies, with the undrawn balances included in cash.

In other words, working capital needs started to be managed using cash and not credit facilities.

The cash of the directly- or indirectly-controlled subsidiaries is managed on a centralised basis. The cash positions of these investees flow to the Parent for their optimisation.

“Cash and Cash Equivalents” includes the Group's cash and short-term bank deposits with an initial maturity of three months or less.

In both 2014 and 2013 these balances earned interest at market rates.

The detail, by currency, of cash and cash equivalents in 2014 and 2013 is as follows:

	2014	2013
Euro	980,950	538,430
US dollar	78,549	139,460
Pound sterling	198,080	111,734
Czech koruna	17,288	13,817
Europe (other currencies)	15,165	18,598
Latin America (various currencies)	28,265	39,128
Other	218,851	126,455
Total	1,537,148	987,622

18. EQUITY

The accompanying consolidated statements of changes in equity for the years ended 31 December 2014 and 2013 show the changes in equity attributable to the shareholders of the Parent and to the non-controlling interests in those years.

I. Equity attributable to the Parent

On 27 November 2014, the Board of Directors of Fomento de Construcciones y Contratas, S.A. resolved to increase capital by a par value of EUR 133,269,083 by issuing 133,269,083 new ordinary shares of EUR 1 par value each, which were admitted to listing on the Spanish Stock Market Interconnection System on 22 December 2014. Capital was increased with a share premium of EUR 6.5 for each of the new shares issued, which resulted in an increase of EUR 841,749 in the total share premium, including the expenses, net of tax, incurred in the capital increase, which amounted to EUR 24,500 thousand.

The impact of the capital increase on the equity of the FCC Group is detailed in the following table:

Capital increase	133,269
Share capital	133,269
Increase in share premium	866,249
Expenses incurred in the capital increase, net of tax	(24,500)
Retained earnings and other reserves	841,749
Finance income arising from debt reduction (Note 28-f)	135,000
Initial arrangement fees recognised in the consolidated statement of profit or loss (Note 28-f)	(35,114)
Tax effect	(29,966)
Profit (Loss) for the year attributable to the Parent	69,920
Total effect on equity	1,044,938

The funds obtained through the capital increase were used partially to repay the debt relating to Tranche B of the financial borrowings of Fomento de Construcciones y Contratas, S.A. regulated in the refinancing agreement in force from 26 June 2014 amounting to EUR 900,000 thousand, after a 15% debt reduction granted by the lender banks amounting to EUR 135,000 thousand. In addition, in December 2014 EUR 100,000 thousand were used to repay the debt of Azincourt Investment, S.L. and another EUR 100,000 thousand were used to repay the debt of Cementos Portland Valderrivas, S.A. arising from the financial support agreement entered into between Fomento de Construcciones y Contratas, S.A. and its creditor banks. This latest contribution to Cementos Portland Valderrivas, S.A. was paid in February 2015.

a) Share capital

The share capital of Fomento de Construcciones y Contratas, S.A. consists of 260,572,379 book-entry ordinary shares of EUR 1 par value each.

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

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

With regard to share capital of over 10% owned by other companies either directly or through their subsidiaries, according to information furnished and as a result of the capital increase, Control Empresarial de Capitales, S.A. de C.V., which is wholly owned by Inmobiliaria Carso, S.A. de C.V., which is in turn controlled by the Slim family, owns 25.63%. B-1998, S.A. also has a direct and indirect ownership interest of 22.43% in the share capital, after the non-controlling interests Larranza XXI, S.L. and CaixaBank, S.A. ceased to hold ownership interests in it. B-1998, S.A. is controlled by Mrs. Esther Koplowitz Romero de Juseu (100%, after the change in the shareholder structure, communicated on 19 January 2015).

Mrs. Esther Koplowitz Romero de Juseu also directly owns 123,313 shares of Fomento de Construcciones y Contratas, S.A., as well as 39,214 shares indirectly through Dominum Desga, S.A., Ejecución y Organización de Recursos, S.L., E.A.C. Inversiones Corporativas, S.L. and Dominum Dirección y Gestión, S.A.

b) Retained earnings and other reserves

The breakdown of "Retained Earnings and Other Reserves" in the accompanying consolidated balance sheet as at 31 December 2014 and 2013 is as follows:

	2014	2013
Reserves of the Parent	853,827	448,567
Consolidation reserves	172,461	1,231,577
	1,026,288	1,680,144

b.1) Reserves of the Parent

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

The detail at 31 December 2014 and 2013 is as follows:

	2014	2013
Share premium	1,083,882	242,133
Legal reserve	26,114	26,114
Reserve for retired capital	6,034	6,034
Voluntary reserves	(262,203)	174,286
	853,827	448,567

Share premium

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

Legal reserve

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

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

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

Reserve for retired capital

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

Voluntary reserves

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

b.2) Consolidation reserves

"Consolidation Reserves" in the accompanying consolidated balance sheet includes the consolidated reserves generated in each of the business areas since their inclusion in the Group. In accordance with IAS 27 "Separate Financial Statements", it also includes those arising from changes in the ownership interests in Group companies, where control is retained, for the difference between the amount of the further acquisition or sale and the carrying amount of the ownership interest. Also, in accordance with IAS 19 "Employee Benefits", "Consolidation Reserves" includes the actuarial gains and losses on pension and other employee benefit obligations. The detail of the amounts included under "Consolidation Reserves" at 31 December 2014 and 2013 is as follows:

	2014	2013
Environmental services	114,199	245,184
Water	425,644	371,811
Construction	(327,680)	100,790
Cement	172,707	184,484
Corporate	(212,409)	329,308
	172,461	1,231,577

The changes in "Consolidation Reserves" from 2013 to 2014 were a result mainly of the distribution of the profit for 2013. Other significant changes were as follows:

- In 2014 Cementos Portland Valderrivas converted the participating loan from Fomento de Construcciones y Contratas, S.A. plus the related interest into capital. This resulted in 7.78% increase in the effective percentage of ownership which the FCC Group had in Cementos Portland Valderrivas. This change in ownership interest resulted in an increase of EUR 22,368 thousand in the consolidation reserves of the FCC Group and a decrease of the same amount in "Non-Controlling Interests".
- In 2013 the FCC Group sold 49% of its water business in the Czech Republic. This transaction had a positive impact of EUR 60,729 thousand on "Consolidation Reserves".
- In 2013 the Cementos Portland Valderrivas Group performed a share swap transaction with the CRH Group, whereby it transferred its ownership interest in the Cementos Lemona Group, receiving 26.34% of the shares of Corporación Uniland in exchange. This transaction, which had no effect on cash, resulted in a decrease of EUR 105,697 thousand in "Consolidation Reserves" for the FCC Group.

c) Treasury shares

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

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

The changes in treasury shares in 2014 and 2013 were as follows:

Balance at 31 December 2012	(345,019)
Sales	457,522
Acquisitions	(118,606)
Balance at 31 December 2013	(6,103)
Sales	141,800
Acquisitions	(140,975)
Balance at 31 December 2014	(5,278)

The detail of treasury shares at 31 December 2014 and 2013 is as follows:

	2014		2013	
	Number of shares	Amount	Number of shares	Amount
Fomento de Construcciones y Contratas, S.A.	232,747	(5,278)	280,670	(6,103)
TOTAL	232,747	(5,278)	280,670	(6,103)

At 31 December 2014, the shares of the Parent owned by it or by its subsidiaries represented 0.09% of the share capital (31 December 2013: 0.22%).

d) Other equity instruments

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

In October 2009 Fomento de Construcciones y Contratas, S.A. launched an issue of bonds exchangeable for shares of the Company, maturing on 30 October 2014. Certain terms and conditions were amended and approved by the General Assembly of the Syndicate of Bondholders on 5 May 2014 and by the shareholders at the Company's Annual General Meeting on 23 June 2014. The main features following the amendments are as follows:

- The amount of the issue was EUR 450,000,000 with final maturity on 30 October 2020. On 12 May 2014, EUR 200,000 of bonds were converted into 5,284 treasury shares of the Company.
- The bonds were issued at par with a face value of EUR 50,000.
- The bonds accrue interest at a fixed annual rate of 6.50% payable every six months.
- The exchange price of the bonds for shares of the Company was adjusted and set at EUR 30.00 per ordinary share, resulting in each nominal amount of EUR 50,000 in bonds entitling the owner to receive 1,666.66 ordinary shares. Subsequently, and as a result of the dilution arising from the capital increase, the conversion price was adjusted to EUR 22.19 per ordinary share, effective from 1 December 2014, resulting in each nominal amount of EUR 50,000 in bonds entitling the owner to receive 2,253.27 ordinary shares.
- The entitlement to convert the bonds may be exercised at the request of each of the holders, at any time until 30 October 2020, pursuant to the terms and conditions of the bonds.
- A new case of optional repayment for the issuer from 30 October 2018 is included.
- Following the restructuring, the convertible bonds are no longer subordinated.

It should also be noted in relation to this transaction that the Group has a trigger call option that allows it to call the bonds, valued at EUR 1,820 thousand at 31 December 2014, under certain circumstances (see Note 14).

e) Valuation adjustments

The detail of "Valuation Adjustments" in the accompanying consolidated balance sheets as at 31 December 2014 and 2013 is as follows:

	2014	2013
Changes in fair value of financial instruments	(244,059)	(204,156)
Translation differences	(77,126)	(123,613)
	(321,185)	(327,769)

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

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

The detail of the adjustments due to changes in the fair value of financial instruments at 31 December 2014 and 2013 is as follows:

	2014	2013
Available-for-sale financial assets	6,851	9,315
Vertederos de Residuos, S.A.	8,020	8,020
Other	(1,169)	1,295
Financial derivatives	(250,910)	(213,471)
Fomento de Construcciones y Contratas, S.A.	(1,941)	(4,234)
Azincourt Investment, S.L.	(1,808)	—
Urbs Iudex et Causidicus, S.A.	(36,475)	(30,169)
Realia Business Group	—	(2,135)
Globalvía Group	(68,401)	(41,465)
FCC Environment (UK) Group	(19,398)	(15,803)
Cedinsa Group	(25,906)	(36,465)
Concessió Estacions Aeroport L9, S.A.	(87,107)	(35,523)
Energy Group	—	(39,201)
Other	(9,874)	(8,476)
	(244,059)	(204,156)

Of note in the table above is the change in the Energy Group, as a result of the recognition of its valuation adjustments in the consolidated statements of profit or loss due to its sale (see Note 4).

e.1) Translation differences

The detail of the amounts included under "Translation Differences" for each of the most significant companies at 31 December 2014 and 2013 is as follows:

	2014	2013
European Union:		
FCC Environment (UK) Group	(91,939)	(106,531)
Dragon Alfa Cement Limited	(1,976)	(2,156)
Other	(2,591)	(9,879)
	(96,506)	(118,566)
USA:		
FCC Construcción de América Group	8,041	(3,786)
Globalvía Group	6,723	(1,300)
Giant Cement Holding, Inc.	(2,254)	(10,635)
Cemusa Group	(4,142)	(3,881)
Other	785	(4,012)
	9,153	(23,614)
Latin America:		
Globalvía Group	22,123	23,299
Cemusa Group	2,596	2,838
FCC Construcción de América Group	(7,771)	(2,534)
Other	351	(377)
	17,299	23,226
Other currencies	(7,072)	(4,659)
	(77,126)	(123,613)

The changes in 2014 were the result mainly of the depreciation of the euro against the pound sterling and the US dollar.

The detail, by geographical market, of the net investment in currencies other than the euro (translated to euros as described in Note 3-k) is as follows:

	2014	2013
UK	346,827	523,706
USA	123,594	226,942
Latin America	108,921	84,222
Czech Republic	184,933	72,307
Other	164,815	152,088
	929,090	1,059,265

f) Earnings per share

Basic earnings per share are calculated by dividing the profit or loss attributable to the Parent by the weighted average number of ordinary shares outstanding in 2014, resulting in a loss per share of EUR 5.70 in 2014 (2013: loss per share of EUR 12.73).

In relation to the bond issue described in paragraph d) above, it should be noted that dilutive effects could exist if the bondholders were to exercise the conversion option under certain conditions. Under IAS 33 "Earnings per Share", diluted earnings per share shall be calculated by adjusting the weighted average number of shares outstanding under the assumption that all the bonds have been converted into ordinary shares. In addition, the earnings attributable to the Parent shall be adjusted by increasing them by the amount of the interest, net of the tax effect, relating to the bonds recognised in the accompanying consolidated income statement. In accordance with the resulting calculations, in both 2014 and 2013 there was no dilution of the loss per share.

II. Non-controlling interests

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

The detail of "Non-Controlling Interests" at 31 December 2014 and 2013 in relation to the main companies is as follows:

	Equity			Total
	Share capital	Reserves	Profit or loss	
2014				
Cementos Portland Valderrivas Group	16,004	143,850	(11,454)	148,400
Aqualia Czech	33,958	12,681	(4,426)	42,213
Other	18,273	8,096	6,761	33,130
	68,235	164,627	(9,119)	223,743
2013				
Cementos Portland Valderrivas Group	15,774	184,599	(21,716)	178,657
Aqualia Czech	33,958	9,212	(4,467)	38,703
Other	16,161	4,279	2,172	22,612
	65,893	198,090	(24,011)	239,972

The main change in 2014 in the amount of the non-controlling interests of the Cementos Portland Valderrivas Group was a result of the conversion of the participating loan from Fomento de

Construcciones y Contratas, S.A. plus the related interest into capital. This resulted in a 7.78% increase in the effective percentage of ownership which the FCC Group had in Cementos Portland Valderrivas. This change in ownership interest resulted in a decrease of EUR 20,036 thousand in non-controlling interests of the Cementos Portland Valderrivas Group. This amount is broken down into a decrease of EUR 22,368 thousand in consolidation reserves and an increase of EUR 2,332 thousand in valuation adjustments.

In 2013 the amount of the non-controlling interests of the Cementos Portland Valderrivas Group decreased as a result of the share swap whereby the non-controlling interests of Corporación Uniland were received. The effect of this transaction on the FCC Group was a decrease of EUR 216,190 thousand in non-controlling interests.

Also, the sale of 49% of the water business in the Czech Republic in 2013 resulted in ownership interests held by new non-controlling interests, including most notably the EUR 38,703 thousand corresponding to Aqualia Czech.

19. EQUITY INSTRUMENT-BASED TRANSACTIONS

In accordance with a resolution adopted by the Board of Directors on 29 July 2008, Fomento de Construcciones y Contratas, S.A. had a cash settlement-based remuneration plan in force for the Executive Directors and Executives linked to the value of the Company's shares. The participants in the plan would have received a cash amount equivalent to the difference between the value of the shares at the date of exercise and at the reference date set in the plan. This plan was divided into two tranches with final maturities in October 2013 and February 2014, respectively. The value of the share during the exercise period did not at any time exceed the exercise price set and, accordingly, no option was exercised in either case. Consequently, no cash outflow took place.

Initially, the Company arranged with financial institutions a call option and a put option for each of the tranches described above, together with an interest rate/dividend swap with the same exercise price, nominal amount and maturity as the plan. The treasury shares linked to this hedge were delivered to the aforementioned financial institutions. On final maturity of the transaction in February 2014, the aforementioned derivative instruments were settled. The impact on results is described in Note 24 to the accompanying consolidated financial statements.

20. LONG-TERM AND SHORT-TERM PROVISIONS

The detail of the provisions as at 31 December 2014 and 2013 is as follows:

	2014	2013
Long-term	1,157,870	1,092,483
Long-term employee benefit obligations	86,620	56,644
Dismantling, removal and restoration of non-current assets	132,896	130,385
Environmental activities	222,486	198,409
Litigation	92,657	124,002
Contractual and legal guarantees and obligations	99,677	111,103
Other long-term provisions	523,534	471,940
Short-term	288,469	341,375
Construction contract settlement and contract losses	269,602	329,733
Other short-term provisions	18,867	11,642

The changes in "Long-Term Provisions" and "Short-Term Provisions" in 2014 and 2013 were as follows:

	Long-term provisions	Short-term provisions
Balance at 31/12/12	1,154,967	303,575
Environmental expenses for the removal or dismantling of assets	16,226	—
Changes in employee benefit obligations arising from actuarial gains or	(12,126)	—
Measures to upgrade concessions or expand concession capacity	20,130	—
Provisions recognised/(reversed)	251,696	189,840
Amounts used	(207,042)	(27,141)
De-consolidation of the Alpine Group	(97,558)	(127,515)
Transfer to "Liabilities Associated with Non-Current Assets Classified as Held for Sale"	(21,882)	(540)
Changes in the scope of consolidation, translation differences and other	(11,928)	3,156
Balance at 31/12/13	1,092,483	341,375
Environmental expenses for the removal or dismantling of assets	2,027	—
Changes in employee benefit obligations arising from actuarial gains or	24,130	—
Measures to upgrade concessions or expand concession capacity	10,290	—
Provisions recognised/(reversed)	138,292	(36,150)
Amounts used	(147,396)	(6,645)
Changes in the scope of consolidation, translation differences and other	38,044	(10,111)
Balance at 31/12/14	1,157,870	288,469

"Provisions Recognised/(Reversed)" includes most notably a portion of the contribution of the Construction Area, which includes short-term provisions of EUR 81,030 thousand relating to construction contract settlement and contract losses at 31 December 2014 (31 December 2013: EUR 132,702 thousand) and a period provision of EUR 34,000 thousand for risks relating to the property business in the Construction Area. A provision of EUR 64,000 thousand was also recognised at Corporate to cover the challenge to the sale of Alpine Energie (See Note 28). In 2013 provisions amounting to EUR 121,882 thousand were recognised to cover risks related to Alpine Holding. In addition, long-term provisions of EUR 49,708 thousand were recognised for expenses arising from the second workforce restructuring process in the Construction Area and of EUR 46,672 thousand for restructuring costs in the Cement Area. The Environmental Services business contributed period provisions of EUR 18,209 thousand (31 December 2013: EUR 16,910 thousand) for environmental activities and a reversal of EUR 6,156 thousand (31 December 2013: period provision of EUR 13,017 thousand) for contractual and legal guarantees and obligations. In addition, the additions to provisions recognised in 2014 include EUR 35,095 thousand (2013: EUR 17,815 thousand) relating to the interest cost corresponding to the provisions.

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

"Measures to Upgrade Concessions or Expand Concession Capacity" includes the balancing item for the increase in the value of non-current assets relating to the discounted present value of the infrastructure work carried out by the concession operator during the concession term to upgrade the concessions and expand their capacity.

As described in Note 4, the transfer to or from "Liabilities Associated with Non-Current Assets Classified as Held for Sale" in 2013 related to the decrease of EUR 19,695 thousand in relation to the Cemusa Group and of EUR 2,727 thousand in relation to FCC Logística, which were classified as discontinued operations.

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

The timing of the expected outflows of economic benefits at 31 December 2014 arising from the obligations covered by long-term provisions is as follows:

	Within five years	After five years	Total
Long-term employee benefit obligations	24,699	61,921	86,620
Dismantling, removal and restoration of non-current assets	91,082	41,814	132,896
Environmental activities	37,100	185,386	222,486
Litigation	63,963	28,694	92,657
Contractual and legal guarantees and obligations	47,256	52,421	99,677
Other provisions	332,832	190,702	523,534
	596,932	560,938	1,157,870

Long-term employee benefit obligations

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

Environmental provisions

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

FCC Group management considers that the Group companies' contingencies relating to environmental protection and improvement at 31 December 2014 would not have a significant impact on the accompanying consolidated financial statements, which include provisions to cover any probable environmental risks that might arise.

Note 30 to the consolidated financial statements, relating to information on the environment, provides additional information on environmental provisions.

Provisions for litigation

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

Contractual and legal guarantees and obligations

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

Provisions for construction contract settlements and contract losses

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

Provisions for other contingencies and charges

"Provisions for Other Contingencies and Charges" includes the items not classified in the aforementioned accounts, comprising most notably the provisions relating to Alpine, which are explained in further detail in the following paragraphs.

On 19 June 2013, Alpine Bau GmbH (the head of the group of operating companies of the Alpine Group) presented a petition for insolvency proceedings with court-ordered liquidation and a winding-up proposal to the Vienna Commercial Court. This application resulted in the closing of the business and the liquidation of its corporate assets (Schließung und Zerschlagung). On 28 June 2013, Alpine holding GmbH (the parent of Alpine Bau GmbH) directly filed for insolvency and liquidation.

As a result of these two court-ordered liquidation proceedings of the subsidiaries of FCC Construcción, S.A., the latter lost control over the Alpine Group, which was de-consolidated (see Note 4).

As a result of these insolvency proceedings, at 31 December 2014 the FCC Group had recognised provisions in relation to the Alpine subgroup amounting to EUR 160,784 thousand in order to cover the contingencies and liability arising from the activities carried on by the aforementioned subgroup. The breakdown of these provisions is as follows:

Challenge to the sale of Alpine Energie	75,000
Encumbered collateral provided and accounts receivable for contracts of Alpine	67,097
Outstanding balances arising from the acquisition of certain shares of Alpine subgroup companies	18,687
Total	160,784

The provision for the challenge to the sale of Alpine Energie Holding AG amounting to EUR 75,000 covers the risk relating to the action brought by the insolvency manager of Alpine Bau GmbH on 11 June 2014 against the Parent of the Group, Fomento de Construcciones y Contratas, S.A. and two of its subsidiaries, Asesoría Financiera y de Gestión, S.A. and Bveftdomintaena Beteiligungsgverwaltung GmbH.

FCC Construcción, S.A. provided corporate guarantees in order for certain subsidiaries of the Alpine subgroup to be awarded the contracts and, on the bankruptcy of the subgroup, FCC Construcción, S.A. may have to meet these obligations. In addition, in the ordinary course of its business activities, the FCC Group generated accounts receivable from the Alpine subgroup, which are highly unlikely to be recovered as a result of the bankruptcy proceedings. In order to cover both risks, the Group recognised provisions amounting to EUR 67,097 thousand on the liability side of its consolidated balance sheet.

The provision for the outstanding balances as a result of the acquisition of certain shares of the Alpine subgroup relates to the purchase by FCC Construcción, S.A. of 50% of the shares of MWG

Wohnbaugesellschaft mbH, Alpine Consulting, d.o.o. and Vela Borovica Koncern d.o.o., for which the insolvency manager of Alpine Bau has claimed the payment of a total of EUR 18,687 thousand.

Since the bankruptcy of Alpine Holding GmbH and Alpine Bau GmbH, preliminary investigations have been conducted by the Austrian Anti-Corruption and Financial Crime Prosecutor's Office and civil proceedings have been brought which entail certain risks. However, the likelihood of these risks materialising and of concomitant cash outflows cannot yet be determined. These proceedings are as follows:

- **Preliminary investigations:**

- In July 2013 the claim filed by a bondholder against five Directors of Alpine Holding GmbH (all of whom were Directors when the bonds were issued and they filed for insolvency) gave rise to the investigations by the aforementioned Anti-Corruption and Financial Crime Prosecutor's Office.
- In April 2014 a former Director of Banco Hypo Alde Adria filed a claim against FCC Construcción, S.A., Alpine Holding GmbH, Alpine Bau GmbH, three of their Directors and one employee of Fomento de Construcciones y Contratas, S.A. The investigations initiated by the Public Prosecutor's Office have been added to those mentioned above.

- **Civil and commercial proceedings**

- In 2014 two bondholders filed two civil claims against FCC Construcción, S.A. and a Director for EUR 12 thousand and EUR 506 thousand. Both proceedings have been suspended pending a preliminary judgment being handed down in the criminal jurisdiction.
- As well as the action for retrospective annulment brought by the insolvency manager of Alpine Bau GmbH due to sale of Alpine Energie, and for which the aforementioned provision of EUR 75,000 thousand was recognised, there is another action for retrospective annulment for EUR 14.4 million, which includes the allegation that there was an unlawful conversion of debt into capital between Alpine Bau GmbH and FCC Construcción, S.A.
- The proceedings initiated by the insolvency manager of Alpine Bau claiming the purchase price of the shares of MWG Wohnbaugesellschaft mbH (50%) and Alpine Consulting d.o.o. (100%) are in process, although the amounts claimed, along with that which is subject to negotiation over the purchase of 95% of Vela Borovica Koncern d.o.o. have been provisioned, as stated previously.
- The insolvency manager of Alpine Holding filed a claim of EUR 186 million against FCC Construcción, S.A., which is still pending notification, as it considers that FCC Construcción, S.A. must indemnify Alpine Holding GmbH for the amounts which the latter raised through bond issues in 2011 and 2012 and which the latter allegedly loaned to Alpine Bau GmbH without the necessary guarantees.

The accompanying consolidated financial statements include the aforementioned provisions to cover the probable risks in connection with certain of these lawsuits. In relation to the remainder of the lawsuits, the Group and its legal advisers do not consider it likely that there will be any future cash outflows and, therefore, no provision has been recognised in this connection.

Note 4, "Non-Current Assets Classified as Held for Sale and Liabilities Associated with Non-Current Assets Classified as Held for Sale and Discontinued Operations" includes a detail and explanation of the related changes in relation to the Alpine Group.

21. NON-CURRENT AND CURRENT FINANCIAL LIABILITIES

The FCC Group's general policy is to provide all the Group companies with the financing that is best suited to the normal conduct of their business activities.

This financial liability management model was modified with the entry into force of the Refinancing in June 2014 because the financing of the group of companies that formed part of the scope was arranged by the Parent Fomento de Construcciones y Contratas, S.A., and most of the bilateral financing of the companies within the scope was repaid.

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

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

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

The main characteristics of the non-current and current debt instruments and other marketable securities arranged by the Group in prior years and maintained in 2014 are as follows:

On 31 July 2012, Giant Cement Inc. issued debt instruments totalling USD 430,000 thousand for the purpose of refinancing its main debts, which were set to mature mainly in 2012 and 2013. These instruments will be settled in full in 2018, the annual coupons are 10.0% and there is an option in the first two years to capitalise the interest at 12.0%.

An agreement was also arranged for 20% of the EBITDA recognised by Giant Cement Holdings Inc. each year, provided it has a profit, to be paid at the end of the loan term. This transaction was recognised applying the effective interest method and, therefore, the debt arrangement expenses were recognised as a reduction of the amount of the debt. The amount recognised at 31 December 2014 was EUR 371,189 thousand (31 December 2013: EUR 323,619 thousand) of principal and EUR 11,862 thousand (31 December 2013: EUR 6,066 thousand) of accrued interest payable. The year-on-year increase was due mainly to exchange rate changes.

The purpose of the issue of subordinated convertible bonds amounting to EUR 450,000 thousand launched on 30 October 2009 by Fomento de Construcciones y Contratas, S.A., which was aimed at international institutional investors, was to strengthen the balance sheet equity structure due to the fact that the bonds were convertible and subordinated to the corporate loans arranged by the Parent at that time, and it also attempted to diversify the Group's financing base by supplementing the bank financing.

The restructuring of these convertible bonds was included in the framework of the Group's overall refinancing in 2014. This restructuring consisted of extending the original maturity of the convertible bonds -set for October 2014- by 6 years until October 2020, initially reducing the conversion price from EUR 37.85 to EUR 30 and then from 1 December onwards, due to the capital increase performed at FCC, S.A., reducing it further to EUR 22.19 while maintaining the interest rate of 6.5%.

The entitlement to convert the bonds may be exercised at the request of each of the holders, at any time until 30 October 2020 pursuant to the terms and conditions of the bonds. Also, the disappearance of the subordination attaching to the convertible bonds prior to the restructuring should be noted.

Furthermore, FCC, S.A. is entitled to convert all of the convertible bonds into ordinary shares of FCC, S.A. under certain circumstances, and repay all of the bonds early from October 2018 onwards.

The restructuring and modification of the conditions of the issue in the terms mentioned were approved by the General Assembly of Bondholders held on 5 May 2014 and the Company's Annual General Meeting on 23 June 2014.

In accordance with applicable accounting regulations, in addition to their financial component, the convertible bonds have another component that is recognised in equity as described in Note 18-d. Note 18-d also describes the terms of the convertible bond issue.

The balance recognised in this connection at 31 December 2014 under "Debt Instruments and Other Marketable Securities" in the accompanying consolidated balance sheet amounted to EUR 450,847 thousand, including EUR 4,872 thousand of accrued interest payable (31 December 2013: EUR 448,012 thousand). These bonds traded at 99.48% of par at 31 December 2014 according to Bloomberg.

Also, in 2005 Severomoravské Vodovody a Kanalizace Ostrava, A.S. (SmVaK) issued non-convertible bonds amounting to CSK 2,000,000 thousand (EUR 72,572 thousand at 31 December 2014). These bonds mature on 15 November 2015 and bear nominal interest of 5%.

b) Non-current and current bank borrowings

The detail at 31 December 2014 and 2013 is as follows:

	Non-current	Current	Total
2014			
Credit facilities and loans	3,738,396	65,639	3,804,035
Borrowings without recourse to the Parent	181	939,888	940,069
Limited recourse project finance loans	857,299	154,990	1,012,289
FCC Environment Group:	668,777	13,584	682,361
Other	<u>188,522</u>	<u>141,406</u>	<u>329,928</u>
	4,595,876	1,160,517	5,756,393
2013			
Credit facilities and loans	44,832	4,205,559	4,250,391
Borrowings without recourse to the Parent	2,171	966,536	968,707
Limited recourse project finance loans	471,023	538,295	1,009,318
FCC Environment Group:	218,919	487,605	706,524
Other	<u>252,104</u>	<u>50,690</u>	<u>302,794</u>
	518,026	5,710,390	6,228,416

Of particular note in the foregoing table is the syndicated loan that arose from the refinancing process completed in 2014 with a principal amounting to EUR 3,678 million, having repaid the EUR 900 million after the application of a portion of the funds obtained through the capital increase performed by the Parent of the Group in December (see Note 18), greater detail on which is provided in the section on "Credit Facilities and Loans" below.

There are three separate groups of borrowings in the foregoing table:

- **Credit facilities and loans** that include the financing forming part of the Refinancing agreement entered into by Fomento de Construcciones y Contratas, S.A. in March 2014, which came into force in June of that year.

In 2013 the FCC Group commenced the refinancing of most of its debt in order to achieve a sustainable financial structure adapted to the generation of cash projected for the Group in the prevailing market environment, which would enable it to focus on the other objectives of its Strategic Plan aimed at improving profitability, reducing indebtedness, strengthening the capital structure and generating cash.

The refinancing process was formalised through the refinancing agreements entered into on 24 March and 1 April 2014 by FCC, S.A., other Group companies and the lending banks. Subsequent to compliance with certain conditions, the refinancing process came into effect on 26 June 2014, the date on which the full amount of the Financing Agreement was received and interest began to accrue. The refinancing was subscribed by virtually all the banks involved (more than 40 entities), achieving coverage of 99.98% of the liabilities affected.

The refinancing was instrumented mainly through (i) the arrangement of a syndicated loan amounting to EUR 4,528 million; (ii) the entering into of a financial stability agreement for guarantee and working capital facilities; (iii) the restructuring of the convertible bonds issued in 2009 amounting to EUR 450 million (discussed above); and (iv) the arrangement of other additional financing agreements.

On 21 November 2014, the FCC Group entered into a binding agreement, the “**New Restructuring Framework Agreement**”, with lending entities representing 86.5% of the Financing Agreement and other existing debt, under which the following was agreed:

- i) the use of the proceeds net of expenses arising from the capital increase (see Note 18); and
- ii) the modification of certain terms and conditions of the financing agreement.

Specifically, the aforementioned agreement established that EUR 765 million of the proceeds from the capital increase be used to repay and amortise EUR 900 million of Tranche B of the Financing Agreement, with the lending entities of Tranche B thereby assuming a debt reduction of 15%. The lending entities' share of this reduction was proportional to their respective participation in Tranche B.

Since the aforementioned "New Restructuring Framework Agreement" had been approved by 86.5% of the lending entities, a court approval procedure was implemented to apply the terms and conditions to all of the lending entities. Once the court approval procedure had been endorsed, a legal period began for the submission of challenges which, at the date of authorisation for issue of these consolidated financial statements, had not ended.

The detail of the most salient aspects of the aforementioned refinancing and its subsequent renewal is as follows:

Financing Agreement and subsequent renewal

The refinancing is structured primarily on the basis of a long-term syndicated financing agreement divided into tranches that came into force on 26 June 2014 (the “Financing Agreement”) which entailed the novation of a significant portion of the various syndicated financing agreements, credit or loan facilities or bilateral financing instruments of FCC, S.A. and certain of its Group companies (the “FCC Refinancing Scope”), with the exception of certain excluded companies and the excluded subgroups headed by Cementos Portland Valderrivas, S.A., FCC Environment Services, FCC PFI Holdings Ltd y Azincourt Investment, S.L.U. (“Azincourt”), ASA Abfall Services A.G. and Aqualia Czech S.L. (together the “Excluded Subgroups”).

The main features of this syndicated financing agreement are as follows:

- **Amount:** the total amount is EUR 4,528 million, which replaces the debt existing in various syndicated and bilateral structures for the same amount. As a result of the renewal the principal amounted to EUR 3,678 million.
- **Tranches:** Tranche A amounting to EUR 3,178 million which is classified as a guaranteed senior commercial loan and Tranche B amounting to EUR 1,350 million that is of the same guaranteed nature as Tranche A and includes a right to convert the outstanding balance at maturity into newly issued shares at market price without a discount (including the PIK or capitalisable component of the accrued interest) through the conversion of loans into share capital or a subordinated loan in certain circumstances envisaged in the Financing Agreement. As a result of the renewal and the use of a portion of the funds from the capital increase to repay Tranche B, the principal amounted to EUR 490 million at 31 December 2014 (including the interest added to the principal up to that date).
- **Maturity:** the maturity of the Financing Agreement was set at 4 years from 26 June 2014 with the possibility of being extended up to a maximum period of 6 years (automatic extension by 1 year in the case of conversion of Tranche B into shares of FCC, S.A. and additional extension by 1 more year where this has been approved by an enhanced majority of 75% of entities financing Tranche B). After novation of the agreement, if Tranche B has not been converted, it will be extended automatically for an additional three-year period.
- **Repayment:** the repayment schedule includes EUR 150 million at 24 months and EUR 175 million at 36 months, and the remainder is payable on maturity. Tranche B is repayable on the original maturity date, notwithstanding its possible conversion into shares under the terms and conditions indicated below.
- **Interest rate of Tranche A:** the interest rate established for Tranche A is Euribor plus a floating spread increasing over the period of 3% in the first year, 3.5% in the second year and 4% in the third and fourth years.
- **Cases of early maturity.** The Financing Agreement provides for certain cases of early maturity, which include, inter alia (i) non-payment; (ii) non-achievement of covenants; (iii) material adverse effect; (iv) insolvency proceedings involving any party to the Agreement or relevant subsidiary; and (v) cross default if other debts are not paid.

- **Cases of mandatory total early repayment.** The Financing Agreement provides for certain cases of mandatory total early repayment which include, inter alia (i) a change of control at the FCC Group (which involves the acquisition of control by a third party other than an industrial company or a credit institution of acknowledged solvency, experience and management capacity), unless it results from a monetary capital increase the funds of which are used for the purposes envisaged in the Financing Agreement, or from the acquisition of control as a result of a possible conversion into shares; or the loss of control of the current controlling shareholder that does not involve the acquisition of control by a third party; and (ii) the sale of all or a substantial portion of the assets or businesses of the Group.
- **Cases of mandatory partial early repayment.** Among other cases, the Financing Agreement provides for the obligation of the borrowers to repay, early and partially, the outstanding principal using (i) all of the net proceeds from monetary capital increases, unless (a) they are used to repurchase Tranche B debt (using the Dutch auction procedure); (b) and up to 25% of the proceeds from the capital increase may be used, at the discretion of FCC, as contributions of funds to certain companies in which non-controlling interests are held, Excluded Subgroups (except for Alpine) or certain companies excluded from the FCC Refinancing Scope; (ii) the effective amount paid in by any FCC Group company party to the refinancing or any company in the FCC Refinancing Scope as a result of the subscription of subordinated debt; (iii) proceeds from insurance indemnity payments and the sale of assets, subsidiaries and businesses, except under certain circumstances; and (iv) cash surpluses existing at 31 December of each year which exceed certain minimum amounts .
- **Financial ratios and other borrower obligations.** The Financing Agreement is subject to the achievement of certain half-yearly financial ratios relating to the FCC Refinancing Scope the non-achievement of which may trigger a case for early repayment. As a result of arranging the aforementioned renewal, the financial ratios will only have full effect from June 2015 onwards in order to provide for a complete twelve-month period from the entry into force of the financing agreement, thereby making the aggregates used uniform.
- **Flexibility in the terms and conditions in the case of deleverage.** If all the circumstances concur, which in accordance with the Financing Agreement constitutes a case of deleverage of the FCC Refinancing Scope, the Financing Agreement provides for the automatic modification of certain conditions and obligations upon the borrowers including (i) the easing of partial early payment assumptions; and (ii) modification of the dos and don'ts obligations incumbent upon borrowers (including the removal of the prohibition on distributions to shareholders), establishing minimum thresholds triggering the prohibition of constitution of liens and encumbrances or limitations on the disposal and sale of assets when conducted under conditions other than market conditions.

As a result of the aforementioned renewal, certain clauses were modified, thereby mitigating various restrictions imposed by the original agreement, the most significant being: (i) FCC can provide funding to Group companies other the borrowers and guarantors if they meet certain requirements; (ii) the maximum amount of additional financial indebtedness in which FCC and other Group companies may incur has been increased; and (iii) FCC is entitled to distribute dividends to shareholders if certain conditions are met.

- **Personal guarantees and security interests.** The Financing Agreement provides for personal guarantees whereby FCC and Group companies acting as guarantors are jointly and severally liable for the fulfilment of the obligations of the other borrowers. In further assurance of compliance with the obligations under the Financing Agreement, certain security interests have been given by the borrowers including (i) a pledge of shares and ownership interests in various companies of the FCC Group; (ii) a pledge of receivables on bank accounts; and (iii) a pledge of receivables on certain concession arrangements and other collection rights, as well as the granting of a promise of creating additional security interests in certain circumstances.

Main characteristics of Tranche B

- **Repurchase of Tranche B.** The Financing Agreement establishes that, in the event of a capital increase at FCC, the proceeds obtained from the increase may be earmarked for the acquisition of Tranche B debt through a Dutch auction process, which could allow for the repurchase of Tranche B at a discount.
- **Interest rate of Tranche B.** As regards Tranche B, the interest rate agreed upon was 1-year Euribor plus an annual fixed spread (PIK component) of 11% in the first year, 13% in the second year, 15% in the third year and 16% in the fourth year, with the Euribor payable in cash and the PIK component capitalisable at the end of each interest period. In the case of a monetary capital increase in order to amortise or repay Tranche B, the PIK component would accrue and be capitalised at a reduced rate of 6% solely in relation to that portion of Tranche B that had been repaid and only with respect to the interest accrued in the year in which the monetary capital increase had been performed. As a result of the aforementioned novation of the agreement, the interest rate on the PIK component was reduced to 5% per year on the portion not yet repaid after the novation.
- **Conversion of Tranche B into shares.** As indicated previously, the Financing Agreement envisages that the full balance of Tranche B not yet paid (including the interest PIK component) can be converted into shares of FCC, primarily, and including other cases of early conversion, (i) in the event of failure to repay or refinance Tranche B on maturity (ordinary conversion); (ii) in a case of total or partial mandatory repayment, or a case of early maturity envisaged in the Financing Agreement (early conversion); or (iii) in a case of insolvency proceedings involving FCC, subject at all times to the condition that it is thus agreed upon by the lenders whose joint share in Tranche B represents 75% or more of the total outstanding balance payable.

The conversion right is instrumented through a warrants issue approved by the shareholders at the Annual General Meeting of FCC, S.A. held on 23 June 2014. The warrants give their holders the right to convert -up to six months after the original maturity date- a number of new shares of FCC, S.A. in proportion to their share of the Tranche B debt (including principal and capitalised interest payable at the conversion date) at the market price of the shares upon exercise of the warrants, for which the highest would be considered of (i) the nominal value; and (ii) the value of the weighted average market price of the shares of the eight weeks prior to the date on which the conversion process is initiated (five months before the original maturity date) in the case of ordinary conversion, or the weighted average market price of the shares during the eight weeks after the date on which the conversion process is initiated, in the case of early conversion.

The warrants were subscribed by the lending entities with a share in Tranche B and are transferable only in the amount of the corresponding share in Tranche B, which simultaneously requires the joint and indivisible transfer of Tranche A. The warrants will not be listed on any secondary market.

In order to minimise the impact on the share price of FCC, S.A. that could result from the conversion, the lending entities assumed certain restrictions on the transfer of shares (lock up) and in relation to the orderly sale thereof.

However, it should be underlined that the warrants will not be convertible into shares of FCC if prior to or on the conversion date the aforementioned Tranche B is repaid or if various assumptions are jointly met, including most notably: (i) that FCC has provided evidence of the reduction of the Net Financial Debt/EBITDA ratio of the FCC Refinancing Scope to under 4 times; (ii) that it has repaid at least EUR 1,500 million of the total financing granted through Tranche A and Tranche B; and (iii) that recurring EBITDA exceeds EUR 750 million. In these cases, the conversion of the warrants would be immediately deactivated, Tranche B would be converted into Tranche A and the spread applicable to the interest rate on the total of Tranche A would be set at 4.5%.

Financial Stability Framework Agreement

To complement the main refinancing agreement, a Financial Stability Framework Agreement was entered into governing, inter alia, the financial transactions necessary for day-to-day business activity: domestic and international guarantees amounting to EUR 1,704 million and leases, full-service leases, reverse factoring, factoring and German models amounting to EUR 459 million for a period of four years; and the commitment -vis-à-vis the lenders- to automatically defer (in terms and conditions of repayment and maturity similar to those set out for Tranche A in the Financing Agreement) the claim ability of certain contingent debt items from the time of accrual, as a result of initiating claims or executing security interests provided in relation to guarantees.

Syndicated international guarantee facility

Also, the grant of a new international guarantee facility was formalised amounting to EUR 250 million extendible to EUR 450 million, for a period of 4 years, extendable to 6 (in line with the possible extensions of the Financing Agreement).

Cementos Portland Valderrivas deferral agreement

The refinancing also includes the formal arrangement of an agreement entered into in March 2014 with the lending banks of Cementos Portland Valderrivas to defer FCC, S.A.'s obligation to contribute contingent capital of up to EUR 200 million to that subsidiary. The agreement has a term of four years (extendible to six years), would enter into force from when FCC, S.A.'s contribution obligation becomes enforceable and would bear, as deferred contingent debt, an interest rate identical to that applicable to Tranche A of the Financing Agreement at any given time.

Also, under the New Restructuring Framework Agreement, in December the lending entities agreed to contribute EUR 100 million to Azincourt Investment, S.L., in order to enable it to repay a portion of its debt; in February 2015, after the capital increase, EUR 100 million were contributed to Cementos Portland Valderrivas, S.A., which were used to reduce Cementos Portland Valderrivas, S.A.'s financial debt by the same amount. This contribution reduced FCC's obligations under the "CPV Deferral Agreement".

Other recourse borrowings, in addition to the foregoing, and within the recourse borrowings considered not to be part of the refinancing, the following is of particular note:

- On 24 March 2014, an agreement was entered into with the European Investment Bank (EIB) to extend the final maturity of the loan arranged with this entity in 2009 amounting to EUR 175 million, novated in October 2012.
This extension of the maturity signifies the deferral of payment of the final instalment of the loan amounting to EUR 35 million from November 2014 to May 2015.
 - Once the sale of FCC Environmental LLC on 16 October 2014 had been completed, the balance payable of the syndicated financing of the Dédalo Group amounted to USD 5.5 million, which, as provided for in the Financial Stability Framework Agreement, was automatically deferred (in terms and conditions of repayment and maturity similar to those set out for Tranche A in the Financing Agreement).
- **Borrowings without recourse to the Parent**, includes the financing relating to the Cementos Portland Group and the Alpine Group, since there is a limited guarantee on the part of the Parent of the FCC Group, Fomento de Construcciones y Contratas, S.A.

On 31 July 2012, the Cementos Portland Valderrivas subgroup arranged the refinancing of its most significant borrowings, which were set to mature mainly in 2012 and 2013. The combined amount of the financing was EUR 1,114.1 million, structured in six separate tranches. This financing matures at four years. The spread to be applied to this financing was 4% in the first two years and 4.5% in subsequent years. Under the agreement, these borrowings are without recourse to the shareholder, FCC.

Notwithstanding the “without recourse to FCC” nature of the borrowings of the Cementos Portland Valderrivas subgroup, FCC, S.A. executed -as part of the syndicated refinancing agreement of Cementos Portland Valderrivas- an agreement known as “CPV Support Agreement”, whereby it was agreed to contribute up to a maximum of EUR 200 million if certain events occurred in relation to the minimum EBITDA obligations of Cementos Portland Valderrivas.

Since Cementos Portland Valderrivas, S.A. failed to achieve the EBITDA levels required under the “CPV Support Agreement”, since 10 October 2014 FCC, S.A. has been liable for paying up to EUR 200 million under this agreement, although this payment has been deferred and is governed by the same terms and conditions as the Financing Agreement (4.74% in June 2016; 5.53% in June 2017; and 89.72% in June 2018). As mentioned above, in February 2015 EUR 100 million were contributed to Cementos Portland Valderrivas corresponding to portion of the proceeds from the capital increase performed by Fomento de Construcciones y Contratas, S.A., which were deducted from the obligation to pay EUR 200 million in accordance with the aforementioned “CPV Support Agreement”.

On 30 September 2014, Cementos Portland Valderrivas complied with the obligation to repay EUR 50 million arising from the syndicated refinancing agreement entered into on 31 July 2012, in relation to which it obtained a unanimous deferral from the financial institutions from that date to 30 June 2014. A portion of the amount to be repaid (EUR 20 million, not related to the “CPV Support Agreement”) came from the Parent -FCC, S.A.- through a subordinated loan, and the remaining EUR 30 million came from the company's own cash. Additionally, in February EUR 75 million was repaid early, which should have been repaid on 30 June 2015, with an additional EUR 25 million corresponding to the July 2016 instalment.

As a result of the failure to achieve the financial ratios, the Cementos Portland Valderrivas subgroup classified all its borrowings amounting to EUR 915,037 thousand (net of arrangement fees) as current.

At the date of these consolidated financial statements, Cementos Portland Valderrivas was in negotiations with banks to renegotiate the terms of its debt, having reached agreements with a significant number of the lending entities and thereby ensuring that in 2015 no early repayment of debt due to a failure to achieve ratios will occur.

- **Limited-recourse project finance loans** comprising all the financing guaranteed solely by the project itself and by its cash generation capacity, which will support all the debt service payments and which will not be guaranteed by the Parent Fomento de Construcciones y Contratas, S.A. or any other FCC Group company under any circumstances.
- On 21 March 2013, Aqualia Czech, S.L. (at that time a wholly-owned subsidiary of the head of the Integral Water Management Area, FCC Aqualia, S.A. and, in turn, holder of 98.7% of the shares of SmVak), arranged a syndicated loan of CSK 3,300 million (approximately EUR 119 million at the exchange rate prevailing at 31 December 2014) from ING, Komerční banka and Sberbank. This loan was used to:
 - i) repay a syndicated loan from Aqualia Gestión Integral del Agua, S.A. (two tranches, one of EUR 52 million and the other of CZK 467 million), which was used at the time as the contribution of FCC Aqualia, S.A. to the capital of Aqualia Czech and was set to mature on 31 December 2012 (previously extended to 31 March 2013); and
 - ii) refinance the syndicated loan of Aqualia Czech, S.L., amounting to CSK 1,400 million maturing in May 2015.

The loan of Aqualia Czech maturing on 15 September 2015, continues to provide limited recourse to FCC Aqualia, S.A. and has the following repayment schedule: CSK 130 million in 2013, which was paid, CSK 150 million in 2014 which was paid and CSK 90 million, plus the remaining balance to be paid in 2015.

- On 22 January 2014, Azincourt Investment, S.L. (a wholly-owned investee of FCC, S.A. that owns all the shares of FCC Environment UK, formerly WRG) refinanced a syndicated loan without recourse to FCC, S.A., which was arranged in 2006 upon the acquisition of WRG, and which matured on 31 December 2013. The refinancing was structured as a new syndicated loan of GBP 381 million, without recourse to FCC, S.A., from the same banks, maturing on 31 December 2017, with the possibility of extending the maturity date by one year if certain conditions are met. The new loan is structured as a "bullet", with a single payment due on maturity, although early repayment mechanisms are envisaged if sufficient cash is available (cash sweep).

The new loan is structured to two tranches:

- Tranche A amounting to GBP 100 million subsequently, which is divided in turn into two sub-tranches of GBP 30 million (Tranche A1) and GBP 70 million (Tranche A2). Tranche A1, of GBP 30 million, is formed by the lenders that participated in the new working capital facility, each for an amount equal to their actual share in that facility. Tranche A2 amounts to GBP 70 million and all the lenders participate in proportion to their share of the total debt.

The borrowing cost of this tranche is: LIBOR + 225 bps in 2014, LIBOR + 275 bps in 2015, LIBOR + 325 bps in 2016 and LIBOR + 400 bps in the remaining years.

- Tranche B, for GBP 281 million, with borrowing costs of LIBOR + 105 bps until 2016 (inclusive), LIBOR + 180 bps in 2017 and LIBOR + 255 bps in 2018, if appropriate.

The original maturity of this transaction is 31 December 2017, with the possibility to extend of one year (up to 31 December 2018) in the event of a capital increase at FCC, S.A. The

banks involved in the transaction were informed of the execution of the one-year extension upon maturity.

The financing agreement entered into with the banks includes the contribution of GBP 80 million by FCC, S.A. to Azincourt Investment, S.L. as a capital increase through a monetary contribution.

Also, FCC Environment UK arranged a new GBP 30 million working capital facility with most of the banks in the syndicate of Azincourt Investment, S.L.'s debt, and a factoring facility to discount customer bills for the same amount as the working capital facility.

The obligations acquired by FCC vis-à-vis the lending banks of Azincourt Investment, S.L. include the obligation to use 10% of the proceeds from any capital increase performed by FCC to repay the debt of Azincourt Investment, S.L. to the financing banks. The maximum amount corresponding to the 10% obligation is EUR 100 million.

At 31 December 2014, the equivalent in pounds sterling of the EUR 100 million from the capital increase (GBP 78,494 thousand), were used to repay 30% and 70% of Tranches A1 and A2, respectively. In addition, GBP 78,494 thousand of Tranche B were transferred to a new tranche called Tranche A3 (reallocation) that bears the same borrowing costs as the existing Tranche A.

This structure was designed to encourage lenders to participate in the new working capital facility, which has been found to have worked as more than half of the banks participated in this new facility.

The aforementioned financing of Azincourt Investment, S.L. is subject to the achievement of certain financial ratios which it was considered were being achieved at 31 December 2014.

This new financing will enable FCC Environment UK to focus on the achievement of, and compliance with, its business plan, focused on the transition of its landfill business towards the business based on waste recycling and recovery and waste-to-vale.

The remaining limited recourse project finance debt up to the total EUR 668,777 thousand corresponds to the debt of the companies composing the FCC Environment Group (UK).

The detail of the bank borrowings, by currency and amounts drawn down at 31 December 2014 and 2013, is as follows:

	Euros	US dollar	Pound sterling	Czech koruna	Other	Total
2014						
Credit facilities and loans	3,790,070	12,184	—	—	1,781	3,804,035
Borrowings without recourse to the Parent	935,801	—	—	—	4,268	940,069
Limited recourse project finance loans	190,323	—	682,360	110,020	29,586	1,012,289
	4,916,194	12,184	682,360	110,020	35,635	5,756,393
2013						
Credit facilities and loans	4,047,612	86,638	104,660	—	11,481	4,250,391
Borrowings without recourse to the Parent	967,304	—	—	—	1,403	968,707
Limited recourse project finance loans	150,340	—	706,524	113,809	38,645	1,009,318
	5,165,256	86,638	811,184	113,809	51,529	6,228,416

The credit facilities and loans denominated in US dollars are being used mainly to finance companies in Central America in the Construction Area; those arranged in pounds sterling are funding assets of the FCC Environment Group in the UK; and those arranged in Czech koruna are being used to finance the operations of SmVaK (Severomoravské Vodovody a Kanalizace Ostrava, A.S.) in the Czech Republic.

c) Other non-current financial liabilities

	2014	2013
Non-current		
Obligations under finance leases	37,864	35,504
Financial borrowings - non-Group third parties	144,648	107,074
Liabilities relating to financial derivatives	39,199	34,150
Guarantees and deposits received	29,383	28,057
Other	6,248	11,734
	257,342	216,519

"Liabilities Relating to Financial Derivatives" includes mainly financial derivatives designated as hedging instruments, basically interest rate swaps (see Note 24).

d) Other current financial liabilities

	2014	2013
Current		
Obligations under finance leases	15,763	12,750
Interim dividend payable	572	3,223
Financial borrowings - non-Group third parties	47,457	55,721
Payable to non-current asset suppliers and notes payable	49,510	96,064
Payable to associates and joint ventures	10,604	10,807
Liabilities relating to financial derivatives	16,061	53,508
Guarantees and deposits received	2,889	2,311
Other	28	1,197
	142,884	235,581

As regards "Liabilities Relating to Financial Derivatives", the detail of which is provided in Note 24, "Derivative Financial Instruments", it should be noted that in 2014 it no longer includes the amount relating to the market value of the put option associated with the share option plan for Executives and Executive Directors due to the cancellation thereof in January 2014 (EUR 38,969 thousand were recognised under this heading in this connection in 2013).

The entire amount in 2014 relates to the measurement of hedging derivatives, mainly interest rate swaps.

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:

	2016	2017	2018	2019	2020 and subsequent years	Total
2014						
Debt instruments and other marketable securities	—	—	383,051	—	445,975	829,026
Non-current bank borrowings	316,546	214,433	3,771,703	36,998	256,196	4,595,876
Other financial liabilities	55,937	19,316	13,742	14,711	153,636	257,342
	372,483	233,749	4,168,496	51,709	855,807	5,682,244

22. OTHER NON-CURRENT LIABILITIES

The detail at 31 December 2014 and 2013 is as follows:

	2014	2013
Public Administrations - Long-term deferrals	162,319	188,655
Other non-current liabilities	29,882	25,756
	192,201	214,411

The Large Taxpayers Central Office of the State Tax Agency and the Social Security General Treasury authorised deferral of the payment of certain taxes and Social Security contributions due to the delay in collection from public-sector customers. This deferred amount is payable monthly up to a maximum of four years at an interest rate of 4-5%.

23. TRADE AND OTHER PAYABLES

The detail of "Trade and Other Payables" in the consolidated balance sheets as at 31 December 2014 and 2013 is as follows:

	2014	2013
Payable to suppliers	1,405,588	1,500,262
Current tax liabilities	14,978	25,166
Public Authorities - Deferrals	169,345	143,551
Other accounts payable to Public Authorities	384,816	424,169
Customer advances (Note 16)	755,516	771,470
Remuneration payable	85,023	91,195
Other payables	431,733	492,573
	3,246,999	3,448,386

In relation to the Resolution issued by the Spanish Accounting and Audit Institute (ICAC) on 29 December 2010 implementing Additional Provision Three of Law 15/2010, of 5 July, on combating late payment in commercial transactions, it should be noted with respect to 2014 that in Spain the Group operates mainly with public-sector customers such as the State, Autonomous Communities, Local Corporations and other public bodies which take considerably longer to settle their payment obligations than the periods established in Public Sector Contract Legislation and in Law 3/2004, of 29 December, on combating late payment in commercial transactions, the effects of which can be seen under "Changes in Working Capital" in the accompanying consolidated statement of cash flows.

It is also important to note that in 2014 the provisions of Article 228.5 of the current Consolidated Text of the Public Sector Contract Law ("TRLCSP") were applied to work and supplies arising from agreements entered into by the Group with the various Public Authorities.

Due to this situation, in order to adapt the Group's financial policy to reasonable levels of efficiency, the usual payment periods to the suppliers in the sectors in which the Group operates were maintained throughout 2014, which has offset in part the negative change in working capital mentioned above.

The Group's supplier payment policy described in the two preceding paragraphs is thus supported by a) Payments to suppliers of agreements entered into by the Group with the Public Authorities: in Article 228.5 of the TRLCSP (all the requirements of which were met) and b) Payments to other suppliers: in Transitional Provision Two of Law 15/2010 and, where applicable, the provisions of Article 9 of Law 3/2004, which does not consider "*payment deferral due to objective reasons*" to be abusive, taking into consideration in both case a) and case b) the usual payment period in the business sectors in which the Group operates.

Furthermore, the Group acknowledges and pays suppliers, always by mutual agreement, the late-payment interest agreed in the agreements and provides them with negotiable payment methods associated with actions for collection of a bill of exchange, and the discount costs, if any, are borne by

the Group. Such agreements, which are expressly provided for in the TRLCSP, as described above, are also allowed by Directive 2011/7/EU of 16 February, of the European Parliament and of the Council.

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

PAYMENTS MADE AND OUTSTANDING PAYMENTS AT THE BALANCE-SHEET DATE				
	2014	%	2013	%
Within the maximum payment period	706,989	51	872,286	54
Other	687,934	49	737,849	46
Total payments made in the year	1,394,923	100	1,610,135	100
Weighted average period of late payment (days)	108		103	
Deferred payments that at year-end exceed the maximum payment period	198,721		188,577	

In relation to the above, Final Provision Two of Law 31/2014, of 3 December, reforming the Spanish Limited Liability Companies Law, amending Additional Provision Three of Law 15/2010, establishes the obligation to disclose the average payment period to suppliers. At the date of preparation of these consolidated financial statements, the ICAC had not issued the Resolution required under section 4 of the aforementioned Additional Provision Three, in relation to the methodology used for calculating the average payment period and, accordingly, this information was not disclosed in the consolidated financial statements for 2014.

24. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

At 31 December 2014, the FCC Group had arranged, through its fully consolidated companies, hedging transactions with derivative instruments totalling EUR 585,939 thousand (31 December 2013: EUR 1,122,202 thousand) mainly in the form of IRSs in which the Group companies pay fixed rates and receive floating rates.

The detail of the hedges and their fair value for the fully consolidated companies is as follows:

	Type of derivative	Type of hedge	% hedged	Notional amount at 31/12/13	Notional amount at 31/12/14	Value at 31/12/13	Value at 31/12/14	Expiry
Fully consolidated companies								
Fomento de Construcciones y Contratas, S.A.	IRS	CF	—	612,502	—	(4,219)	—	08/05/2014
	IRS	CF	38%	9,364	8,881	(824)	(1,345)	02/04/2024
	IRS	CF	19%	4,682	4,441	(412)	(673)	02/04/2024
	IRS	CF	12%	3,000	2,845	(267)	(431)	02/04/2024
	IRS	CF	11%	2,643	2,507	(240)	(382)	02/04/2024
Azincoirt Investment, S.L.	Option	CF	67%	—	324,056	—	1,266	29/12/2017
RE3, Ltd.	IRS	CF	82%	32,317	32,658	(5,160)	(6,913)	30/09/2029
Kent	IRS	CF	34%	45,258	44,312	(7,512)	(8,338)	31/03/2027
	IRS	CF	14%	19,396	18,991	(3,219)	(3,594)	31/03/2027
	IRS	CF	25%	32,327	32,531	(5,365)	(5,963)	31/03/2027
FCC Environment, Ltd. Lincolnshire	Currency forward	CF	—	4,437	—	(171)	—	21/03/2014
FCC Wrexham PFI, Ltd.	IRS	CF	96%	26,701	27,858	(5,642)	(7,121)	30/09/2032
FCC Wrexham PFI (Phase II), Ltd.	IRS	CF	—	8,397	—	445	—	30/09/2032
	IRS	CF	—	8,397	—	445	—	30/09/2032
FCC Recycling (UK), Ltd.	Currency forward	CF	—	4,841	—	(104)	—	01/07/2014
FCC Buckinghamshire PFI, Ltd.	IRS	CF	—	13,003	—	(102)	—	29/04/2016
	IRS	CF	—	13,003	—	(102)	—	29/04/2016
	IRS	CF	—	13,003	—	(102)	—	29/04/2016
	IRS	CF	—	13,003	—	(102)	—	29/04/2016
	IRS	CF	—	13,003	—	(102)	—	29/04/2016
FCC Buckinghamshire PFI, Ltd.	Currency forward	CF	100%	46,896	31,561	(1,374)	(2,672)	28/08/2015
	Currency forward	CF	100%	46,896	31,561	(1,374)	(2,672)	28/08/2015
Depurplan 11, S.A.	IRS	CF	65%	6,733	6,187	(1,128)	(1,344)	01/12/2025
Ecodeal-Gestao Integral de Residuos Industriais, S.A.	IRS	CF	80%	6,713	5,233	(544)	(368)	15/12/2017
Aqualia Czech, S.L.	Forward IRS	CF	—	36,995	—	(406)	—	15/09/2015
	Forward IRS	CF	—	36,995	—	(406)	—	15/09/2015
	Forward IRS	CF	—	12,332	—	(135)	—	15/09/2015
Sociedad Concesionaria del Túnel de Coatzacoalcos, S.A. de C.V.	IRS	CF	—	36,350	—	(1,317)	—	10/06/2014
Integraciones Ambientales de Cantabria, S.A.	IRS	CF	75%	13,017	12,317	(1,199)	(1,583)	31/12/2022
Total fully consolidated companies				1,122,204	585,939	(40,638)	(42,133)	

The detail, by expiry date, of the notional amount of the hedging transactions arranged at 31 December 2014 is as follows:

	2015	2016	2017	2018	2019 and subsequent years
Fully consolidated companies	67,112	28,134	338,460	11,437	140,796

At 31 December 2014, the total of the hedges of the companies accounted for using the equity method amounted to EUR 836,043 thousand (31 December 2013: EUR 624,367) and their fair value amounted to EUR (238,113) thousand (31 December 2013: EUR (120,226) thousand).

The total of the hedges of discontinued operations amounted to EUR 579,975 thousand (31 December 2013: EUR 1,423,445) and their fair value at 31 December 2014 amounted to EUR (128,083) thousand (31 December 2013: EUR (157,745) thousand).

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

Fully consolidated companies	Type of derivative	Type of hedge	Notional amount at 31/12/13	Notional amount at 31/12/14	Value at 31/12/13	Value at 31/12/14	Expiry
A.S.A. Abfall Service Zistersdorf, GmbH	COLLAR	SP	56,000	49,333	(7,587)	(8,421)	28/03/2024
FCC Wrexham PFI (Phase II), Ltd.	IRS	CF	—	11,338	—	(572)	30/09/2032
	IRS	CF	—	11,338	—	(625)	30/09/2032
FCC Buckinghamshire PFI, Ltd.	IRS	CF	—	29,796	—	(302)	29/04/2016
	IRS	CF	—	29,796	—	(303)	29/04/2016
	IRS	CF	—	29,796	—	(302)	29/04/2016
	IRS	CF	—	29,796	—	(303)	29/04/2016
	IRS	CF	—	29,796	—	(303)	29/04/2016
Aqualia Czech, S.L.	Forward IRS	CF	—	35,035	—	(193)	15/09/2015
	Forward IRS	CF	—	35,035	—	(193)	15/09/2015
	Forward IRS	CF	—	11,678	—	(64)	15/09/2015
Cementos Portland Valderrivas	IRS	CF	45,000	—	(123)	—	22/02/2014
	IRS	CF	15,000	—	(29)	—	24/02/2014
	IRS	CF	1,969	—	(68)	—	15/04/2016
Total fully consolidated companies			117,969	302,737	(7,807)	(11,581)	

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

	Notional expiry				
	2015	2016	2017	2018 and subsequent years	2019 and subsequent years
Fully consolidated companies	12,384	230,294	6,268	6,329	47,462

The following table relates to the market value of the derivative instruments associated with the share option plan for Executives and Executive Directors indicated in Note 19:

				Market value 2013		Market value 2014	
Type of derivative	Classification	Amount arranged	Expiry	Asset	Liability	Asset	Liability
First tranche							
CALL	Hedge	1,800	15/01/2014	—	—	—	—
PUT	Non-hedging instruments	1,800	15/01/2014	—	25,558	—	—
Swap	Non-hedging instruments	53,838	15/01/2014	—	234	—	—
				—	25,792	—	—
Second tranche							
CALL	Hedge	1,500	10/02/2014	—	—	—	—
PUT	Non-hedging instruments	1,500	10/02/2014	—	13,410	—	—
Swap	Non-hedging instruments	37,065	10/02/2014	—	13	—	—
				—	13,423	—	—

Both the first and second tranches were settled in 2014. The first tranche was settled on the date of its expiry and the second tranche was settled early on 17 January.

25. TAX MATTERS

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

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

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

With respect to the years audited, it should be noted that the Group has not been issued tax assessments for significant amounts in the last four years and has filed the corresponding appeals, unless it has signed assessments on an uncontested basis. In 2012 the Supreme Court handed down a judgment rejecting the appeal filed previously by the Group in relation to the income tax assessments for the years from 1991 to 1994. The sentence was enforced in 2013 and did not affect the Group's equity since provisions had been recognised for these tax assessments.

a) Deferred tax assets and liabilities

The deferred tax assets arise mainly as a result of provisions and impairment and other losses recognised on assets classified as held for sale, the deconsolidation of Alpine (see Note 4), non-deductible borrowing costs that will become deductible from the income tax base in future years and differences between depreciation and amortisation for accounting and tax purposes. 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 carry forwards.

Group management evaluated the recoverability of the deferred tax assets by estimating the future tax bases corresponding to tax group 18/89 and concluded that there were no doubts as to their recovery through the generation of future taxable profits.

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 145,157 thousand (31 December 2013: EUR 131,199 thousand), since they considered that there are no doubts as to their recoverability.

Deferred tax liabilities arose mainly as a result of:

- The differences between the tax base and the carrying amount resulting from the recognition of assets at fair value in connection with the corporate acquisitions in the FCC Group's various business segments, as indicated in Notes 3-b and 5. In general, these liabilities do not represent future cash outflows since they reverse at the same rate as that of the depreciation taken on the revalued assets.
- The depreciation for tax purposes of leased assets and of certain items of property, plant and equipment qualifying for accelerated depreciation for tax purposes, and the accelerated depreciation of the investments made, enabling them to be depreciated in full provided that certain requirements are met.
- The profit of joint ventures that will be included in the income tax base for the following year.
- The deductibility for tax purposes of the goodwill arising on the acquisition of non-resident companies prior to 2008.

In 2013 a decrease of EUR 6,072 thousand (31 December 2013: decrease of EUR 19,759 thousand) arising from the tax effect of translation differences and the adjustment of the fair value of financial instruments was recognised in equity under "Valuation Adjustments" and "Non-Controlling Interests" with a balancing entry in the related deferred tax accounts.

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

	2015	2016	2017	2018	2019 and subsequent years	Total
Assets	221,667	65,712	46,733	25,410	684,689	1,044,211
Liabilities	48,626	8,364	7,132	6,696	491,548	562,366

b) Public Authorities

The detail at 31 December 2014 and 2013 of "Current Tax Assets" and "Current Tax Liabilities" is as follows:

Current assets

	2014	2013
VAT refundable (Note 16)	94,871	134,692
Current tax (Note 16)	14,308	34,163
Other taxes, etc. (Note 16)	79,716	38,977
	188,895	207,832

Current liabilities

	2014	2013
VAT payable (Note 23)	108,929	128,523
Current tax (Note 23)	14,978	25,166
Accrued Social Security and other taxes payable (Note 23)	275,886	295,646
	399,793	449,335

c) Income tax expense

The income tax benefit accrued in 2014 amounted to EUR 64,171 thousand (2013: EUR 135,376 thousand), as shown in the accompanying consolidated statement of profit or loss. The reconciliation of the tax expense to the accrued tax charge is as follows:

	2014		2013	
Consolidated accounting profit (loss) for the year before tax from continuing operations		(818,812)		(789,678)
	Increase	Decrease	Increase	Decrease
Consolidation adjustments and eliminations	87,687		87,687	310,594
Permanent differences	124,164	(52,899)	71,265	140,252
Adjusted consolidated accounting profit (loss) from continuing operations		(659,860)		(416,485)
Temporary differences				
-Arising in the year	538,813	(92,802)	446,011	901,272
-Arising in prior years	850,484	(259,931)	590,553	279,268
Income and expenses recognised directly in equity		(35,000)		(183,224)
Consolidated taxable profit (tax loss) from continuing operations		341,704		354,656

With respect to the table above, in light of the significance of the amounts, it is important to note that the income tax base is the best estimate available at the date of preparation of these consolidated financial statements. The definitive amount payable will be calculated on settlement of the tax in 2015 and, accordingly, the final settlement may vary on the basis of any adjustments made for temporary differences until that time, as explained in Note 3-q to these consolidated financial statements. Noteworthy in 2014 among the increases in temporary differences arising in prior years was the impact of the impairment losses recognised on the property, plant and equipment of the FCC Environment (UK) Group (see Notes 7, 8 and 28). In 2013 there were noteworthy increases in "Consolidation Adjustments and Eliminations", due primarily to the impairment losses recognised on the goodwill of the FCC Environment (UK) Group (formerly the WRG Group) (see Notes 7-b and 28-d).

	2014	2013
Adjusted consolidated accounting profit (loss) from continuing operations	(659,860)	(416,485)
Income tax charge	142,469	133,088
Tax credits and tax relief	7,985	15,221
Adjustments due to change in tax rate	(60,302)	12,559
Other adjustments	(25,981)	(25,492)
Income tax	64,171	135,376

"Adjustments Due to Change in Tax Rate" includes most notably, as a result of the reduction in the Spanish tax rate which will decrease progressively from 30% to 25% in 2016, the regularisation of the amounts of deferred tax assets and liabilities, which gave rise to an income tax expense of EUR 82,125 thousand. The reduction of the tax rate in the UK gave rise to income of EUR 18,223 thousand.

26. PENSION PLANS AND SIMILAR OBLIGATIONS

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

In addition, following authorisation by the Executive Committee, in the past the Parent arranged an insurance policy and paid the premium to cover the payment of benefits relating to death, permanent labour 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 accompanying consolidated statement of profit or loss for 2014 includes an expense of EUR 1,711 thousand in relation to the premiums for this insurance (2013: EUR 800 thousand) and income of EUR 609 thousand (2013: EUR 3,259 thousand) arising from rebates on premiums paid previously. At 31 December 2014, the fair value of the contributed premiums covered all of the actuarial obligations assumed.

The liability side of the accompanying consolidated balance sheet for 2014 includes the present value, totalling EUR 2,786 thousand (2013: EUR 2,852 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 2014 and 2013 was paid with a charge to this provision.

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

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

- The accompanying consolidated balance sheet as at 31 December 2014 includes the employee benefit obligations of the companies of the FCC Environment (UK) Group, 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 49,855 thousand (31 December 2013: EUR 44,180 thousand), and the actuarial value of the accrued obligations amounted to EUR 55,221 thousand (31 December 2013: EUR 46,722 thousand). The net difference, representing a liability of EUR 5,366 thousand (31 December 2013: EUR 2,542 thousand), was recognised under "Long-Term Provisions" in the accompanying consolidated balance sheet. "Staff Costs" in the accompanying consolidated statement of profit or loss includes a cost of EUR 598 thousand (31 December 2013: EUR 695 thousand) relating to the net difference between the service cost and the return on the plan assets. The average actuarial rate applied was 3.9% (2013: 4.6%).
- Giant Cement Holding, Inc., a US resident company, has undertaken to supplement the retirement benefits of its employees. 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 4.1% (4.5% in 2013). At 31 December 2014, the fair value of the plan assets amounted to EUR 46,650 thousand (2013: EUR 40,977 thousand), and the actuarial value of the obligations for benefits earned amounted to EUR 114,378 thousand (2013: EUR 84,486 thousand).

Also, Giant Cement Holding, Inc. has undertaken to continue to pay for the healthcare and life insurance of certain employees after termination of their employment, amounting to EUR 43,581 thousand (2013: EUR 29,645 thousand).

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

The detail of the changes in 2014 in the obligations and assets associated with the pension plans and similar obligations is as follows:

2014

Actual evolution of the present value of the obligation

	FCC Environment (UK) Group	Giant
Balance of obligations at beginning of year	46,722	84,486
Current service cost	387	518
Interest cost	2,275	3,997
Contributions by participants	23	82
Actuarial gains/losses	4,035	19,631
Changes due to exchange rate	3,288	11,387
Benefits paid in 2014	(1,523)	(5,723)
Past service cost	14	—
Balance of obligations at end of year	55,221	114,378

Actual evolution of the fair value of the plan assets

	FCC Environment (UK) Group	Giant
Balance of plan assets at beginning of year	44,180	40,977
Expected return on assets	2,185	2,237
Actuarial gains/losses	434	—
Changes due to exchange rate	3,109	5,581
Contributions by the employer	1,555	2,105
Contributions by participants	23	1,473
Benefits paid	(1,523)	(5,723)
Settlements	(108)	—
Balance of plan assets at end of year	49,855	46,650

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

	FCC Environment (UK) Group	Giant
Net balance of obligations less plan assets at end of year	5,366	67,728

2013

Actual evolution of the present value of the obligation

	FCC Environment (UK) Group	Giant
Balance of obligations at beginning of year	46,770	102,076
Current service cost	367	911
Interest cost	2,029	3,492
Contributions by participants	23	84
Actuarial gains/losses	(460)	(7,745)
Changes due to exchange rate	(985)	(4,206)
Benefits paid in 2013	(1,022)	(5,408)
Past service cost	—	(4,718)
Balance of obligations at end of year	46,722	84,486

Actual evolution of the fair value of the plan assets

	FCC Environment (UK) Group	Giant
Balance of plan assets at beginning of year	40,829	41,265
Expected return on assets	1,800	2,965
Actuarial gains/losses	2,007	—
Changes due to exchange rate	(860)	(1,845)
Contributions by the employer	1,501	1,849
Contributions by participants	23	2,151
Benefits paid	(1,022)	(5,408)
Settlements	(98)	—
Balance of plan assets at end of year	44,180	40,977

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

	FCC Environment (UK) Group	Giant
Net balance of obligations less plan assets at end of year	2,542	43,509

27. GUARANTEE COMMITMENTS TO THIRD PARTIES AND OTHER CONTINGENT LIABILITIES

At 31 December 2014, the Group had provided EUR 4,465,991 thousand (31 December 2013: EUR 4,581,832 thousand) of guarantees to third parties, consisting mainly of completion bonds provided to Government Agencies and private-sector customers as security for the performance of construction projects and urban cleaning contracts.

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

In connection with these lawsuits, in addition to those relating to Alpine (see Note 20), it should be noted that on 15 January 2015 the Competition Section of the Spanish National Markets and Competition Commission issued a resolution in relation to case file S/0429/12 for an alleged infringement of Article 1 of Spanish Competition Law 15/2007. The aforementioned resolution affects various companies and associations in the waste industry, including FCC and other companies in the FCC Group. This resolution will be appealed at the Judicial Review Chamber of the National Appellate Court. No provision was recognised to cover the financial consequences of the aforementioned resolution, since it is considered that it is a court proceeding with a right of appeal and in which the definitive penalty to be imposed, where applicable, shall be specified in the decisions to be handed down.

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

28. INCOME AND EXPENSES

a) Operating income

The Group classifies operating income under "Revenue", except for that arising from in-house work on non-current assets and other income, such as grants related to income, emission allowances, etc.

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

The detail of "Other Operating Income" in 2014 and 2013 is as follows:

	2014	2013
Income from sundry services	114,585	132,557
CO ₂ emission allowances (Note 30)	20,783	2,584
Compensation received from insurance companies	5,490	6,302
Grants related to income	13,810	12,431
Other income	63,946	67,811
	218,614	221,685

b) Procurements

The detail of “Procurements” at 31 December 2014 and 2013 is as follows:

	2014	2013
Work performed by subcontractors and other companies	1,179,258	1,515,807
Purchases and procurements	1,041,659	1,088,744
	2,220,917	2,604,551

c) Staff costs

The detail of “Staff Costs” in 2014 and 2013 is as follows:

	2014	2013
Wages and salaries	1,468,392	1,541,263
Social Security costs	411,521	421,392
Other staff costs	36,783	42,346
	1,916,696	2,005,001

The average number of employees at the Group, by professional category, in 2014 and 2013 was as follows:

	2014	2013
Managers and university graduates	1,971	3,334
Professionals with qualifications	5,712	8,852
Clerical and similar staff	5,940	8,666
Other salaried employees	49,799	58,716
	63,422	79,568

The number of employees included in the foregoing table who discharged duties at companies that were classified as discontinued operations in 2014 amounted to 4,358 (2013: 19,470 employees).

The average number of employees at the Group, by gender, in 2014 and 2013 was as follows:

	2014	2013
Men	49,620	63,712
Women	13,802	15,856
	63,422	79,568

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

The detail of "Impairment and Gains or Losses on Disposals of Non-Current Assets" in 2014 and 2013 is as follows:

	2014	2013
Gain on disposal of: (Note 5)		
Cementos Lemona swap	—	89,802
Southern Cement Limited	—	15,158
Other	447	—
Gains or losses on disposals of other items of property plant and equipment and intangible assets	12,778	2,907
Impairment of goodwill (Note 7)	—	(262,690)
Impairment of other items of property, plant and equipment and intangible assets (recognition)/reversal (Notes 7 and 8)	(665,130)	(83,644)
Other	4	(278)
	(651,901)	(238,745)

It should be noted that "Impairment of Other Items of Property, Plant and Equipment and Intangible Assets (Recognition)/Reversal" in 2014 includes EUR 649,681 thousand relating to the impairment of assets of the FCC Environment (UK) Group (Notes 7 and 8).

e) Other gains or losses

"Other Gains or Losses" in the accompanying consolidated statement of profit or loss includes notably the recognition of provisions amounting to EUR 64,000 thousand to cover the challenge to the sale of Alpine Energie (see Note 20) and of EUR 34,000 thousand to cover risks relating to the property business in the Construction Area. Noteworthy in 2013 were items relating to the provisions for restructuring costs and non-recurring losses, primarily in the Construction, Cement and Central Services Areas, amounting to EUR 75,580 thousand, EUR 58,566 thousand and EUR 14,710 thousand, respectively.

f) Finance income and costs

The detail of the finance income in 2014 and 2013, based on the assets giving rise thereto, is as follows:

	2014	2013
Finance income arising from debt reduction (Note 16)	135,000	—
Held-for-trading financial assets	1,482	1,412
Available-for-sale financial assets	377	49
Held-to-maturity investments	3,852	3,215
Non-current and current credits	22,903	44,523
"Total price payment" system construction	4,854	6,952
Cash and cash equivalents and other	8,794	15,454
	177,262	71,605

The detail of the finance costs in 2014 and 2013 is as follows:

	2014	2013
Recognition of initial refinancing costs (Note 18)	35,114	—
Credit facilities and loans	406,514	415,110
Limited recourse project finance loans	31,662	34,735
Obligations under finance leases	2,917	5,030
Other payables to third parties	20,096	22,896
Assignment of accounts receivable and "total price payment" system construction contracts	21,756	14,651
Other finance costs	34,994	17,671
	553,053	510,093

In relation to the table above, it should be noted that, as a result of the entry into force of the "New Restructuring Framework Agreement" (see Note 21), the refinancing terms and conditions which came into effect in June 2014 (see Note 21) were substantially modified and, accordingly, the costs yet to be recognised inherent to the aforementioned refinancing agreement, amounting to EUR 35,114 thousand, were recognised in December 2014.

g) Changes in fair value of financial instruments

Of note in 2014 is the income recognised as a result of the collection of EUR 5,000 thousand relating to a portion of the contingent collection arising from the sale of the Proactiva subgroup in 2013 (see Note 5) Of particular note in 2013 was the fair value gain of EUR 18,344 thousand on the derivatives that do not qualify for hedge accounting associated with the share option plan and on the derivatives arranged to replace the derivatives relating to the first share option plan that expired in 2013 (see Note 19).

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

Notable in 2014 was the impairment, amounting to EUR 69,109 thousand, of loans to joint ventures and associates in the Construction Area.

i) Result of companies accounted for using the equity method

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

	2014	2013
Profit (Loss) for the year (Note 12)	(89,276)	(32,672)
Joint ventures	(40,964)	(9,786)
Associates	(48,312)	(22,886)
Gains or losses on disposals and other	4,492	66,956
	(84,784)	34,284

The results included under "Gains or Losses on Disposals and Other" in 2013 included most notably the gain arising from the sale of Proactiva (see Note 5), the disposal of which gave rise to the recognition of a gain of EUR 51,959 thousand, which included a loss arising from the recognition in results of the negative valuation adjustments of EUR 12,479 thousand contributed by it (with the latter amount having no impact on equity).

29. SEGMENT REPORTING

a) Business segments

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

The "Corporate" column includes the financial activity relating to the Group's centralised cash management, operation of the companies that do not belong to any of the Group's business areas mentioned above, the Energy Area that is classified as a discontinued operation and the elimination of inter-segment transactions.

Statement of profit or loss by segment

In particular, the information shown in the following tables includes the following items as the segment result for 2014 and 2013:

- All operating income and expenses of the subsidiaries and jointly managed contracts relating to the business carried on by the segment.
- Interest income and expenses arising from segment assets and liabilities, dividends and gains and losses on sales of the financial investments of the segment.
- Share of the result of companies accounted for using the equity method.
- The income tax expense relating to the transactions performed by each segment.
- The results of discontinued operations.
- 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 (Loss)".

	Total Group	Environmental Services	Integral Water Management	Construction	Cement	Corporate
2014						
Revenue	6,334,066	2,805,013	953,958	2,076,103	542,922	(43,930)
Other income	263,713	48,128	41,823	115,067	38,606	20,089
Operating expenses	(5,793,823)	(2,434,793)	(787,426)	(2,092,988)	(476,777)	(1,839)
Depreciation and amortisation charge	(404,269)	(206,718)	(81,830)	(36,657)	(73,815)	(5,249)
Other gains or losses	(745,240)	(649,384)	(2,632)	(33,700)	4,973	(64,497)
Profit (Loss) from operations	(345,553)	(437,754)	123,893	27,825	35,909	(95,426)
Percentage of revenue	(5.46%)	(15.61%)	12.99%	1.34%	6.61%	217.22%
Finance income and costs	(375,791)	(181,827)	(35,750)	(46,127)	(100,445)	(11,642)
Other financial profit (loss)	(12,684)	(2,933)	(10,047)	(8,510)	(257)	9,063
Result of companies accounted for using the equity method	(84,784)	8,147	10,648	(73,149)	172	(30,602)
Profit (Loss) before tax from continuing operations	(818,812)	(614,367)	88,744	(99,961)	(64,621)	(128,607)
Income tax	64,171	148,576	(21,202)	(79,847)	14,040	2,604
Profit (Loss) for the year from continuing operations	(754,641)	(465,791)	67,542	(179,808)	(50,581)	(126,003)
Profit (Loss) for the year from discontinued operations, net of tax	21,228	5,523	—	—	—	15,705
Consolidated profit (loss) for the year	(733,413)	(460,268)	67,542	(179,808)	(50,581)	(110,298)
Profit (Loss) attributable to non-controlling interests	(9,119)	2,885	945	59	1,692	(14,700)
Profit (Loss) attributable to the Parent	(724,294)	(463,153)	66,597	(179,867)	(52,273)	(95,598)
Contribution to FCC Group profit (loss)	(724,294)	(463,153)	66,597	(179,867)	(39,127)	(108,744)

	Total Group	Environmental Services	Integral Water Management	Construction	Cement	Corporate
2013						
Revenue	6,749,981	2,770,649	945,614	2,597,072	540,878	(104,232)
Other income	321,293	44,158	36,314	149,994	19,102	71,725
Operating expenses	(6,563,794)	(2,390,244)	(788,267)	(2,849,571)	(509,627)	(26,085)
Depreciation and amortisation charge	(425,793)	(227,616)	(80,871)	(33,632)	(79,368)	(4,306)
Other gains or losses	(389,357)	(265,446)	3,100	(117,064)	4,796	(14,743)
Profit (Loss) from operations	(307,670)	(68,499)	115,890	(253,201)	(24,219)	(77,641)
Percentage of revenue	(4.56%)	(2.47%)	12.26%	(9.75%)	(4.48%)	74.49%
Finance income and costs	(438,488)	(152,046)	(70,807)	(80,529)	(102,798)	(32,308)
Other financial profit (loss)	(77,804)	4,581	(1,728)	(84,311)	298	3,356
Result of companies accounted for using the equity method	34,284	56,619	9,897	5,677	(3,084)	(34,825)
Profit (Loss) before tax from continuing operations	(789,678)	(159,345)	53,252	(412,364)	(129,803)	(141,418)
Income tax	135,376	(45,015)	(18,746)	103,827	56,602	38,708
Profit (Loss) for the year from continuing operations	(654,302)	(204,360)	34,506	(308,537)	(73,201)	(102,710)
Profit (Loss) for the year from discontinued operations, net of tax	(876,014)	(63,420)	—	(423,868)	—	(388,726)
Consolidated profit (loss) for the year	(1,530,316)	(267,780)	34,506	(732,405)	(73,201)	(491,436)
Non-controlling interests	(24,011)	1,603	2,025	(2,088)	(1,276)	(24,275)
Profit (Loss) attributable to the Parent	(1,506,305)	(269,383)	32,481	(730,317)	(71,925)	(467,161)
Contribution to FCC Group profit (loss)	(1,506,305)	(269,383)	32,481	(730,317)	(51,485)	(487,601)

With regard to "Corporate" in the tables above, the following items are particularly worthy of note with regard to the contribution to the FCC Group's net profit (loss) net of tax:

Contribution to FCC Group profit (loss) (net of tax)

	2014	2013
Profit (Loss) from discontinued operations	15,705	(388,726)
Provision for contingencies, Alpine-SPV	(48,000)	—
Income arising from financing reduction	94,500	—
Recognition of initial refinancing costs	(24,578)	—
Stock option derivatives	5,706	12,841
Bank borrowing costs	(177,436)	(151,495)
Other	25,359	39,779
	(108,744)	(487,601)

Balance sheet by segment

	Total Group	Environmental Services	Integral Water Management	Construction	Cement	Corporate
2014						
ASSETS						
Non-current assets	7,853,777	2,689,643	1,590,014	1,029,008	2,088,871	456,241
Intangible assets	2,967,524	744,183	944,863	445,545	755,718	77,215
Property, plant and equipment	3,154,474	1,582,558	317,526	132,371	1,102,577	19,442
Investment property	21,090	—	—	20,297	793	—
Investments accounted for using the equity method	239,804	84,791	140,678	(88,160)	26,257	76,238
Non-current financial assets	426,674	174,779	141,607	54,610	17,108	38,570
Deferred tax assets	1,044,211	103,332	45,340	464,345	186,418	244,776
Current assets	6,169,092	1,401,763	675,147	2,831,596	256,312	1,004,274
Non-current assets classified as held for sale	1,002,520	—	—	—	—	1,002,520
Inventories	760,581	47,955	23,260	581,985	107,332	49
Trade and other receivables	2,399,070	829,346	280,507	1,196,592	97,651	(5,026)
Other current financial assets	380,398	94,908	245,990	409,793	3,118	(373,411)
Other current assets	89,375	34,494	356	51,123	3,016	386
Cash and cash equivalents	1,537,148	395,060	125,034	592,103	45,195	379,756
Total assets	14,022,869	4,091,406	2,265,161	3,860,604	2,345,183	1,460,515
EQUITY AND LIABILITIES						
Equity	495,422	466,190	787,109	303,191	622,753	(1,683,821)
Non-current liabilities	7,833,952	1,767,022	735,519	1,197,497	671,275	3,462,639
Grants	239,271	7,728	31,170	196,770	3,603	—
Long-term provisions	1,157,870	436,174	108,695	276,861	82,131	254,009
Non-current financial liabilities	5,682,244	1,075,037	512,776	618,307	413,453	3,062,671
Deferred tax liabilities	562,366	217,183	50,872	68,892	172,088	53,331
Other non-current liabilities	192,201	30,900	32,006	36,667	—	92,628
Current liabilities	5,693,495	1,858,194	742,533	2,359,916	1,051,155	(318,303)
Liabilities associated with non-current assets classified as held for sale	776,929	—	—	—	—	776,929
Short-term provisions	288,469	4,387	22,766	210,297	18,175	32,844
Current financial liabilities	1,381,098	315,932	229,861	177,768	948,430	(290,893)
Trade and other payables	3,246,999	632,346	465,480	1,971,851	84,550	92,772
Intra-Group transactions	—	905,529	24,426	—	—	(929,955)
Total equity and liabilities	14,022,869	4,091,406	2,265,161	3,860,604	2,345,183	1,460,515

	Total Group	Environmental Services	Integral Water Management	Construction	Cement	Corporate
2013						
ASSETS						
Non-current assets	8,458,110	3,174,637	1,593,982	1,244,864	2,114,999	329,628
Intangible assets	2,864,395	672,792	952,544	407,297	751,160	80,602
Property, plant and equipment	3,736,266	2,170,185	321,888	130,086	1,112,816	1,291
Investment property	16,827	—	—	16,827	—	—
Investments accounted for using the equity method	371,826	81,744	125,362	101,118	27,267	36,335
Non-current financial assets	386,799	130,803	156,315	44,125	22,783	32,773
Deferred tax assets	1,081,997	119,113	37,873	545,411	200,973	178,627
Current assets	7,174,031	1,321,002	504,950	3,007,777	257,643	2,082,659
Non-current assets classified as held for sale	2,172,503	81,139	—	—	—	2,091,364
Inventories	798,264	52,992	24,559	616,945	103,723	45
Trade and other receivables	2,743,546	840,717	288,265	1,512,191	98,219	4,154
Other current financial assets	396,331	124,928	105,714	306,521	3,699	(144,531)
Other current assets	75,765	32,283	940	34,219	4,132	4,191
Cash and cash equivalents	987,622	188,943	85,472	537,901	47,870	127,436
Total assets	15,632,141	4,495,639	2,098,932	4,252,641	2,372,642	2,412,287
EQUITY AND LIABILITIES						
Equity	243,156	484,263	714,106	528,259	557,292	(2,040,764)
Non-current liabilities	3,475,349	1,234,662	618,471	742,182	728,661	151,373
Grants	228,728	5,530	29,292	190,593	3,313	—
Long-term provisions	1,092,483	411,400	105,942	330,970	61,695	182,476
Non-current financial liabilities	1,136,956	415,738	416,837	97,585	449,128	(242,332)
Deferred tax liabilities	802,771	377,777	54,093	81,590	214,525	74,786
Other non-current liabilities	214,411	24,217	12,307	41,444	—	136,443
Current liabilities	11,913,636	2,776,714	766,355	2,982,200	1,086,689	4,301,678
Liabilities associated with non-current assets classified as held for sale	1,729,204	21,789	—	—	—	1,707,415
Short-term provisions	341,375	1,354	19,436	294,495	24,863	1,227
Current financial liabilities	6,394,671	930,102	267,399	533,524	975,174	3,688,472
Trade and other payables	3,448,386	640,462	457,415	2,154,181	86,652	109,676
Intra-Group transactions	—	1,183,007	22,105	—	—	(1,205,112)
Total equity and liabilities	15,632,141	4,495,639	2,098,932	4,252,641	2,372,642	2,412,287

Cash flows by segment

	Total Group	Environmental Services	Integral Water Management	Construction	Cement	Corporate
2014						
From operating activities	608,859	355,780	219,429	97,103	84,769	(148,222)
From investing activities	(167,213)	(118,396)	(220,467)	(214,591)	8,949	377,292
From financing activities	85,696	(43,351)	41,112	163,982	(99,296)	23,249
Other cash flows	22,184	12,084	(512)	7,708	2,904	—
Cash flows for the year	549,526	206,117	39,562	54,202	(2,674)	252,319
2013						
From operating activities	774,791	575,620	198,774	36,345	25,357	(61,305)
From investing activities	(411,493)	80,545	(114,743)	(149,485)	10,112	(237,922)
From financing activities	(368,159)	(634,659)	(87,252)	79,042	(81,911)	356,621
Other cash flows	(177,716)	(7,970)	576	(164,227)	300	(6,395)
Cash flows for the year	(182,577)	13,536	(2,645)	(198,325)	(46,142)	50,999

b) Activities and investments by geographical market

Approximately 44% of the Group's business is conducted abroad (2013: 43%).

The breakdown, by market, of the revenue earned abroad by the Group companies in 2014 and 2013 is as follows:

	Total	Environmental Services	Integral Water Management	Construction	Cement
2014					
European Union	1,568,104	1,206,883	135,090	190,593	35,538
US	197,420	1,334	—	19,396	176,690
Latin America	668,327	—	24,113	640,516	3,698
Other	359,720	19,227	21,746	187,727	131,020
	2,793,571	1,227,444	180,949	1,038,232	346,946
2013					
European Union	1,517,573	1,180,375	138,606	167,309	31,283
US	202,642	—	—	15,989	186,653
Latin America	916,591	—	35,665	879,921	1,005
Other	233,109	18,024	21,505	86,636	106,944
	2,869,915	1,198,399	195,776	1,149,855	325,885

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

	Total Group	Spain	UK	Czech Republic	Other EU countries	US	Latin America	Other
2014								
ASSETS								
Intangible assets	2,967,524	1,992,782	428,534	967	240,612	40,025	264,555	49
Property, plant and equipment	3,154,474	1,263,459	837,670	272,267	254,482	448,714	12,400	65,482
Investment property	21,090	390	—	—	9,400	—	—	11,300
Deferred tax assets	1,044,211	836,948	75,810	2,187	10,285	117,379	591	1,011
2013								
ASSETS								
Intangible assets	2,864,395	1,979,599	343,037	1,055	245,995	36,146	258,555	8
Property, plant and equipment	3,736,266	1,343,284	1,402,746	275,634	256,534	397,638	13,428	47,002
Investment property	16,827	398	—	—	5,882	—	—	10,547
Deferred tax assets	1,081,997	853,926	86,001	2,012	9,633	126,907	1,546	1,972

c) Headcount

The average number of employees in 2014 and 2013, by business area, was as follows:

	2014	2013
Environmental Services	43,650	43,662
Integral Water Management	7,467	7,257
Construction	10,129	25,903
Cement	1,804	2,177
Corporate	372	569
	63,422	79,568

30. INFORMATION ON THE ENVIRONMENT

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

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

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

Continuous improvement

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

Control and monitoring

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

Climate change and prevention of pollution

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

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

Observation of the environment and innovation

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

Life cycle of the products and services

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

The participation of all is a must

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

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

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

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

By their very nature, the activities of the Environmental Services Area are geared towards environmental protection and conservation, not only through the production activity itself (waste collection, street cleaning, operation and control of landfills, sewer cleaning, treatment and elimination of industrial waste, 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 2014, the acquisition cost of the non-current assets assigned to production in the Environmental Services Area, net of depreciation and amortisation, totalled EUR 2,326,740 thousand (31 December 2013: EUR 2,956,782 thousand). The environmental provisions, mainly for landfill sealing and shutdown expenses, totalled EUR 336,664 thousand (31 December 2013: EUR 322,353 thousand).

The activity in which Aqualia engages is directly linked to environmental protection since the driving force behind its work is, in collaboration with the various Public Authorities, efficient integral water cycle management and ensuring the availability of water so as to allow sustainable growth of the areas where it provides its services. The main activities performed are: water quality control at both the collection and distribution stages, a 24-hour-a-day-every-day-of-the-year monitoring service enabling incidents affecting its distribution networks to be resolved as quickly as possible, with the resulting water saving, the optimisation of electricity consumption and the elimination of environmental impact caused by the discharge of waste water.

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

At 31 December 2014, the Cementos Portland Valderrivas Group had made environmental investments amounting to EUR 160,035 thousand (2013: EUR 158,991 thousand), which were recognised under "Intangible Assets" and "Property, Plant and Equipment". The related accumulated depreciation and amortisation charge amounted to EUR 81,702 thousand (2013: EUR 76,087 thousand).

Due to its cement activities, the Group receives CO₂ emission allowances for no consideration under the corresponding national allocation plans. In this connection, it should be noted that in 2014 emission allowances equivalent to 2,945 thousand tonnes per annum were received (2013: 5,947 thousand tonnes) corresponding to Cementos Portland Valderrivas, S.A. and Cementos Alfa, S.A.

"Other Operating Income" in the accompanying consolidated statement of profit or loss includes the income of EUR 20,783 thousand (2013: EUR 2,584 thousand) from sales of greenhouse gas emission allowances in 2014 (see Note 28-a).

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

Also, it is considered that there were no significant contingencies in relation to the protection and improvement of the environment at 31 December 2014 that might have a material impact on the accompanying consolidated financial statements.

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

31. FINANCIAL RISK MANAGEMENT POLICIES

The concept of financial risk refers to the changes in the financial instruments arranged by the FCC Group as a result of political, market and other factors and the repercussion thereof on the consolidated financial statements. The FCC Group's risk management philosophy is consistent with its business strategy and seeks to achieve maximum efficiency and solvency at all times. To this end, strict financial risk management and control criteria have been established, consisting of identifying, measuring, analysing and controlling the risks incurred in the Group's operations, and the risk policy has been integrated into the Group's organisation in the appropriate manner.

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:

a) Capital risk

The Group manages its capital to reasonably ensure that the FCC Group companies are capable of continuing as profitable businesses while maximising the return for their shareholders.

The strategy of the Group as a whole continues to focus on geographical diversification and the development and expansion of its business activities in both OECD countries and emerging markets.

Financial management, which is responsible for the management of financial risks, periodically reviews the Debt-Equity Ratio and compliance with the financing covenants and the capital structure of the subsidiaries.

b) The FCC Group is exposed to 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.

Although the FCC Group's reference currency and that with which it mainly operates is the euro, the FCC Group also has certain financial assets and liabilities denominated in currencies other than the euro. The foreign currency risk arises mainly on debt denominated in foreign currencies, on investments to be made in international markets and on amounts received in a currency other than the euro.

As shown in the following table, this risk is mitigated since at 31 December 2014 85% of the Group's net debt was denominated in euros, followed by pounds sterling in second place and US dollars in third place. This is very similar to the situation at 31 December 2013.

	CONSOLIDATED						
	Euro	US dollar	Pound sterling	Czech koruna	Non-eurozone European countries	Latin America	Other
Total consolidated	4,261,555	374,630	485,844	150,890	(2,428)	(44,570)	(209,881)
Net debt as a percentage	85.0%	7.5%	9.7%	3.0%	—	(0.9%)	(4.2%)
							100.0%

The breakdown, by currency, of cash and cash equivalents is detailed in Note 17 to these consolidated financial statements, which indicates that 64% was denominated in euros at 31 December 2014 (31 December 2013: 55%).

The FCC Group's general policy is to mitigate, as far as possible, the adverse effect on its consolidated 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 consolidated balance sheet and consolidated statement of profit or loss.

c) The FCC Group is exposed to interest rate risk

The FCC Group is exposed to risks arising from interest rate fluctuations, since the Group's financial policies aim to guarantee that its current financial assets and its debt are partially tied to floating interest rates. The reference interest rate for the bank borrowings of the FCC Group arranged in euros is mainly Euribor.

Any interest rate increase could increase the borrowing costs on the FCC Group's debt tied to floating rates and could increase, in turn, the refinancing costs of the FCC Group's debt and the costs involved in issuing new 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 based on the ongoing monitoring of markets and on assuming different positions based primarily on the asset being financed.

Furthermore, as part of the FCC Group's interest rate risk management policy, interest rate hedging transactions and fixed-rate financing were arranged in 2014, accounting for 27% of the total gross debt of the Group at the end of the year, including Project Structured Financing hedges.

The following table presents a breakdown of the FCC Group's gross debt and of its debt that has been hedged, either because it bears interest at a fixed rate or because it is hedged by derivatives:

	Construction	Services	Cement	Aqualia	FCC	Consolidated
Total gross borrowings	174,110	913,152	1,332,437	298,133	4,215,793	6,933,625
Hedges and fixed-rate financing	(73,183)	(752,036)	(376,034)	(236,428)	(451,007)	(1,888,688)
Total floating-rate debt	100,927	161,116	956,403	61,705	3,764,786	5,044,937
Ratio: Floating-rate debt / Net borrowings at 31/12/14	58.0%	17.6%	71.8%	20.7%	89.3%	72.8%

d) Solvency risk

The most representative ratio for measuring solvency and capability of repaying the debt is Net Debt/EBITDA.

At 31 December 2014, the FCC Group's net financial debt presented in the accompanying consolidated balance sheet amounted to EUR 5,016,040 thousand, as shown in the following table:

	2014	2013
Bank borrowings	5,756,393	6,228,416
Debt instruments and other marketable securities	906,724	851,111
Other interest-bearing financial debt	270,508	268,880
Current financial assets	(380,437)	(396,320)
Cash and cash equivalents	(1,537,148)	(987,622)
Net financial debt	5,016,040	5,964,465
Net limited recourse debt	(2,217,678)	(2,188,672)
Net recourse borrowings	2,798,362	3,775,793

It is important to note with regard to "Solvency risk" that, although the Group's consolidated financial statements present losses of EUR 724,294 thousand, these relate mostly to the write-down of EUR 649,681 thousand before tax of property, plant and equipment performed at FCC Environment (UK) (see Notes 7, 8 and 28), which did not affect cash and will not affect the FCC Group's borrowings in the future (and, therefore, will similarly not affect its solvency risk).

e) The FCC Group is exposed to liquidity risk

The FCC Group performs its transactions in industries which require a high level of financing, and to date it has obtained sufficient financing to be able to carry on its operations. However, the FCC Group cannot guarantee that these circumstances relating to the obtainment of financing will continue in the future.

The capacity of the FCC Group to obtain financing depends on many factors, many of which are outside its control, such as general economic conditions, the availability of bank funds and the monetary policies of the markets in which the FCC Group operates. Unfavourable conditions in the debt and capital markets can obstruct or impede the obtainment of adequate financing for the performance of the business activities of the FCC Group.

Apart from seeking new sources of financing, the FCC Group may need to refinance a portion of its current debt through bank loans and debt issues, since a significant portion of the financing of the FCC Group matures in 2018. Historically, the FCC Group has always been able to renew its loan agreements and expects to continue to do so over the next twelve months. However, the ability to renew the loan agreements depends on various factors, many of which are outside the control of the FCC Group, such as the general conditions of the economy, the availability of funds for loans from private investors and banks and the monetary policies of the markets in which the FCC Group operates. Unfavourable conditions in the debt markets can obstruct or impede the FCC Group's capacity to renew its financing. Therefore, the FCC Group cannot guarantee its capacity to renew the loan agreements on economically attractive terms. The inability to renew these loans or ensure adequate financing on acceptable terms could have an adverse impact on the liquidity of the FCC Group and on its ability to cover working capital requirements.

In order to adequately manage this risk, the FCC Group closely monitors the maturities of all the credit lines and financing of each of the Group companies so that they can be renewed in sufficient time and

on the best terms offered by the market, analyses the suitability of the financing on a case-by-case basis and studies any alternatives with more favourable terms. In addition, the FCC Group is present in various markets in order to facilitate the obtainment of financing and to mitigate liquidity risk.

At 31 December 2014, the Group had the following repayment schedule for its gross borrowings, which for 2015 amounts to EUR 1,317,783 thousand.

2015 Total Jan-Dec	2016 Total Jan-Dec	2017 Total Jan-Dec	2018 Total Jan-Dec	2019 and subsequent years	TOTAL
1,317,783	376,779	227,483	4,170,179	841,401	6,933,625

In this connection, the most significant of the Group's credit facilities came into force in June 2014. A syndicated four-year loan of EUR 4,528 million with certain covenants enabling the maturity of the Group's debt to be extended significantly. These include the obtainment and renewal of new working capital financing lines (leasing, factoring, reverse factoring, etc.), and international guarantee lines of EUR 250 million, extendible to EUR 450 million and the novation for six years (until October 2020) of the current convertible bond of EUR 450 million.

With the entry into force of the refinancing and the capital increase, the Group understands that the factors raising doubts as to the continuity of the Group no longer exist and that it can finance its business activities.

Both transactions form one of the basic pillars for reaching the restructuring and profitability objectives foreseen in the Strategic Plan.

f) Concentration risk

This risk arises from the concentration of financing transactions with common features which are distributed as follows:

- Sources of financing: in order to diversify this risk, the FCC Group works with numerous Spanish and international financial institutions in order to obtain financing.
- Markets/geographical area (Spanish, foreign): the FCC Group operates in a wide variety of Spanish and international markets. The Group's debt is concentrated mainly in euros and the remainder in various currencies in several international markets.
- Products: the FCC Group uses various financial products, including loans, debt securities, syndicated transactions, factoring, discounting, etc.
- Currency: the FCC Group finances its operations in a wide variety of currencies, corresponding to the country in which the investment is being made.

The FCC Group's strategic planning process identifies the objectives to achieve in each of the areas of business activity, based on the improvements to be implemented, market opportunities and the level of risk considered acceptable. This process serves as a basis for the preparation of the operating plans which specify the goals to be reached each year.

In order to mitigate the market risks inherent to each business line, the Group maintains a diversified position between businesses related to infrastructure construction and management, provision of environmental services, energy and others. In terms of geographical diversification, in 2014 business

abroad accounted for 44% of total sales, with particular relative importance in the Group's most significant areas: infrastructure construction and environmental services.

g) Credit risk

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

The Group requests commercial reports and assesses the financial solvency of its customers before entering into agreements with them and also engages in ongoing monitoring of customers, and has a procedure in place to be followed in the event of insolvency. In the case of public customers, the Group follows the policy of not accepting projects without an allocated budget and financial approval. Offers exceeding a certain collection period must be authorised by Financial Management. Furthermore, late payment is monitored on an ongoing basis by specific bodies, including the risk committees.

h) Financial derivatives designated as hedging instruments

In general, the financial derivatives arranged by the FCC Group are treated, for accounting purposes, in accordance with the regulations on hedge accounting described in the notes to the consolidated financial statements. The main financial risk hedged by the FCC Group using derivative instruments relates to fluctuations in the floating interest rates to which the FCC Group companies' financing is tied. Financial derivatives are measured by experts on the subject that are independent from the Group and the entities financing it, using generally accepted methods and techniques.

Sensitivity analyses are carried out periodically in order to observe the effect of a possible change in interest rates on the Group's accounts.

Accordingly, a simulation was performed using three rising basic yield curve scenarios around 0.17% at 31 December 2014, assuming increases in the curve of 25 bp, 50 bp and 100 bp. The amounts obtained in relation to the derivatives in force at year-end with an impact on equity are shown below (in thousands of euros), after the application, where applicable, of the percentage of ownership.

	Hedging derivatives		
	+25 bp	+50 bp	+100 bp
Impact on equity:			
Fully consolidation	3,924	7,894	15,813
Equity method	17,103	33,627	65,062
Discontinued operations	8,009	15,783	30,655

As in the case of derivatives, a table is shown below summarising the effect that the aforementioned increases and decreases in the interest rate yield curve on the net debt, after excluding any hedged debt, would have on the FCC Group's consolidated statement of profit or loss:

	Net debt		
	+25 bp	+50 bp	+100 bp
Impact on the statement of profit or loss	8,266	16,532	33,064

32. INFORMATION ON RELATED PARTY TRANSACTIONS

a) Transactions with Directors of the Parent and Senior Executives of the Group

The detail of the fixed and variable remuneration earned by the Directors of Fomento de Construcciones y Contratas, S.A. in 2014 and 2013 and payable to them by the Company or by any of the Group companies, joint ventures or associates is as follows:

	2014	2013
Fixed remuneration	2,900	2,950
Other remuneration	2,759	914
	5,659 (*)	3,864 (**)

(*) In 2014 Mr. Juan Béjar Ochoa earned triennial variable remuneration of EUR 1,600 thousand corresponding to 2013, the payment thereof being subject to his contractual terms and conditions.

(**) Also, EUR 7,500 thousand would have to be added to the preceding figures in relation to the termination benefits negotiated with the former CEO due to early termination of his contract.

The Senior Executives listed below, who are not members of the Board of Directors, earned total remuneration of EUR 4,131 thousand in 2014 (2013: EUR 4,192 thousand).

2014

Mr. Agustín García Gila	Chairman of Environmental Services
Mr. Eduardo González Gómez	Chairman of FCC Aqualia and Director of Institutional Relations of FCC
Mr. José Luis Sáenz de Miera	Chairman and CEO of Cementos Portland Valderrivas
Mr. Miguel Jurado Fernández	Chairman of FCC Construcción
Mr. Juan José Drago Masià	General Administration Manager
Mr. Miguel Hernanz Sanjuan	General Internal Audit Manager
Mr. Victor Pastor Fernández	General Finance Manager
Mr. José Manuel Velasco Guardado	General Communication and Corporate Responsibility Manager
Ms Ana Villacañas Beades	General Organisation Manager

2013

Mr. Agustín García Gila	Chairman of FCC Medio Ambiente
Mr. Eduardo González Gómez	Chairman of Energy and Chairman of Aqualia
Mr. Fernando Moreno García	Chairman of FCC Construcción, S.A.
Mr. Antonio Gómez Ciria	General Administration Manager
Mr. Miguel Hernanz Sanjuan	General Internal Audit Manager
Mr. Victor Pastor Fernández	General Finance Manager
Mr. José Luis Sáenz de Miera	Chairman and CEO of Cementos Portland Valderrivas
Mr. José Manuel Velasco Guardado	General Communication and Corporate Responsibility Manager
Ms Ana Villacañas Beades	General Organisation Manager

The information in relation to the insurance policy taken out for, among others, certain Executive Directors and Executives of Fomento de Construcciones y Contratas, S.A. or the Group are disclosed in Note 26, "Pension Plans and Similar Obligations".

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

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

- Do not carry on, as independent professionals or as employees, any activity that is identical, similar or complementary to the activity that constitutes the Company's object.
- Do not own any investments in the share capital of companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the company object of Fomento de Construcciones y Contratas, S.A.
- Had not performed, with the Company or any company of the same Group, other transactions outside the course of the Company's ordinary business operations, or in conditions that were not on an arm's length basis.

The 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
EAC INVERSIONES CORPORATIVAS, S.L.	CEMENTOS PORTLAND VALDERRIVAS, S.A. FCC CONSTRUCCION, S.A.	DIRECTOR DIRECTOR
Mr. JUAN BÉJAR OCHOA	CEMENTOS PORTLAND VALDERRIVAS, S.A.	DIRECTOR
Mr. RAFAEL MONTES SÁNCHEZ	CEMENTOS PORTLAND VALDERRIVAS, S.A.	DIRECTOR
Mr. FELIPE B. GARCÍA PÉREZ	FCC CONSTRUCCION, S.A. FCC POWER GENERATION, S.L., Sole- Shareholder Company	DIRECTOR-SECRETARY DIRECTOR-SECRETARY
EAC MEDIO AMBIENTE, S.L.	CEMENTOS PORTLAND VALDERRIVAS, S.A.	DIRECTOR
Mr. OLIVIER ORSINI	CEMENTOS PORTLAND VALDERRIVAS, S.A.	DIRECTOR
Mr. GUSTAVO VILLAPALOS SALAS	CEMENTOS PORTLAND VALDERRIVAS, S.A.	DIRECTOR

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

At the end of 2014 neither the members of the Board of Directors of Fomento de Construcciones y Contratas, S.A. nor the persons related to them as defined in the Spanish Limited Liability Companies Law had notified the other members of the Board of Directors of any direct or indirect conflict of interest they might have with respect to the Parent.

In 2014 no significant transactions giving rise to a transfer of resources or obligations between Group companies and their Executives or Directors were carried out.

a) Transactions between Group companies or entities

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

The revenue recognised in the accompanying consolidated statement of profit or loss includes EUR 120,520 thousand (2013: EUR 130,967 thousand) relating to Group company billings to associates and joint ventures.

The Group's consolidated financial statements also include purchases from associates and joint ventures amounting to EUR 60,766 thousand (2013: EUR 113,912 thousand).

b) Mechanisms established to detect, determine and resolve possible conflicts of interests between the Parent and/or its Group and its Directors, Executives or significant shareholders.

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

33. FEES PAID TO AUDITORS

The 2014 and 2013 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:

	2014	2013
Fees for financial audit services	5,151	4,333
Principal auditor	4,552	2,606
Other auditors	<u>599</u>	<u>1,727</u>
Fees for other services	7,747	6,502
Principal auditor	361	179
Other auditors	<u>7,386</u>	<u>6,323</u>
	12,898	10,835

The increase in 2014 in the fees for audit services provided by the principal auditor was due mainly to the inclusion of EUR 1,213 thousand for the work performed as a result of the refinancing process and capital increase.

34. EVENTS AFTER THE REPORTING PERIOD

In relation to the New Restructuring Framework Agreement (see Note 21), it should be noted that, having been approved by 86.5% of the lending institutions, a court approval process was initiated in order to apply the conditions to all of the lending institutions. Once this had approved by the relevant court, legal proceedings were initiated for the presentation of challenges, which at the date of preparation of these consolidated financial statements has not yet ended.

35. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These consolidated financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group in Spain (see Note 2-a). Certain accounting practices applied by the Group that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

SUBSIDIARIES (FULLY CONSOLIDATED)

Company	Registered office	Effective percentage of ownership	Auditor
ENVIRONMENTAL SERVICES			
Alfonso Benítez, S.A.	Federico Salmón, 13 - Madrid	100.00	Deloitte
Aparcamientos Concertados, S.A.	Arquitecto Gaudí, 4 - Madrid	100.00	
Armigesa, S.A.	Plaza de la Constitución s/n - Armilla (Granada)	51.00	
Azincourt Investment, S.L., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	Deloitte
Castellana de Servicios, S.A.	Federico Salmón, 13 - Madrid	100.00	Deloitte
Compañía Catalana de Servicios, S.A.	Balmes, 36 - Barcelona	100.00	
Compañía Control de Residuos, S.L.	Peña Redonda, 27 P.I. Silvota - Llanera (Asturias)	64.00	
Corporación Inmobiliaria Ibérica, S.A.	Ulises, 18 - Madrid	100.00	
Dédalo Patrimonial, S.L., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	
Ecoactiva de Medio Ambiente, S.A.	Ctra. Puebla Albortón a Zaragoza Km. 25 Zaragoza	60.00	
Ecodeal-Gestao Integral de Residuos Industriais, S.A.	Portugal	53.62	Deloitte
Ecogenesis Société Anonyme Rendering of Cleansing and Waste Management Services	Greece	51.00	
Ecoparque Mancomunidad del Este, S.A.	Federico Salmón, 13 - Madrid	100.00	Deloitte
Egypt Environmental Services, SAE	Egypt	100.00	Deloitte
Ekostone Áridos Siderúrgicos, S.L.	Las Mercedes, 25 - Las Arenas (Vizcaya)	51.00	
Empresa Comarcal de Serveis Mediambientals del Baix Penedès - ECOBP, S.L.	Plaça del Centre, 3 - El Vendrell (Tarragona)	66.60	Audinfor
Enviropower Investments Limited	United Kingdom	100.00	Deloitte
Equipos y Procesos, S.A.	Basílica, 19 - Madrid	80.73	
Europea de Tratamiento de Residuos Industriales, S.A.	Federico Salmón, 13 - Madrid	100.00	
FCC Ámbito, S.A., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	Deloitte
FCC Environment Services (UK) Limited	United Kingdom	100.00	Deloitte
FCC Environmental Services (USA) Llc	USA	100.00	
FCC Equal CEE, S.L.	Federico Salmón, 13 - Madrid	100.00	
FCC Medio Ambiente, S.A.	Federico Salmón, 13 - Madrid	100.00	Deloitte
Focsa Serviços de Saneamento Urbano de Portugal, S.A.	Portugal	100.00	Deloitte

Company	Registered office	Effective percentage of ownership	Auditor
Gamasur Campo de Gibraltar, S.L.	Antigua Ctra. de Jimena de la Frontera, s/n - Los Barrios (Cádiz)	85.00	PriceWaterhouseCoopers
Gandia Serveis Urbans, S.A.	Llanterners, 6 - Gandia (Valencia)	95.00	Centium
Geneus Canarias, S.L., Sole-Shareholder Company	Electricista, 2. U. I. de Salinetas - Telde (Las Palmas)	100.00	
Gestió i Recuperació de Terrenys, S.A., Sole-Shareholder Company	Rambla Catalunya, 2-4 - Barcelona	80.00	Audinfor
Golrib, Soluções de Valorização de Resíduos Lda.	Portugal	55.00	
A.S.A. Group	Austria		
1. Polabská s.r.o.	Czech Republic	100.00	
.A.S.A. Abfall Service AG	Austria	100.00	Deloitte
.A.S.A. Abfall Service Betriebs GmbH	Austria	100.00	
.A.S.A. Abfall Service Freistadt 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 Mostviertel GmbH	Austria	100.00	
.A.S.A. Abfall Service Neunkirchen GmbH	Austria	100.00	
.A.S.A. Abfall Service Zistersdorf GmbH	Austria	100.00	Deloitte
.A.S.A. Abfallservice Halbenrain GmbH & Co Nfg KG	Austria	100.00	Deloitte
.A.S.A. Abfallservice Industrieviertel GmbH & Co Nfg KG	Austria	100.00	
.A.S.A. Abfallservice Wiener Neustadt GmbH	Austria	100.00	
.A.S.A. Bulgaria E.O.O.D.	Bulgaria	100.00	Deloitte
.A.S.A. České Budějovice s.r.o.	Czech Republic	75.00	Deloitte
.A.S.A. Dacice s.r.o.	Czech Republic	60.00	
.A.S.A. EKO d.o.o.	Serbia	100.00	Deloitte
.A.S.A. EKO Polska Sp. z o.o.	Poland	100.00	Deloitte
.A.S.A. EKO Znojmo s.r.o.	Czech Republic	49.72	Deloitte
.A.S.A. Es Únanov s.r.o.	Czech Republic	66.00	

Company	Registered office	Effective percentage of ownership	Auditor
.A.S.A. Finanzdienstleistungen GmbH	Austria	100.00	
.A.S.A. Hódmezővásárhely Köztisztasági Kft	Hungary	61.83	Deloitte
.A.S.A. Hp spol. s.r.o.	Czech Republic	100.00	Deloitte
.A.S.A. International Environmental Services GmbH	Austria	100.00	
.A.S.A. Kikinda d.o.o.	Serbia	80.00	Deloitte
.A.S.A. Liberec s.r.o.	Czech Republic	55.00	Deloitte
.A.S.A. Lubliniec Sp. z o.o.	Poland	61.97	
.A.S.A. Magyarország Környezetvédelmi És HKft	Hungary	100.00	Deloitte
.A.S.A. Mazedonia dool	Macedonia	100.00	
.A.S.A. Odpady Litovel s.r.o.	Czech Republic	49.00	
.A.S.A. Servicii Ecologice, S.r.l.	Romania	100.00	Deloitte
.A.S.A. Slovensko spol. s.r.o.	Slovakia	100.00	Deloitte
.A.S.A. Sluzby Zabovresky s.r.o.	Czech Republic	89.00	
.A.S.A. spol. s.r.o.	Czech Republic	100.00	Deloitte
.A.S.A. Tarnobrzeg Sp. z- .o.o.	Poland	60.00	
.A.S.A. TRNAVA spol. s.r.o.	Slovakia	50.00	Deloitte
.A.S.A. TS Prostějov s.r.o.	Czech Republic	49.00	Deloitte
.A.S.A. Vrbak d.o.o.	Serbia	51.02	
.A.S.A. Zabčice spol. s.r.o.	Czech Republic	80.00	
.A.S.A. Zohor spol. s.r.o.	Slovakia	85.00	Deloitte
Bec Odpady s.r.o.	Czech Republic	100.00	Deloitte
Czysta Energia Gdansk Sp z o.o.	Poland	100.00	
Ecoservice Lovetech	Bulgaria	90.00	
EKO-Radomsko sp. z.o.o.	Poland	100.00	

Company	Registered office	Effective percentage of ownership	Auditor
Entsorga Entsorgungs GmbH Nfg KG	Austria	100.00	
Erd-Kom Érdi Kommunális Hulladékkezelő	Hungary	90.00	Deloitte
Inerta Abfallbehandlungs GmbH	Austria	100.00	
Miejskie Przedsiębiorstwo Gospodarki Komunalnej Sp. z o.o. Zabrze	Poland	80.00	Deloitte
Obsed a.s.	Czech Republic	100.00	
Quail spol. s.r.o.	Czech Republic	100.00	
Regios a.s.	Czech Republic	99.99	Deloitte
RSUO Dobritch	Bulgaria	62.00	
Siewierskie Przedsiębiorstwo Gospodarki Komunalnej Sp. z o.o.	Poland	60.00	
Skládka Uhy spol. s.r.o.	Czech Republic	100.00	Deloitte
Technické Služby - .A.S.A. s.r.o.	Slovakia	100.00	Deloitte
Textil Verwertung GmbH	Austria	100.00	
Valmax Impex, S.r.l.	Romania	60.00	
FCC Environment Group:	United Kingdom		
3C Holding Limited	United Kingdom	100.00	
3C Waste Limited	United Kingdom	100.00	Deloitte
Allington O & M Services Limited	United Kingdom	100.00	Deloitte
Allington Waste Company Limited	United Kingdom	100.00	Deloitte
Anti-Waste (Restoration) Limited	United Kingdom	100.00	Deloitte
Anti-Waste Limited	United Kingdom	100.00	Deloitte
Arnold Waste Disposal Limited	United Kingdom	100.00	Deloitte
BDR Property Limited	United Kingdom	80.02	Deloitte
BDR Waste Disposal Limited	United Kingdom	100.00	Deloitte
Darrington Quarries Limited	United Kingdom	100.00	Deloitte
Derbyshire Waste Limited	United Kingdom	100.00	Deloitte
East Waste Limited	United Kingdom	100.00	Deloitte
FCC Buckinghamshire Holdings Limited	United Kingdom	100.00	Deloitte
FCC Buckinghamshire Limited	United Kingdom	100.00	Deloitte
FCC Buckinghamshire (Support Services) Limited	United Kingdom	100.00	Deloitte
FCC Environment (Berkshire) Ltd.	United Kingdom	100.00	Deloitte
FCC Environment (Lincolnshire) Ltd.	United Kingdom	100.00	Deloitte
FCC Environment (UK) Limited	United Kingdom	100.00	Deloitte

Company	Registered office	Effective percentage of ownership	Auditor
FCC Environment Limited	United Kingdom	100.00	
FCC Environmental Services (UK) Limited	United Kingdom	100.00	Deloitte
FCC PFI Holdings Limited	United Kingdom	100.00	Deloitte
FCC Recycling (UK) Limited	United Kingdom	100.00	Deloitte
FCC Waste Services (UK) Limited	United Kingdom	100.00	Deloitte
FCC Wrexham PFI (Phase II Holding) Ltd.	United Kingdom	100.00	Deloitte
FCC Wrexham PFI (Phase II) Ltd.	United Kingdom	100.00	Deloitte
FCC Wrexham PFI Limited	United Kingdom	100.00	Deloitte
FCC Wrexham PFI Holdings Limited	United Kingdom	100.00	Deloitte
Finstop Limited	United Kingdom	100.00	
Focsa Services (UK) Limited	United Kingdom	100.00	
Hykeham O&M Services Limited	United Kingdom	100.00	Deloitte
Integrated Waste Management Limited	United Kingdom	100.00	Deloitte
Kent Conservation & Management Limited	United Kingdom	100.00	
Kent Energy Limited	United Kingdom	100.00	Deloitte
Kent Enviropower Limited	United Kingdom	100.00	Deloitte
Landfill Management Limited	United Kingdom	100.00	Deloitte
Lincwaste Limited	United Kingdom	100.00	Deloitte
Norfolk Waste Limited	United Kingdom	100.00	Deloitte
Pennine Waste Management Limited	United Kingdom	100.00	Deloitte
RE3 Holding Limited	United Kingdom	100.00	Deloitte
RE3 Limited	United Kingdom	100.00	Deloitte
T Shooter Limited	United Kingdom	100.00	Deloitte
Waste Recovery Limited	United Kingdom	100.00	Deloitte
Waste Recycling Group (Central) Limited	United Kingdom	100.00	Deloitte
Waste Recycling Group (Scotland) Limited	United Kingdom	100.00	Deloitte
Waste Recycling Group (UK) Limited	United Kingdom	100.00	Deloitte
Waste Recycling Group (Yorkshire) Limited	United Kingdom	100.00	Deloitte

Company	Registered office	Effective percentage of ownership	Auditor
Wastenotts (Reclamation) Limited	United Kingdom	100.00	Deloitte
Wastenotts O & M Services Limited	United Kingdom	100.00	Deloitte
Welbeck Waste Management Limited	United Kingdom	100.00	Deloitte
WRG (Midlands) Limited	United Kingdom	100.00	Deloitte
WRG (Northern) Limited	United Kingdom	100.00	Deloitte
WRG Acquisitions 2 Limited	United Kingdom	100.00	
WRG Environmental Limited	United Kingdom	100.00	Deloitte
WRG Waste Services Limited	United Kingdom	100.00	
Integraciones Ambientales de Cantabria, S.A.	Monte de Carceña Cr CA-924 Pk 3,280 - Castañedo (Cantabria)	90.00	Deloitte
International Services Inc., S.A., Sole-Shareholder Company	Av. Camino de Santiago, 40 - Madrid	100.00	
Jaime Franquesa, S.A.	P.I. Zona Franca Sector B calle D49 - Barcelona	100.00	
Jaume Oro, S.L.	Av. del Bosc, s/n P.I. Hostal Nou-Bellpuig (Lleida)	100.00	
Limpieza e Higiene de Cartagena, S.A.	Luis Pasteur, 6 - Cartagena (Murcia)	90.00	Deloitte
Limpiezas Urbanas de Mallorca, S.A.	Ctra. Santa Margalida-Can Picafort - Santa Margalida (Balearic Islands)	100.00	Deloitte
Manipulación y Recuperación MAREPA, S.A.	Av. San Martín de Valdeiglesias, 22 - Alcorcón (Madrid)	100.00	Deloitte
Recuperació de Pedreres, S.L.	Rambla de Catalunya, 2 - Barcelona	80.00	Deloitte
Saneamiento y Servicios, S.A.	Federico Salmón, 13 - Madrid	100.00	
Serveis d'Escombreries i Neteja, S.A.	Coure, s/n - P.I. Riu Clar - Tarragona	100.00	
Servicio de Recogida y Gestión de Residuos Sólidos Urbanos del Consorcio Vega Sierra Elvira, S.A. (under Construction) (Sercovira, S.A.)	Doctor Jiménez Rueda, 10 - Atarfe (Granada)	60.00	
Serveis Municipals de Neteja de Girona, S.A.	Pl. del Vi, 1 - Girona	75.00	Cataudit Auditors Associats
Servicios de Levante, S.A.	Camino Pla Museros, s/n - Almazora (Castellón)	100.00	Deloitte
Servicios Especiales de Limpieza, S.A.	Federico Salmón, 13 - Madrid	100.00	Deloitte
Sistemas y Vehículos de Alta Tecnología, S.A.	Federico Salmón, 13 - Madrid	100.00	Deloitte
Societat Municipal Medioambiental d'Igualada, S.L.	Pl. de l'Ajuntament, 1 - Igualada (Barcelona)	65.91	Centium

Company	Registered office	Effective percentage of ownership	Auditor
Telford & Wrekin Services Ltd.	United Kingdom	100.00	Deloitte
Tratamientos y Recuperaciones Industriales, S.A.	Rambla de Catalunya, 2-4, P.5 - Barcelona	75.00	
Valoración y Tratamiento de Residuos Urbanos, S.A.	Riu Magre, 6 - P.I. Patada del Cid - Quart de Poblet (Valencia)	80.00	
Valorización y Tratamiento de Residuos, S.A.	Alameda de Mazarredo, 15-4º A - Bilbao (Vizcaya)	100.00	
AQUALIA			
Abrantaqua – Serviço de Aguas Residuais Urbanas de Municipio de Abrantes, S.A.	Portugal	60.00	Oliveira & Reis
Acque di Caltanissetta, S.p.a.	Italy	98.48	Ernst & Young
Aguas de Alcázar Empresa Mixta, S.A.	Rondilla Cruz Verde, 1 - Alcázar de San Juan (Ciudad Real)	52.38	Centium
Aguas de las Galeras, S.L.	Av. Camino de Santiago, 40 - Madrid	100.00	Deloitte
Aigües de Vallirana, S.A., Sole-Shareholder Company	Conca de Tremp, 14 - Vallirana (Barcelona)	100.00	
Aisa d.o.o. Mostar	Bosnia-Herzegovina	100.00	
Aqua Campiña, S.A.	Av Blas Infante, 6 - Écija (Seville)	90.00	Audinfor
Aquacartaya, S.L.	Av. San Francisco Javier, 27 2ª - Seville	100.00	Deloitte
Aquaervas - Aguas de Elvas, S.A.	Portugal	100.00	Deloitte
Aquafundalia - Agua Do Fundão, S.A.	Portugal	100.00	Deloitte
Aquajerez, S.L.	Cristalería, 24. Pol. Ind. Ronda Oeste - Jerez de la Frontera (Cádiz)	51.00	Ernst & Young
Aqualia Czech, S.L.	Av. Camino de Santiago, 40 - Madrid	51.00	Ernst & Young
Aqualia Industrial Solutions, S.A., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	Deloitte
Aqualia Infraestructuras, S.A.	Av. Camino de Santiago, 40 - Madrid	100.00	Deloitte
Aqualia Infraestructuras Inzenyring s.r.o.	Czech Republic	51.00	ABC - Audit s.r.o.
Aqualia Infraestructuras de México, S.A. de C.V.	Mexico	100.00	Deloitte
Aqualia Infraestructuras Montenegro (AIM) d.o.o. Niksic	Montenegro	100.00	
Aqualia New Europe B.V.	The Netherlands	51.00	Deloitte
Aqua Management Solutions B.V.	The Netherlands	30.60	Deloitte
Aquamaior - Aguas de Campo Maior, S.A.	Portugal	99.92	Deloitte
Cartagua, Aguas do Cartaxo, S.A.	Portugal	60.00	Oliveira & Reis
Colaboración, Gestión y Asistencia, S.A.	Federico Salmón, 13 - Madrid	100.00	

Company	Registered office	Effective percentage of ownership	Auditor
Compañía Onubense de Aguas, S.A.	Av. Martín Alonso Pinzón, 8 - Huelva	60.00	
Conservación y Sistemas, S.A.	Federico Salmón, 13 - Madrid	100.00	Deloitte
Depurplan 11, S.A.	San Miguel, 4 3º B - Zaragoza	100.00	Audinfor
Depurtebo, S.A.	San Pedro, 57 - Zuera (Zaragoza)	100.00	
Empresa Gestora de Aguas Linenses, S.A.	Federico Salmón, 13 - Madrid	100.00	
Empresa Mixta de Conservación de la Estación Depuradora de Aguas Residuales de Butarque, S.A.	Princesa, 3 - Madrid	70.00	
Entenmanser, S.A.	Castillo, 13 - Adeje (Santa Cruz de Tenerife)	97.00	Deloitte
FCC Aqualia, S.A. (1)	Federico Salmón, 13 - Madrid	100.00	Deloitte
FCC Aqualia América, S.A.U. (2)	Uruguay, 11 - Vigo (Pontevedra)	100.00	
F.S. Colaboración y Asistencia, S.A.	Av. Camino de Santiago, 40 - Madrid	100.00	
Hidrotec Tecnología del Agua, S.L., Sole-Shareholder Company	Av. Kansas City, 9 - Seville	100.00	Deloitte
Infraestructuras y Distribución General de Aguas, S.L.U.	La Presa , 14 - Adeje (Santa Cruz de Tenerife)	100.00	
Inversora Riutort	Berlín, 38-43 - Barcelona	100.00	
Ovod spol, s.r.o.	Czech Republic	100.00	ABC - Audit s.r.o.
Severomoravské Vodovody a Kanalizace Ostrava, a.s.	Czech Republic	50.32	Ernst & Young
Sociedad Española de Aguas Filtradas, S.A.	Av. Camino de Santiago, 40 - Madrid	100.00	Deloitte
Sociedad Ibérica del Agua, S.A., Sole-Shareholder Company	Av. Camino de Santiago, 40 - Madrid	100.00	
Tratamiento Industrial de Aguas, S.A.	Federico Salmón, 13 - Madrid	100.00	Deloitte
CONSTRUCTION			
ACE Scutmadeira Sistemas de Gestao e Controlo de Tráfego	Portugal	100.00	
Alpetrol, S.A.	Av. Camino de Santiago, 40 - Madrid	100.00	
Alpine Consulting d.o.o.	Slovenia	100.00	
Alpine - Energie Holding AG	Germany	100.00	
Áridos de Melo, S.L.	Finca la Barca y el Ballestar, s/n - Barajas de Melo (Cuenca)	100.00	
Autovía Conquense, S.A.	Acanto, 22 - Madrid	100.00	Deloitte
BBR Pretensados y Técnicas Especiales, S.L.	Av. Camino de Santiago, 40 - Madrid	100.00	
Binatec Al Maghreb, S.A.	Morocco	100.00	
Concesionaria Túnel de Coatzacoalcos, S.A. de C.V.	Mexico	85.59	Deloitte
Concesiones Viales de Costa Rica, S.A.	Costa Rica	100.00	

(1) Change of name. Formerly Aqualia Gestión Integral del Agua, S.A.

(2) Change of name. Formerly Abastecimientos y Saneamientos del Norte, S.A., Sole-Shareholder Company

Company	Registered office	Effective percentage of ownership	Auditor
Concesiones Viales, S. de R.L. de C.V.	Mexico	99.97	Deloitte
Construcción y Filiales Mexicanas, S.A. de C.V.	Mexico	100.00	Deloitte
Construcción Infraestructuras y Filiales de México, S.A. de C.V.	Mexico	52.00	Deloitte
Construcciones Hospitalarias, S.A.	Panama	100.00	Deloitte
Constructora Túnel de Coatzacoalcos, S.A. de C.V.	Mexico	55.60	Deloitte
Contratas y Ventas, S.A.	Av. de Santander, 3-1º - Oviedo (Asturias)	100.00	Deloitte
Desarrollo y Construcción DEYCO CRCA, S.A.	Costa Rica	100.00	
Dezvoltare Infrastructura, S.A.	Romania	51.03	
Dizara Inversión, S.L.	Av. Camino de Santiago, 40 - Madrid	100.00	
EHST - European High-Speed Trains SGPS, S.A.	Portugal	85.71	Deloitte
FCC Colombia, S.A.S.	Colombia	100.00	
FCC Construcción, S.A.	Balmes, 36 - Barcelona	100.00	Deloitte
FCC Construcción de América, S.A. (3)	Costa Rica	100.00	Deloitte
FCC Construcción Chile, SpA	Chile	100.00	
FCC Construcción Perú, S.A.C.	Peru	100.00	Deloitte
FCC Construcción Polska Sp z o.o.	Poland	100.00	
FCC Constructii Romania, S.A.	Romania	100.00	
FCC Construction Hungary Kft	Hungary	100.00	Deloitte
FCC Construction I-95 Llc	USA	100.00	
FCC Construction, Inc.	USA	100.00	Deloitte
FCC Construction International B.V.	The Netherlands	100.00	
FCC Construction Northern Ireland Limited	United Kingdom	100.00	Deloitte
FCC Construções do Brasil Ltda.	Brazil	100.00	
FCC Elliott UK Limited	United Kingdom	50.10	Deloitte
FCC Industrial Colombia, S.A.S.	Colombia	100.00	
FCC Industrial de Panamá, S.A.	Panama	100.00	Deloitte
FCC Industrial e Infraestructuras Energéticas, S.A., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	Deloitte
FCC Industrial Perú, S.A.	Peru	100.00	
FCC Industrial UK Limited	United Kingdom	100.00	Deloitte
FCC Industriale, S.r.l.	Italy	100.00	

(3) Change of name. Formerly FCC Construcción de Centroamérica, S.A.

Company	Registered office	Effective percentage of ownership	Auditor
FCC Mersey Gateway Ltd.	United Kingdom	100.00	
FCC Mersey Gateway Investments Ltd.	United Kingdom	100.00	
FCC Servicios Industriales y Energéticos México, S.A. de C.V.	Mexico	100.00	Deloitte
Fomento de Construcciones y Contratas Canada Ltda.	Canada	100.00	
Fomento de Construcciones y Contratas Construction Ireland Limited	Ireland	100.00	Deloitte
Gavisa Portugal Montagens Eléctricas Lda.	Portugal	97.00	
GE - FCC CO, S.A.	Equatorial Guinea	65.00	
Ibervia Construcciones y Contratas, S.L.	Av. Camino de Santiago, 40 - Madrid	100.00	
Impulsora de Proyectos PROSERME, S.A. de C.V.	Mexico	100.00	
M&S Concesiones, S.A.	Costa Rica	100.00	
Mantenimiento de Infraestructuras, S.A.	Acanto, 22 - Madrid	100.00	Deloitte
Megaplás, S.A.	Hilanderas, 4-14 - La Poveda - Arganda del Rey (Madrid)	100.00	Deloitte
Megaplás Italia, S.p.a.	Italy	100.00	Collegio Sindicale
Motre, S.L.	Bonastruc de Porta, 20 - Girona	100.00	
Moviterra, S.A.	Bonastruc de Porta, 20 - Girona	100.00	Deloitte
Naturaleza, Urbanismo y Medio Ambiente, S.A.	Av. Camino de Santiago, 40 - Madrid	100.00	
Nevasa Inversión, S.L.	Av. Camino de Santiago, 40 - Madrid	100.00	
PPP Infrastructure Investments B.V.	The Netherlands	100.00	
Participaciones Teide, S.A.	Av. Camino de Santiago, 40 - Madrid	100.00	
Pedreira Les Gavarres, S.L.	Bonastruc de Porta, 20 - Girona	100.00	
Pinturas Jaque, S.L.	Acanto, 22 - Madrid	100.00	
Prefabricados Delta, S.A.	Federico Salmón, 13 - Madrid	100.00	Deloitte
Proyectos y Servicios, S.A.	Acanto, 22 - Madrid	100.00	Deloitte
Ramalho Rosa Cobetar Sociedade de Construções, S.A.	Portugal	100.00	Deloitte
Servià Cantó, S.A.	Bonastruc de Porta, 20 - Girona	100.00	Deloitte
Servicios Dos Reis, S.A. de C.V.	Mexico	100.00	Deloitte
Sinclair, S.A., Sole-Shareholder Company	Av. Camino de Santiago, 40 - Madrid	100.00	

Company	Registered office	Effective percentage of ownership	Auditor
Tema Concesionaria, S.A.	Porto Pi, 8- Palma de Mallorca (Balearic Islands)	100.00	
Tulsa Inversión, S.L.	Av. Camino de Santiago, 40 - Madrid	100.00	
Vela Borovica Koncern d.o.o.	Croatia	95.00	
Vialia Sociedad Gestora de Concesiones de Infraestructuras, S.L.	Acanto, 22 - Madrid	100.00	
CEMENT			
Áridos de Navarra, S.A.	Estella, 6 - Pamplona (Navarra)	52.20	
Canteras de Aláiz, S.A.	Dormilateria, 72 - Pamplona (Navarra)	55.37	Deloitte
Cementos Alfa, S.A.	Josefina de la Maza, 4 P.E. Piasca - Santander (Cantabria)	69.64	Deloitte
Cementos Portland Valderrivas, S.A.	Dormilateria, 72 - Pamplona (Navarra)	79.08	Deloitte
Coastal Cement Corporation	USA	79.08	
Dragon Alfa Cement Limited	United Kingdom	69.64	Deloitte
Dragon Energy Llc	USA	79.08	
Dragon Products Company, Inc.	USA	79.08	
Giant Cement Company	USA	79.08	
Giant Cement Holding, Inc.	USA	79.08	Deloitte
Giant Cement NC, Inc.	USA	79.08	
Giant Cement Virginia, Inc.	USA	79.08	
Giant Resource Recovery, Inc.	USA	79.08	
Giant Resource Recovery - Arvonía, Inc.	USA	79.08	
Giant Resource Recovery - Attalla, Inc.	USA	79.08	
Giant Resource Recovery - Harleyville, Inc.	USA	79.08	
Giant Resource Recovery - Sumter, Inc.	USA	79.08	
Hormigones de la Jacetania, S.A.	Llano de la Victoria - Jaca (Huesca)	49.43	KPMG

C o m p a n y	Registered office	Effective percentage of ownership	Auditor
Keystone Cement Company	USA	79.08	
Prebesec Mallorca, S.A.	Santa Margarida i els Monjos (Barcelona)	54.03	
Sechem, Inc.	USA	79.08	
Select Beton, S.A.	Tunisia	69.46	Mourat Guellaty
Société des Ciments d'Enfidha	Tunisia	69.48	Mourat Guellaty - Deloitte
Tratamiento Escombros Almoguera, S.L.	José Abascal, 59 - Madrid	40.36	
Uniland Acquisition Corporation	USA	79.08	
Uniland International B.V.	The Netherlands	79.08	
Uniland Trading B.V.	The Netherlands	79.08	

ENERGY

Enefi Energía, S.A., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00
Eolica Calvent, S.L.	Balmes, 36 - Barcelona	80.04
FCC Energía Aragón, S.L.	Manuel Lasala, 36 - Zaragoza	100.00
FCC Energía Aragón II, S.L.	Manuel Lasala, 36 - Zaragoza	100.00
FCC Energía USA, S.L., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00
FCC Power Generation, S.L.	Federico Salmón, 13 - Madrid	100.00
Guzmán Energy O&M, S.L.	Federico Salmón, 13 - Madrid	70.00

Company	Registered office	Effective percentage of ownership	Auditor
OTHER ACTIVITIES			
Asesoría Financiera y de Gestión, S.A.	Federico Salmón, 13 - Madrid	100.00	
Beta de Administración, S.A.	Av. Camino de Santiago, 40 - Madrid	100.00	
Bvefdomintaena Beteiligungsverwaltung GmbH	Austria	100.00	
C.G.T. Corporación General de Transportes, S.A.	Av. Camino de Santiago, 40 - Madrid	100.00	
Cemusa Amazonia, S.A.	Brazil	100.00	PriceWaterhouseCoopers
Cemusa Boston Llc	USA	100.00	
Cemusa Brasilia, S.A.	Brazil	100.00	PriceWaterhouseCoopers
Cemusa, Corporación Europea de Mobiliario Urbano, S.A.	Francisco Sancha, 24 - Madrid	100.00	PriceWaterhouseCoopers
Cemusa do Brasil Ltda.	Brazil	100.00	PriceWaterhouseCoopers
Cemusa, Inc.	USA	100.00	
Cemusa Italia, S.r.l.	Italy	100.00	
Cemusa NY Llc	USA	100.00	
Cemusa Portugal, Companhia de Mobiliario Urbano e Publicidade, S.A.	Portugal	100.00	PriceWaterhouseCoopers
Cemusa Rio, S.A.	Brazil	100.00	PriceWaterhouseCoopers
Cemusa Salvador, S.A.	Brazil	65.00	PriceWaterhouseCoopers
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	
Europea de Gestión, S.A., Sole-Shareholder Company	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 Fomento de Obras y Construcciones, S.L., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	
FCC Inmobiliaria Conycon, S.L., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	
FCC Versia, S.A.	Av. Camino de Santiago, 40 - Madrid	100.00	Deloitte
Fedemes, S.L.	Federico Salmón, 13 - Madrid	100.00	
Geral I.S.V. Brasil Ltda.	Brazil	100.00	
Per Gestora Inmobiliaria, S.L.	Federico Salmón, 13 - Madrid	100.00	Deloitte
Zona Verde - Promoçao e Marketing Limitada	Portugal	100.00	PriceWaterhouseCoopers

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

C o m p a n y	Registered office	Carrying amount of the investment		Effective percentage of ownership	Auditor
		2014	2013		
ENVIRONMENTAL SERVICES					
Atlas Gestión Medioambiental, S.A.	Viriato, 47 - Barcelona	13,143	13,015	50.00	Deloitte
Beacon Waste Limited	United Kingdom	1,588	1,490	50.00	Deloitte
Ecoparc del Besòs, S.A.	Rambla Catalunya, 91-93 - Barcelona	5,408	5,282	49.00	Castellà Auditors - Consultors S.L.P.
Ecoserveis Urbans de Figueres, S.L.	Av. de les Alegries, s/n - Lloret de Mar (Girona)	227	269	50.00	
Electrorecycling, S.A.	Ctra. BV - 1224 Km. 6,750 - El Pont de Vilomara i Rocafort (Barcelona)	1,351	1,350	33.33	
Empresa Mixta de Limpieza de la Villa de Torrox, S.A.	Plaza de la Constitución, 1 - Torrox (Málaga)	379	415	50.00	Audinfo
Empresa Mixta de Medio Ambiente de Rincón de la Victoria, S.A.	Av. Zorreras, 8 - Rincón de la Victoria (Málaga)	327	423	50.00	Audinfo
Fisera Ecoserveis, S.A.	Alemanya, 5 - Figueres (Girona)	189	247	36.36	Auditoria i Control Auditors SLP
FTS 2010 Societa Consortile a Resp. Lim.	Italy	—	1	60.00	
Gestión y Valoración integral del Centro, S.L.	De la Tecnología, 2. P.I. Los Olivos - Getafe (Madrid)	219	76	50.00	
Hades Soluciones Medioambientales, S.L.	Mayor, 3 - Cartagena (Murcia)	60	60	50.00	
Ingeniería Urbana, S.A.	Calle l esquina calle 3, P.I. Pla de la Vallonga - Alicante	4,592	4,622	35.00	Deloitte
Mediaciones Comerciales Ambientales, S.L.	Av. Roma, 25 - Barcelona	157	183	50.00	
Mercia Waste Management Ltd.	United Kingdom	10,921	9,556	50.00	Deloitte
Palacio de Exposiciones y Congresos de Granada	Ps. Del Violón, s/n - Granada	(611)	(319)	50.00	Hispano Belga Economistas & Auditores SLP
Pilagest, S.L.	Ctra. BV - 1224 Km. 6,750 - El Pont de Vilomara i Rocafort (Barcelona)	206	209	50.00	
Reciclado de Componentes Electrónicos, S.A.	E Pol. Actividades Medioambientales - Aznalcóllar (Seville)	2,487	2,578	37.50	KPMG
Senblen, S.A.	Alameda de Urquijo, 10 - Bilbao (Vizcaya)	(90)	(90)	50.00	
Servicios de Limpieza Integral de Málaga III, S.A.	Camino Térmica, 83 - Málaga	1,563	1,563	26.01	PriceWaterhouseCoopers
Servicios Urbanos de Málaga, S.A.	Ulises, 18 - Madrid	368	665	51.00	
Severn Waste Services Limited	United Kingdom	203	206	50.00	Deloitte
Tratamiento Industrial de Residuos Sólidos, S.A.	Rambla Catalunya, 91 - Barcelona	430	108	33.33	Castellà Auditors Consultors
Zabalgarbi, S.A.	Camino de Artigas, 10 - Bilbao (Vizcaya)	11,414	12,902	30.00	KPMG

C o m p a n y	Registered office	Carrying amount of the investment		Effective percentage of ownership	Auditor
		2014	2013		
AQUALIA					
Aguas de Langreo, S.L.	Alonso del Riesgo, 3 - Sama de Langreo (Asturias)	829	749	49.00	Audinfor
Aguas de Ubrique, S.A.	Málaga, 11 - Nerja (Málaga)	252	345	50.00	Audinfor
Aigües de Girona, Salt i Sarrià del Ter, S.A.	Ciutadans, 11 - Girona	195	215	26.89	Cataudit Auditors Associats, S.L.
A.I.E. Itam Delta de la Tordera	Berlín, 38-48 - Barcelona	(2)	—	50.10	
Compañía de Servicios Medioambientales Do Atlántico, S.A.	Ctra. De Cedeira Km. 1 - Narón (La Coruña)	322	308	49.00	Audinfor
Constructora de Infraestructura de Agua de Queretaro, S.A. de C.V.	Mexico	(929)	(719)	24.50	Deloitte
Empresa Municipal de Aguas de Benalmádena EMABESA, S.A.	Av. Juan Luis Peralta, s/n - Benalmádena (Málaga)	1,797	1,981	50.00	Audinfor
Girona, S.A.	Travessera del Carril, 2 - Girona	1,688	1,621	33.61	Cataudit Auditors Associats, S.L.
HA Proyectos Especiales Hidráulicos S. de R.L. de C.V. (4)	Mexico	283	327	50.00	Grant Thornton
Orasqualia Construction, SAE	Egypt	(180)	1,294	50.00	KPMG
Orasqualia for the Development of the Waste Water Treatment Plant SAE	Egypt	20,149	16,813	50.01	Deloitte
Orasqualia Operation and Maintenance, SAE	Egypt	844	486	50.00	KPMG
CONSTRUCTION					
Administración y Servicios Grupo Zapotillo, S.A. de C.V.	Mexico	73	44	50.00	Salles Sainz - Grant Thornton
Ctra. Cabo San Lucas San José, S.A. de C.V.	Mexico	(1,687)	(402)	50.00	Deloitte
Constructores del Zapotillo, S.A. de C.V.	Mexico	1,143	1,575	50.00	Salles Sainz - Grant Thornton
Construcciones Olabarrí, S.L.	Ripa, 1 - Bilbao (Vizcaya)	4,536	4,941	49.00	Charman Auditores, S.A.
Constructora de Infraestructura de Agua de Queretaro, S.A. de C.V.	Mexico	(908)	(719)	24.50	Deloitte
Constructora Durango-Mazatlan, S.A. de C.V.	Mexico	1,328	608	51.00	Deloitte
Constructora Nuevo Necaxa Tihuatlan, S.A. de C.V.	Mexico	(43,164)	910	40.00	Deloitte
Dragados FCC, Canada, Inc.	Canada	(761)	(483)	50.00	
Elaboración de Cajones Pretensados, S.L.	Av. General Perón, 36 - Madrid	2	2	50.00	
FCC Elliott Construction Limited	Ireland	(3,443)	(2,115)	50.00	Deloitte
Ibisan Sociedad Concesionaria, S.A.	Porto Pi, 8 - Palma de Mallorca (Balearic Islands)	7,502	8,466	50.00	Deloitte
Integral Management Future Renewables, S.L.	A Condomiña, s/n - Ortoño (La Coruña)	2,148	1,927	50.00	Deloitte

(4) Change of name. Formerly PB El Caracol S. de R.L. de C.V.

Company	Registered office	Carrying amount of the investment		Effective percentage of ownership	Auditor
		2014	2013		
Marina de Laredo, S.A.	Pasaje de Puntida, 1 - Santander (Cantabria)	(732)	(161)	50.00	
MDM-Teide, S.A.	Panama	1,186	1,044	50.00	
North Tunnels Canada, Inc.	Canada	(17,924)	(19,064)	50.00	
OHL Co Canada& FCC Canada Ltd-	Canada	(58,495)	—	50.00	
Operaciones y Servicios para la Industria de la Construcción, S.A. de C.V.	Mexico	(28)	(66)	50.00	Deloitte
Peri 3 Gestión, S.L.	General Álava, 26 - Vitoria Gasteiz (Álava)	2	2	50.00	
Proyecto Front Marítim, S.A.	Paseo de Gracia, 120 - Barcelona	(7,907)	(7,383)	50.00	
Servicios Empresariales Durango-Mazatlan, S.A. de C.V.	Mexico	160	171	51.00	Deloitte
Sociedad Concesionaria Tranvía de Murcia, S.A.	Olof Palmer, s/n - Murcia	18,631	18,415	50.00	Deloitte
Teide-MDM Quadrat, S.A.	Panama	202	178	50.00	
Western Carpathians Motorway Investors Company GmbH	Austria	10	10	40.00	
Zilinská Dialnica s.r.o.	Slovakia	(172)	(172)	40.00	

CEMENT

Carbocem, S.A.	Paseo de la Castellana, 45 - Madrid	73	73	55.10	Deloitte
Corporación Uniland, S.A.	Córcega, 299 - Barcelona	—	(7)	79.08	Deloitte
Pedreira de l'Ordal, S.L.	Ctra. N 340 km. 1229,5 La Creu del L'Ordal - Subirats (Barcelona)	3,704	3,777	39.46	Busquet

ENERGY

Sigenera, S.L.	Av. De Linares Rivas, 1 - La Coruña	396	398	50.00	Deloitte
FM Green Power Investments subgroup	Federico Salmón, 13 - Madrid	7,278	—	49.00	Deloitte

OTHER ACTIVITIES

Corporación Jerezana de Transportes Urbanos, S.A., Sole-Shareholder Company	P.I. Portal Jérez de la Frontera (Cádiz)	—	2,116	50.00	
Detren Compañía General de Servicios Ferroviarios, S.L.	Av. Camino de Santiago, 40 - Madrid	—	3,912	50.00	KPMG
FCC Connex Corporación, S.L.	Av. Camino de Santiago, 40 - Madrid	—	12,464	50.00	

TOTAL VALUE OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD (JOINT VENTURES)

(7,071)	108,692
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ASSOCIATES (ACCOUNTED FOR USING THE EQUITY METHOD)

C o m p a n y	Registered office	Carrying amount of the investment		Effective percentage of ownership	Auditor
		2014	2013		
ENVIRONMENTAL SERVICES					
Aprochim Getesarp Rymoil, S.A.	P.I. Logrenzana La Granda - Carreño (Asturias)	792	870	23.49	Mendez Auditores, S.L.
Aragonesa de Gestión de Residuos, S.A.	Paseo María Agustín, 36 - Zaragoza	25	25	12.00	PricewaterhouseCoopers y Vilalba, Embid y Cia. Auditores, S.L.P.
Aragonesa de Tratamientos Medioambientales XXI, S.A.	Ctra. Castellón Km. 58 - Zaragoza	621	631	33.00	
Betearte, S.A.U.	Cr. BI - 3342 pk 38 Alto de Areitio - Mallabia (Vizcaya)	809	969	33.33	Attest
Clavegueram de Barcelona, S.A.	Acer, 16 - Barcelona	—	917	20.33	Bove Montero y Asociados
Gestión Integral de Residuos Sólidos, S.A.	Profesor Beltrán Báguena, 4 - Valencia	5,678	2,964	49.00	Fides Auditores, S.L.
.A.S.A. Group:		5,976	5,818		
.A.R.K. Technicke Sluby	Slovakia	—	—	50.00	Deloitte
.A.S.A. + NHSZ Környezetvédelmi H Kft (5)	Hungary	—	—	50.00	PriceWaterhouseCoopers
.A.S.A. Hlohovec s.r.o.	Slovakia	—	—	50.00	
A.K.S.D. Városgazdálkodási Korlátolt FT	Hungary	—	—	25.50	PriceWaterhouseCoopers
ASTV s.r.o.	Czech Republic	—	—	49.00	
Huber Abfallservice Verwaltungs GmbH	Austria	—	—	49.00	
Huber Entsorgungs GmbH Nfg KG	Austria	—	—	49.00	
Killer GmbH	Austria	—	—	50.00	
Killer GmbH & Co KG	Austria	—	—	50.00	
Recopap s.r.o.	Slovakia	—	—	50.00	Deloitte
Technické a Stavební Služby, a.s.	Czech Republic	—	—	50.00	
Tirme Group		13,015	11,663		
Balear de Trituracions, S.L.	Cr. de Sóller Km. 8,2 - Palma de Mallorca (Balearic Islands)	—	—	10.40	
MAC Insular, S.L.	Camí Son Reus. Ctra. De Soller Km. 8,2 - Bunyola (Balearic Islands)	—	—	16.00	KPMG
MAC Insular Segunda, S.L.	Cr. de Sóller Km. 8,2 - Palma de Mallorca (Balearic Islands)	—	—	20.00	
Tirme, S.A.	Ctra. Soller Km. 8,2 Camino de Son Reus - Palma de Mallorca (Balearic Islands)	—	—	20.00	KPMG
Pallars Jussà Neteja i Serveis, S.A.	Pau Casals, 14 - Tremp (Lleida)	26	40	40.80	
Sogecar, S.A.	Polígono Torrelarragoiti - Zamudio (Vizcaya)	362	350	30.00	

(5) Change of name. Formerly .A.S.A. + AVE Környezetvédelmi H Kft

C o m p a n y	Registered office	Carrying amount of the investment		Effective percentage of ownership	Auditor
		2014	2013		
AQUALIA					
Aguas de Archidona, S.L.	Pz. Ochavada, 1 - Archidona (Málaga)	59	78	48.00	Centium
Aguas de Denia, S.A.	Pare Pere, 17 - Denia (Alicante)	403	403	33.00	
Aguas de Priego, S.L.	Pz. de la Constitución, 3 - Priego de Córdoba (Córdoba)	(5)	(31)	49.00	Audinfor
Aguas de Ubrique, S.A.	Av. España, 9 - Ubrique (Cádiz)	(12)	(99)	49.00	
Aguas del Puerto Empresa Municipal, S.A.	Aurora, 1 - El Puerto de Santa María (Cádiz)	3,930	—	48.98	Deloitte
Aigües de Blanes, S.A.	Canigó, 5 - Blanes (Girona)	55	36	16.47	CD Auditors i Consulting, S.L.
Aigües del Tomoví, S.A.	Pz. Vella, 1 - El Vendrell (Tarragona)	642	356	49.00	GM Auditors, S.L.
Aqualia Mace Operation & General Maintenance Llc	United Arab Emirates	2,062	1,077	51.00	Deloitte
Aquos El Realito, S.A. de C.V.	Mexico	4,745	4,379	49.00	Deloitte
Augas Municipais de Arteixo, S.A.	Pz. Alcalde Ramón Dopico - Arteixo (La Coruña)	62	7	51.00	
Concesionaria de Desalación de Ibiza, S.A.	Rotonda de Santa Eulalia, s/n - Ibiza (Balearic Islands)	1,072	1,430	50.00	BDO Auditores, S.L.
Constructora de Infraestructuras de Aguas de Potosí, S.A. de C.V.	Mexico	(1,040)	(1,045)	24.50	Deloitte
EMANAGUA Empresa Mixta Municipal de Aguas de Nijar, S.A.	Pz. de la Goleta, 1 - Nijar (Almería)	220	218	49.00	Centium
Empresa Mixta de Aguas de Ubrique, S.A.	Juzgado s/n (Ed. Serv. Múltiples PL4) -Ubrique (Cádiz)	110	—	49.00	Deloitte
Empresa Municipal de Aguas de Algeciras, S.A.	Av. Virgen del Carmen - Algeciras (Cádiz)	229	86	49.00	Abante Unicontrol Auditores, SLP
Empresa Municipal de Aguas de Jodar, S.A.	Pz. España, 1 - Jodar (Jaén)	(32)	(9)	49.00	Centium
Empresa Municipal de Aguas de Linares, S.A.	Cid Campeador, 7 - Linares (Jaén)	(131)	(123)	49.00	Centium
Empresa Municipal de Aguas de Toxiria, S.A.	Cristóbal Colón, 104 - Torredonjimeno (Jaén)	84	63	49.00	Centium
Generavila, S.A.	Pz. de la Catedral, 11 - Ávila	71	74	36.00	
Nueva Sociedad de Aguas de Ibiza, S.A.	Av. Bartolomé de Roselló, 18 - Ibiza (Balearic Islands)	85	66	40.00	
Prestadora de Servicios Acueducto El Realito, S.A.de CV	Mexico	1	1	24.50	
Proveïments d'Aigua, S.A.	Asturies, 13 - Girona	331	315	15.12	Antoni Riera Economistes Auditors
Sera Q A Duitama E.S.P., S.A.	Colombia	24	28	30.60	
Shariket Miyeh Ras Djinet, S.P.A.	Algeria	11,063	9,872	25.50	Mustapha Heddad
Shariket Tahlya Miyah Mostaganem, S.P.A.	Algeria	28,482	24,841	25.50	Mustapha Heddad
Suministro de Agua de Queretaro, S.A. de C.V.	Mexico	11,126	10,768	26.00	Deloitte
CONSTRUCTION					
Aigües del Segarra Garrigues, S.A.	Av. de Tarragona, 6 - Tàrrega (Lleida)	6,242	5,529	24.00	Deloitte
Auto-Estradas XXI - Subconcessionaria Transmontana, S.A.	Portugal	—	1,640	26.52	Deloitte
Autopistas del Valle, S.A.	Costa Rica	1,186	1,044	48.00	
Baross Ter Ingatlanprojekt-Fejlesztzo Kft	Hungary	405	430	20.00	
BBR VT International Ltd.	Switzerland	1,484	1,588	22.50	Trewitax Zürich AG
Cleon, S.A.	Av. General Perón, 36 - Madrid	24,722	24,733	25.00	KPMG

Company	Registered office	Carrying amount of the investment		Effective percentage of ownership	Auditor
		2014	2013		
Concesionaria Atención Primaria, S.A.	Plaza Es Fortí, 4 - Palma de Mallorca (Balearic Islands)	2,343	1,939	33.00	Deloitte
Concessió Estacions Aeroport L9, S.A.	Av. Carrilet, 3 Edificio D - L'Hospitalet de Llobregat (Barcelona)	(36,088)	9,222	49.00	Deloitte
Constructora de Infraestructuras de Aguas de Potosí, S.A. de C.V.	Mexico	(1,038)	(1,045)	24.50	Deloitte
Constructora San José - Caldera CSJC, S.A.	Costa Rica	6,388	136	50.00	Deloitte
Constructora San José-San Ramón SJSR, S.A.	Costa Rica	98	1,768	50.00	
Costa Verde Habitat, S.L.	Orense, 11 - Madrid	4,334	4,468	50.00	
Desarrollo Cuajimalpa, S.A. de C.V.	Mexico	2,051	1,807	25.00	
Design Build and Operation, S.L.	Av. Eduardo Dato, 69 - Seville	8	7	40.00	
EFI Túneles Necaxa, S.A. de C.V.	Mexico	133	229	45.00	
FCC Tarrío TX-1 Construções Ltda.	Brazil	394	(1,412)	70.00	Deloitte
Cedinsa Concesionaria Group		40,399	32,281		
Cedinsa Concesionaria, S.A.	Tarragona, 141 - Barcelona	—	—	34.00	Deloitte
Cedinsa Conservació, S.L., Sole-Shareholder Company	Tarragona, 141 - Barcelona	—	—	34.00	
Cedinsa D'Aro Concesionaria de la Generalitat de Catalunya, S.A., Sole-Shareholder Company	Tarragona, 141 - Barcelona	—	—	34.00	Deloitte
Cedinsa D'Aro Concesionaria de la Generalitat de Catalunya, S.A., Sole-Shareholder Company	Tarragona, 141 - Barcelona	—	—	34.00	Deloitte
Cedinsa Eix Transversal Concesionaria de la Generalitat de Catalunya, S.A., Sole-Shareholder Company	Tarragona, 141 - Barcelona	—	—	34.00	Deloitte
Cedinsa Ter Concesionaria de la Generalitat de Catalunya, S.A., Sole-Shareholder Company	Tarragona, 141 - Barcelona	—	—	34.00	Deloitte
Foment de Construccions i Consulting Group	Andorra	12	12	33.30	
MWG Wohnbau Group GmbH	Austria	1,290	1,290	50.00	
Las Palmeras de Garrucha, S.L. - in liquidation	Mayor, 19 - Garrucha (Almería)	997	999	20.00	
M50 (D&C) Limited	Ireland	(3,259)	(3,260)	42.50	Deloitte
Metro de Lima Línea 2, S.A.	Peru	8,347	—	18.25	Ernst & Young
Metro de Málaga, S.A.	Camino de Santa Inés, s/n - Málaga	13,672	13,672	10.01	KPMG
N6 (Construction) Limited	Ireland	(38,517)	(38,733)	42.50	Deloitte
Nova Bocana Business, S.A.	Av. Josep Tarradellas, 123 - Barcelona	—	3,552	25.00	Deloitte
Omszki-To Part Kft	Hungary	(35)	(37)	20.00	
Port Premiá, S.A. - in liquidation -	Balmes, 36 - Barcelona	(555)	(555)	39.72	
Prestadora de Servicios Acueducto El Realito, S.A. de C.V.	Mexico	1	1	24.50	
Promvias XXI, S.A.	Vía Augusta, 255 Local 4 - Barcelona	1	(613)	25.00	
Sensefields, S.L.	Gran Vía de les Corts Catalanes, 674 - Barcelona	30	—	17.34	
Teide Gestión del Sur, S.L.	Av. Camino de Santiago, 40 - Madrid	(1,475)	2,383	49.94	

Company	Registered office	Carrying amount of the investment		Effective percentage of ownership	Auditor
		2014	2013		
Terminal Polivalente de Huelva, S.A.	La Marina, 29 - Huelva	(263)	(263)	31.50	
Torres Porta Fira, S.A.	Pz. Europa, 31 5ª - L'Hospitalet de Llobregat (Barcelona)	—	23	40.00	
Urbs Iudex et Causidicus, S.A.	Av. Carrilet, 3 - L'Hospitalet de Llobregat (Barcelona)	(15,578)	(10,692)	29.00	Deloitte
Urbs Iustitia Commodo Opera, S.A.	Av. Carrilet, 3 - L'Hospitalet de Llobregat (Barcelona)	459	471	35.00	
CEMENT					
Aplicaciones Minerales, S.A.	Camino Fuente Herrero - Cueva Cardiel (Burgos)	354	348	27.34	
Canteras y Hormigones VRE, S.A.	Arieta, 13 - Estella (Navarra)	436	532	39.54	KPMG
Hormigones Calahorra, S.A.	Brebicio, 25 - Calahorra (La Rioja)	(428)	(362)	39.54	
Hormigones Castro, S.A.	Ctra. Irún-La Coruña Km. 153 - Islares - (Cantabria)	315	332	27.85	
Hormigones del Baztán, S.L.	Estella, 6 - Pamplona (Navarra)	559	861	39.54	
Hormigones Delfín, S.A.	Venta Blanca - Peralta (Navarra)	450	485	39.54	
Hormigones en Masa de Valtierra, S.A.	Ctra. Cadreira Km. 0 - Valtierra (Navarra)	1,555	1,424	39.54	
Hormigones Galizano, S.A.	Ctra. Irún - La Coruña Km. 184 - Gama (Cantabria)	167	173	34.82	
Hormigones Reñares, S.A.	Praja Murillo de Calahorra, s/n - Calahorra (La Rioja)	520	476	39.54	
Hormigones y Áridos del Pirineo Aragonés, S.A.	Ctra. Biescas - Sabiñanigo (Huesca)	5,760	5,986	39.54	
Lázaro Echevarría, S.A.	Isidoro Melero - Alsasua (Navarra)	9,773	9,581	22.15	KPMG
Navarra de Transportes, S.A.	Ctra. Pamplona-Vitoria Km. 52 - Olazagutia (Navarra)	1,111	1,075	26.36	KPMG
Novhorvi, S.A.	Portal de Gamarra, 25 - Vitoria Casteiz (Alava)	161	211	19.77	KPMG
Portcemen, S.A.	Muelle Contradique Sur-Puerto Barcelona - Barcelona	1,140	1,052	26.30	
Silos y Morteros, S.L.	Ctra. De Pamplona Km.1 - Logroño (La Rioja)	12	62	26.36	
Terminal Cimentier de Gabes-Gie	Tunisia	88	88	23.16	Ernst & Young
Vescem-LID, S.L.	Valencia, 245 - Barcelona	46	57	19.73	
OTHER ACTIVITIES					
Realia Business Group	Paseo de la Castellana, 216 - Madrid	54,437	—	39.96	Deloitte
TOTAL VALUE OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD (ASSOCIATES)		131,594	151,763		

CHANGES IN THE SCOPE OF CONSOLIDATION

ADDITIONS	Registered office
Fully consolidated companies	
AGUAS DE ALCÁZAR EMPRESA MIXTA, S.A.	Rondilla Cruz Verde, 1 - Alcázar de San Juan (Ciudad Real)
AGUAS DE LAS GALERAS, S.L.	Av. Camino de Santiago, 40 - Madrid
ALPINE - ENERGIE HOLDING AG (GERMANY)	Germany
CZYSTA ENERGIA GDANSK SP Z.O.O	Poland
ECOSERVICE LOVETECH	Bulgaria
EMPRESA GESTORA DE AGUAS LINENSES, S.A.	Federico Salmón, 13 - Madrid
FCC ENVIRONMENTAL SERVICES (USA) LLC	USA
FCC EQUAL CEE, S.L.	Federico Salmón, 13 - Madrid
FCC MERSEY GATEWAY LTD.	United Kingdom
FCC MERSEY GATEWAY INVESTMENTS LTD.	United Kingdom
GE - FCC CO, S.A.	Equatorial Guinea
GOLRIB, SOLUÇÕES DE VALORIZAÇÃO DE RESÍDUOS LDA.	Portugal
MERSEYLINK LTD	United Kingdom
RSUO DOBRITCH	Bulgaria
SERVICIO DE RECOGIDA Y GESTIÓN DE RESIDUOS SÓLIDOS URBANOS DEL CONSORCIO VEGA SIERRA ELVIRA, S.A. (UNDER CONSTRUCTION) (SERCOVIRA, S.A.)	Doctor Jiménez Rueda, 10 - Atarfe (Granada)
ASSOCIATES	
AGUAS DEL PUERTO EMPRESA MUNICIPAL, S.A.	Aurora, 1 - Puerto de Santa María (Cádiz)
EMPRESA MIXTA DE AGUAS DE UBRIQUE, S.A.	Juzgado s/n (Ed. Serv. Múltiples Pl 4) - Ubrique (Cádiz)
METRO DE LIMA LINEA 2, S.A.	Peru
SENSEFIELDS, S.L.	Gran Vía de les Corts Catalanes, 674 - Barcelona

REMOVALS

Registered office

FULLY CONSOLIDATED COMPANIES

.A.S.A. OLSAVA SPOL. S.R.O. (1)
 ÁRIDOS UNILAND, S.A., SOLE-SHAREHOLDER COMPANY (2)
 ÁRIDOS Y PREMEZCLADOS, S.A., SOLE-SHAREHOLDER COMPANY (3)
 ATRACEM, S.A., SOLE-SHAREHOLDER COMPANY (4)
 BALTECMA GESTIÓN DE RESIDUOS INDUSTRIALES, S.L. (5)
 CAMUSA CORPORACION AMERICANA DE MOBILIARIO URBANO, S.A. (6)
 CEMENTOS VILLAVERDE, S.L., SOLE-SHAREHOLDER COMPANY (4)
 COMPAÑIA AUXILIAR DE BOMBEO DE HORMIGÓN, S.A., SOLE-SHAREHOLDER COMPANY (4)
 EMPRESA MUNICIPAL DE DESARROLLO SOSTENIBLE AMBIENTAL DE ÚBEDA, S.L. (7)
 FCC ENVIRONMENTAL LLC (6)
 FCC LOGISTICA, S.A., SOLE-SHAREHOLDER COMPANY (6)
 FCC LOGISTICA PORTUGAL, S.A. (6)
 HORMIGONES REINOSA, S.A., SOLE-SHAREHOLDER COMPANY (8)
 FCC LUBRICANTS LLC (6)
 HORMIGONES UNILAND, S.L., SOLE-SHAREHOLDER COMPANY (2)
 HORMIGONES Y MORTEROS PREPARADOS, S.A., SOLE-SHAREHOLDER COMPANY (4)
 HORMINAL, S.A., SOLE-SHAREHOLDER COMPANY (4)
 INTERNATIONAL PETROLEUM OF DELAWARE (6)
 MORTEROS VALDERRIVAS, S.A., SOLE-SHAREHOLDER COMPANY (3)
 MUNICIPALS DE SERVEIS, S.A. (7)
 NEWLOG LOGÍSTICA, S.A., SOLE-SHAREHOLDER COMPANY (7)
 PARTICIPACIONES ESTELLA 6, S.L., SOLE-SHAREHOLDER COMPANY (4)
 PORTLAND, S.L., SOLE-SHAREHOLDER COMPANY (4)
 PREBESEC, S.A., SOLE-SHAREHOLDER COMPANY (2)
 UNILAND CEMENTERA, S.A. (3)

Slovakia
 Córcega, 299 - Barcelona
 José Abascal, 59 - Madrid
 José Abascal, 59 - Madrid
 Conradores, parcela 34 P.I. Marratxi - Marratxi (Balearic Islands)
 Argentina
 Almagro, 26 - Madrid
 José Abascal, 29 - Madrid

Plaza Vázquez de Molina, s/n - Úbeda (Jaén)

USA
 Buenos Aires, 10 P.I. Camporroso - Alcalá de Henares (Madrid)
 Portugal
 Josefina de la Maza, 4 P.E. Piasca- Santander (Cantabria)
 USA
 Córcega, 299 - Barcelona
 José Abascal, 59 - Madrid

José Abascal, 59 - Madrid
 USA
 José Abascal, 59 - Madrid
 Joan Torró i Cabratosa, 7 - Girona
 Federico Salmón, 13 - Madrid
 Estella, 6 - Pamplona (Navarra)
 José Abascal, 59 - Madrid
 Córcega, 299 - Barcelona
 Córcega, 299 - Barcelona

Companies accounted for using the equity method
JOINT VENTURES

A.I.E. PROYECTO FÉNIX (9)
 CORPORACION JEREZANA DE TRANSPORTES URBANOS, S.A., SOLE-SHAREHOLDER COMPANY (7)
 CONVERTY SERVICE, S.A. (6)
 CORPORACION UNILAND, S.A. (4)
 DETREN COMPAÑIA GENERAL DE SERVICIOS FERROVIARIOS, S.L. (6)
 FCC - CONNEX CORPORACIÓN, S.L. (6)
 FTS 2010 SOCIETA CONSORTILE A RESPONSABILITA LIMITATA (7)

PROACTIVA GROUP (6)

AESA ASEO Y ECOLOGÍA, S.A.
 AESA MISIONES, S.A.
 AGENCIA COMPAGNIE GENERALE DES EAUX CHILE LTDA.
 AGUAS DEL VALLE, S.A.
 ASEO DE CANDELARIA, S.A. E.S.P.
 ASEO DEL CERRITO, S.A. E.S.P.
 ASEO PRADERA, S.A. E.S.P.
 ASEO YUMBO, S.A. E.S.P.
 BUGUEÑA DE ASEO, S.A. E.S.P.
 COMPAÑIA DE LIMPIEZA Y EMBELLECIMIENTO C POR A
 COMPAÑIA GENERAL DE SERVICIOS URBANOS, S.A. DE C.V.
 CONCESIONARIA TIBITOC, S.A. E.S.P.
 CONSTRUCCIONES Y SERVICIOS JOFELU, C.A.
 COTECNICA CARACAS, C.A.
 COTECNIA CHACAO, C.A.
 COTECNICA LA BONANZA, C.A.
 DELTACOM, S.A.
 DELTALIQ, S.A.
 DERCLASE, S.A.

General Perón, 26 - Madrid
 P.I. Portal - Jerez de la Frontera (Cádiz)

Camino de los Afligidos P.I. La Esgaravita, I - Alcalá de Henares (Madrid)
 Córcega, 22 - Barcelona
 Av. Camino de Santiago, 40 - Madrid
 Av. Camino de Santiago, 40 - Madrid
 Italy

Argentina
 Argentina
 Chile
 Argentina
 Colombia
 Colombia
 Colombia
 Colombia
 Colombia
 Dominican Republic
 Mexico
 Colombia
 Venezuela
 Venezuela
 Venezuela
 Venezuela
 Argentina
 Argentina
 Uruguay

REMOVALS	Registered office
DOMINICANA SANITARY SERVICES B.V.	Dominican Republic
FCC SERVICIOS SANTO DOMINGO, S.A.	Dominican Republic
FOSPUCA BARUTA, C.A.	Venezuela
FOSPUCA CARRIZAL, C.A.	Venezuela
FOSPUCA GUAICAIPURO, C.A.	Venezuela
FOSPUCA LIBERTADOR, C.A.	Venezuela
FOSPUCA NUEVA ESPARTA, C.A.	Venezuela
FOSPUCA SERVICIOS, C.A.	Venezuela
FOSPUCA ZAMORA, C.A.	Venezuela
FOSPUCA, C.A.	Venezuela
GESTION AMBIENTAL PETROLERA, S.A.	Argentina
INTERNATIONAL WATER SERVICES (GUAYAQUIL)	Ecuador
INTERAGUA C. LTDA.	
INVERSIONES COTÉCNICA, C.A.	Venezuela
LAMCEF, S.A.	Argentina
OP ECOLOGÍA S.A.P.I. DE CV	Mexico
PALMIRANA DE ASEO, S.A. E.S.P.	Colombia
PROACTIVA AGUAS DE MONTERÍA, S.A. E.S.P.	Colombia
PROACTIVA AGUAS DEL ARCHIPIÉLAGO, S.A. E.S.P.	Colombia
PROACTIVA AVELLANEDA, S.A.	Argentina
PROACTIVA DOÑA JUANA, S.A. E.S.P.	Colombia
PROACTIVA LIBERTADOR, C.A.	Venezuela
PROACTIVA MEDIO AMBIENTE CAASA, S.A. DE C.V.	Mexico
PROACTIVA MEDIO AMBIENTE CHILE, S.A.	Chile
PROACTIVA MEDIO AMBIENTE DIVAG, S.A. DE C.V.	Mexico
PROACTIVA MEDIO AMBIENTE ESETASA, S.A. DE C.V.	Mexico
PROACTIVA MEDIO AMBIENTE GCIMA, S.A. DE C.V.	Mexico
PROACTIVA MEDIO AMBIENTE MÉXICO, S.A. DE C.V.	Mexico
PROACTIVA MEDIO AMBIENTE MMA, S.A. DE C.V.	Mexico
PROACTIVA MEDIO AMBIENTE PROYECTOS Y SERVICIOS ESPECIALIZADOS, S.A. DE C.V.	Mexico
PROACTIVA MEDIO AMBIENTE SAPSA, S.A. DE C.V.	Venezuela
PROACTIVA MEDIO AMBIENTE VENEZUELA, C.A.	Cardenal Marcelo Spínola, 8 - Madrid
PROACTIVA MEDIO AMBIENTE, S.A.	Brazil
PROACTIVA MEIO AMBIENTE BRASIL LTDA.	Colombia
PROACTIVA ORIENTE, S.A. E.S.P.	Mexico
PROACTIVA TUXTLA, S.A. DE C.V.	Colombia
PROACTIVA AGUAS DE TUNJA, S.A. E.S.P.	Colombia
PROACTIVA CHICAMOCHA, S.A. DE C.V.	Colombia
PROACTIVA COLOMBIA, S.A.	Colombia
PROACTIVA DE SERVICIOS INTEGRALES, S.A. E.S.P.	Colombia
PROACTIVA DE SERVICIOS, S.A. E.S.P.	Colombia
PROACTIVA MEDIO AMBIENTE PERÚ	Peru
PROACTIVA MEDIO AMBIENTE PUERTO VALLARTA, S.A. DE C.V.	Mexico
PROACTIVA SERVICIOS INDUSTRIALES, S.A.	Chile
PROACTIVA SERVICIOS URBANOS, S.A.	Chile
PROACTIVA SERVIÇOS AMBIENTAIS INDUSTRIA E COMERCIO LTDA.	Brazil
SANEDO PARTICIPAÇÕES LTDA.	Brazil
SÃO MIGUEL SANEAMENTO LTDA.	Brazil
SERVICIOS DE TECNOLOGÍA AMBIENTAL, S.A. DE C.V.	Mexico
SOCIEDAD DE PARTICIPACIONES EMPRESARIALES INC	
SOCIEDAD TENEDORA DE PARTICIPACIONES EMPRESARIALES, S.L.	Spain
TECNOLOGÍA DEL MEDIO AMBIENTE DE QUERETARO, S.A.P.I. DE CV	Mexico
TMQ GENERACIÓN ENERGÍA RENOVABLE	Mexico
TRANSACTIONAL TECHNOLOGIES INTERNATIONAL, INC.	Puerto Rico
TULUEÑA DE ASEO, S.A. E.S.P.	Colombia
MINDAZA, S.L., SOLE-SHAREHOLDER COMPANY (10)	Paseo de la Castellana, 216 - Madrid

APPENDIX IV/4

REMOVALS	Registered office
<u>ASSOCIATES</u> CLAVEGUERAM DE BARCELONA, S.A. (11) DEBRECENI HULLADEK KÖZZSOL GALTARÓ NONPROFIT KOLÁTOLT FELELŐSÉGŰ TÁRSASAG (6) QUINSA PREFABRICADOS DE HORMIGON, S.L., SOLE- SHAREHOLDER COMPANY (12) TORRES PORTA FIRA, S.A. (7)	Acer, 16 - Barcelona Hungary Ctra. S. Sebastián - Coruña Km. 183 - Barcena de Cicero (Cantabria) Pz. Europa, 31 5ª - L'Hospitalet de Llobregat (Barcelona)

1. Removal from the Mercantile Registry
2. Exclusion due to merger by absorption of Uniland Cementera, S.A.
3. Exclusion due to merger with Cementos Portland Valderrivas, S.A.
4. Exclusion due to merger by absorption of Cementos Portland Valderrivas, S.A.
5. Exclusion due to sale of shares
6. Exclusion due to sale
7. Exclusion due to liquidation
8. Exclusion due to merger with Cementos Alfa, S.A.
9. Exclusion of Serviá Cantó, S.A. as partner
10. Exclusion due to termination
11. Exclusion due to dissolution - termination
12. Exclusion due to merger with Canteras y Hormigones Quintana, S.A.

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

	Percentage of ownership as at 31 December 2014
ENVIRONMENTAL SERVICES	
PUERTO UTE	50.00
UTE ABSA - PERICA	60.00
UTE ABSA - PERICA I	60.00
UTE ABSA - PERICA II	60.00
UTE AEROPUERTO VI	50.00
UTE AGARBI	60.00
UTE AKEI	60.00
UTE ALCANTARILLADO MELILLA	50.00
UTE ARCOS	51.00
UTE ARGÍ GUEÑES	70.00
UTE ARUCAS II	70.00
UTE BAILIN ETAPA 2	60.00
UTE BILBOKO LORATEGIAK	60.00
UTE BILBOKO SANEAMENDU	50.00
UTE BILBOKO SANEAMENDU BI	50.00
UTE BIOCOMPOST DE ÁLAVA	50.00
UTE BOADILLA	50.00
UTE CÁDIZ	50.00
UTE CANA PUTXA	20.00
UTE CARMA	50.00
UTE CARPA - FCC PAMPLONA	50.00
UTE CASTELLANA - PO	50.00
UTE CASTELLAR DEL VALLÈS	50.00
UTE CEMENTERIOS PERIFÉRICOS II	50.00
UTE CHIPIONA	50.00
UTE CGR GUIPUZCOA	35.14
UTE COLEGIOS SANT QUIRZE	50.00
UTE CLAUSURA SAN MARCOS	60.00
UTE CONTENEDORES MADRID	38.25
UTE CONTENEDORES MADRID 2	36.50
UTE CTR. DE L'ALT EMPORDÀ	45.00
UTE CTR - VALLÈS	20.00
UTE CUA	50.00
UTE CYCSA-EYSSA VIGO	50.00
UTE DOS AGUAS	35.00
UTE ECOPARQUE CACERES	50.00
UTE ECOURENSE	50.00
UTE EKO FERRO	85.00
UTE ENERGÍA SOLAR ONDA	25.00
UTE ENVASES LIGEROS MÁLAGA	50.00
UTE EPELEKO PLANTA	35.00
UTE ERETZA	70.00
UTE F.L.F. LA PLANA	47.00
UTE F.S.S.	99.00
UTE FCC - ERS LOS PALACIOS	50.00
UTE FCC - HIJOS DE MORENO, S.A.	50.00
UTE FCC - PERICA	60.00
UTE FCC - SUFI MAJADAHONDA	50.00
UTE FCCSA - VIVERS CENTRE VERD, S.A.	50.00
UTE GALERÍAS III	50.00
UTE GESTIÓ INTEGRAL DE RUNES DEL PAPIOL	40.00

	Percentage of ownership as at 31 December 2014
UTE GESTIÓN INSTALACIÓN III	34.99
UTE GIREF	20.00
UTE HIDRANTES	50.00
UTE INTERIORES BILBAO	80.00
UTE JARD. UNIVERSITAT JAUME I	50.00
UTE JARDINES MOGÁN	51.00
UTE JARDINES TELDE	95.00
UTE JUNDIZ	51.00
UTE JUNDIZ II	51.00
UTE KABIEZESKO KIROLDEGIA	60.00
UTE LA LLOMA DEL BIRLET	80.00
UTE LEGIO VII	50.00
UTE LEKEITIOKO MANTENIMENDUA	60.00
UTE LIMPIEZA SANTA COLOMA	50.00
UTE LIMPIEZA Y RSU LEZO	55.00
UTE LODOS ARAZURI	50.00
UTE LOGROÑO LIMPIO	50.00
UTE LV Y RSU ARUCAS	70.00
UTE LV ZUMARRAGA	60.00
UTE MANTENIMIENTO REG CORNELLÁ	60.00
UTE MANTENIMIENTO COLEGIOS II	60.00
UTE MANTENIMIENTO COLEGIOS III	60.00
UTE MAREPA - CARPA PAMPLONA	50.00
UTE MELILLA	50.00
UTE MMI 5º CONTENEDOR	60.00
UTE MNT. MEDITERRANEA FCC	50.00
UTE MUSKIZ III	70.00
UTE NERBIOI IBAIZABAL 5º CONTENEDOR	60.00
UTE ONDA EXPLOTACIÓN	33.33
UTE PÁJARA	70.00
UTE PAMPLONA	80.00
UTE PASAIA	70.00
UTE PASAIAKO PORTUA BI	55.00
UTE PISCINA CUBIERTA BENICARLÓ	65.00
UTE PISCINA CUBIERTA MUNICIPAL ALBATERA	93.00
UTE PISCINA CUBIERTA PAIPORTA	90.00
UTE PLAN RESIDUOS	47.50
UTE PLANTA RSI TUDELA	60.00
UTE PLANTA TR. FUERTEVENTURA	70.00
UTE PLANTA TRATAMIENTO VALLADOLID	90.00
UTE PLATGES VINARÓS	50.00
UTE PLAYAS	50.00
UTE PLAYAS GIPUZKOA	55.00
UTE PLAYAS GIPUZKOA II	55.00
UTE PONIENTE ALMERIENSE	50.00
UTE POSU - FCC VILLALBA	50.00
UTE PUERTO II	70.00
UTE PUERTO DE PASAIA	55.00
UTE PUERTO DE PTO DEL ROSARIO	70.00
UTE QUINTO CONTENEDOR	50.00
UTE R.S. UTE PONIENTE ALMERIENSE	50.00
UTE RBU VILLA-REAL	47.00
UTE RESIDENCIA	50.00
UTE RESIDUOS 3 ZONAS NAVARRA	60.00
UTE RSU TOLOSALDEA	60.00
UTE S.U. ALICANTE	33.50
UTE S.U. BENICASSIM	35.00
UTE S.U. BILBAO	60.00
UTE S.U. OROPESA DEL MAR	35.00
UTE SALTO DEL NEGRO	50.00
UTE SANEAMIENTO URBANO CASTELLÓN	65.00
UTE SANEJAMENT CELLERA DE TER	50.00
UTE SANEJAMENT MANRESA	80.00
UTE SANT QUIRZE DEL VALLÉS	50.00
UTE SANTA COLOMA DE GRAMANET	61.00
UTE SANTURTZIKO GARBIKETA	60.00

	Percentage of ownership as at 31 December 2014
UTE SANTURTZIKO GARBIKETA II	60.00
UTE SASIETA	75.00
UTE SAV - FCC TRATAMIENTOS	35.00
UTE SELECTIVA LAS PALMAS	55.00
UTE SELECTIVA SAN MARCOS	65.00
UTE SELECTIVA SAN MARCOS II	63.00
UTE SELECTIVA UROLA KOSTA	60.00
UTE SELLADO VERTEDERO LOGROÑO	50.00
UTE SOLARES CEUTA	50.00
UTE SON ESPASES	50.00
UTE TOLOSAKO GARBIKETA	40.00
UTE TRANSPORTE SAN MARCOS	80.00
UTE TRANSPORTE DEBARRENA TXINGUDI	60.00
UTE TREMP	51.00
UTE TXINGUDIKO GARBIKETA	73.00
UTE UROLA ERDIA	60.00
UTE URRETXU Y ZUMARRAGA	65.00
UTE URTETA	50.00
UTE VERTEDERO GARDALEGUI II	70.00
UTE VERTEDERO TALES Y CORTES	50.00
UTE VERTRESA	10.00
UTE VIDRIO MELILLA	50.00
UTE VIGO RECICLA	70.00
UTE VILOMARA	33.33
UTE VINAROS	50.00
UTE ZAMORA LIMPIA	30.00
UTE ZARAGOZA DELICIAS	51.00
UTE ZARAUZKO GARBIETA	60.00
UTE ZUMAIA	60.00
UTE ZURITA	50.00
UTE ZURITA II	50.00
AQUALIA	
EDIFICIO ARGANZUELA UTE	99.99
UTE A GUARDA SANEAMIENTO	50.00
UTE ABASTECIMIENTO ZARAGOZA	70.00
UTE ACTUACION 11 TERUEL	50.00
UTE AGNITA-EPTISA-AISA	50.00
UTE AGUA SANTO DOMINGO	70.00
UTE AGUAS ALCALÁ	50.00
UTE AGUAS DEL DORAMÁS	50.00
UTE AIGÜES ELS POBLET	95.00
UTE AMPLIACION IDAM DELTA DE LA TORDERA	66.66
UTE BYPASS SUR	50.00
UTE C-17 SERVEI	50.00
UTE CAP DJINET	50.00
UTE CC CLOT ARAGÓ	60.00
UTE CENTRO DEPORTIVO VILLENA	81.83
UTE CONSORCIO LOURO	70.00
UTE COLECTORES A GUARDA 2012	50.00
UTE COSTA TROPICAL	51.00
UTE COSTA TROPICAL II	51.00
UTE COSTA TROPICAL III	51.00
UTE DEPURACION PONIENTE ALMERIENSE	75.00
UTE EDAR A GUARDA	50.00
UTE EDAR A GUARDA 2012	50.00
UTE EDAR A GUARDA 2013	50.00
UTE EDAR BAEZA	50.00

	Percentage of ownership as at 31 December 2014
UTE EDAR GIJON	60.00
UTE EIX LLOBREGAT	50.00
UTE EPTISA-AISA (ZIMNICEA)	50.00
UTE EPTISA - ENTENMANSER	48.50
UTE ETAP LAS ERAS	50.00
UTE ETAPS ESTE	65.00
UTE EXPLOTACION ITAM TORDERA	50.00
UTE EXPLOTACION PISCINAS VIGO	50.00
UTE EXPLOTACION PRESAS DEL SEGURA	60.00
UTE FCC ACISA AUDING	45.00
UTE GESTION CANGAS	70.00
UTE GESTION PISCINAS VIGO	50.00
UTE GROUPEMENT SOLIDAIRE JERBA	50.00
UTE HIDC - HIDR. - INV DO CENTR. ACE	50.00
UTE IBIZA	50.00
UTE IBIZA-PORTMANY EPC	50.00
UTE IDAM SAN ANTONI	50.00
UTE IDAM SANT ANTONI II	50.00
UTE INFILCO	50.00
UTE INTAGUA	50.00
UTE LOURO	65.00
UTE MANTENIMIENTO PRESAS DEL SEGURA	80.00
UTE MOSTAGANEM	50.00
UTE OBRAS AGUAS ALCALÁ	55.00
UTE ONDA EXPLOTACION	33.33
UTE OYM CAP DJINET	50.00
UTE OYM MOSTAGANEM	50.00
UTE PISCINA CUBIERTA CENTRO DEPORTIVO ALBORAYA	99.00
UTE POTABILIZADORA ELS POBLETS	70.00
UTE REDES CABB	65.00
UTE SCC SICE	50.00
UTE SEAFSA LANZAROTE	60.00
UTE SENTINAS	50.00
UTE S.G.V.V.	50.00
UTE TOSSA DE MAR	20.00
UTE USSA A	65.00
UTE VIGO PISCINAS	50.00
CONSTRUCTION	
ACP DU PORT DE LA CONDAMINE	45.00
ASTALDI - FCC J.V.	50.00
CONSORCIO CJV CONSTRUCTOR METRO	25.50
CONSORCIO EPC METRO LIMA	18.25
CONSORCIO CENTENARIO DE PANAMÁ	50.00
CONSORCIO CHICAGO II	60.00
CONSORCIO FCC-FI	50.00
CONSORCIO FCC-JJCC (PUERTO CALLAO)	50.00
CONSORCIO FCC METRO SANTA FE DE COSTA	50.00
CONSORCIO ICA - FCC - MECO PAC-4	43.00
CONSORCIO M&S SANTA FE MCA	50.00
CONSORCIO NUEVA ESPERANZA	63.00
CONSORCIO LINEA UNO	45.00
CONSORCIO REMOS FASE I	60.00
FCC - YUKSEL - ARCHIDORON - PETROSERV J.V.	50.00
GROUPEMENT FCC - INGENIUM	93.00
J.V. ASOCIEREA ARAD-TIMISOARA	50.00
J.V. BBR PTE SL - TENSACCAI SPA	51.00
J.V. BYPASS CONSTATA	50.00
J.V. CENTURE OTOPENI OVERPASS	40.00
J.V. EXTENSION OF LINE 2 TO ANTOHOUPOLI	50.01
J.V. FCC CO-MCM	95.00
J.V. FCC, HOCHTIEF UN ACB - AIRPORT	36.00
J.V. PETROSERV LTD, FCC CONSTRUCCIÓN, S.A.	60.00
J.V. SFI LEASING COMPANY	30.00
MERSEYLINK CIVIL CONTRACTORS J.V.	33.33
METRO BUCAREST J.V.	47.50
SHIMMICK CO. INC. FCC CO. IMPREGILO SPA J.V.	30.00
THV CAFASSO CONSTRUCTION	60.00
UTE 2ª FASE DIQUE DE LA ESFINGE	35.00
UTE 77 VIVIENDAS EN ELCHE	55.00

	Percentage of ownership as at 31 December 2014
UTE A-2 FERMS: TRAM SILS-CALDES	50.00
UTE A-66 BENAVENTE - ZAMORA	50.00
UTE ACCESO NORTE A VIGO NUEVA ESTACIÓN	50.00
UTE ACCESO PUERTO SECO MONFORTE	50.00
UTE ACCESO ZAMORA	65.00
UTE ACCESOS A LA ESTACIÓN DE LA SAGRERA	37.50
UTE ACON. Y PEATON. SAN BARTOLOMÉ TIRAJANA	70.00
UTE ACTUACIONES AEROPUERTO DE LOGROÑO	80.00
UTE ADAMUZ	33.33
UTE AEROPUERTO DE CASTELLÓN	50.00
UTE AL - DEL PALENCIA	50.00
UTE AL - DEL OLMEDO	50.00
UTE AL-DEL POLIVALENTES	50.00
UTE ALARCÓN	55.00
UTE ALBACETE - ALMANSA	50.00
UTE ALBUERA	50.00
UTE ALCAR	45.00
UTE ALERTA AVENIDAS SAIH	50.00
UTE ALMENDRALEJO II	50.00
UTE AMOREBIETA	66.66
UTE AMPLIACIÓN EDAR GIRONA	67.00
UTE AMP. PLAT COSTERA REC. GUINIGUADA	50.00
UTE AMPLIACIÓN SAIH	50.00
UTE AMPLIACIÓN MUELLE SANTA CATALINA	80.00
UTE ANAGA	33.33
UTE ANTEQUERA	60.00
UTE APARCAMIENTO TERM. ACT. AEROPUERTO G.C.	70.00
UTE ARINAGA III	50.00
UTE ARMILLA INSTALACIONES	50.00
UTE ARRIXACA GASES	26.00
UTE ARROYO DEL FRESNO	50.00
UTE AUCOSTA CONSERVACIÓN	50.00
UTE AUDITORIO DE BURGOS	65.00
UTE AUDITORIO DE LUGO	50.00
UTE AUTOPISTA CARTAGENA - VERA	50.00
UTE AUTOVÍA A-33 JUMILLA	65.00
UTE AUTOVÍA COSTA BRAVA	65.00
UTE AUTOVÍA DE LA SAGRA	50.00
UTE AUTOVÍA EL BATAN - CORIA	50.00
UTE AVE ALCÁNTARA-GARROVILLAS	85.00
UTE AVE GIRONA	40.00
UTE AVE MASIDE	67.00
UTE AVE MONTBLANC	75.00
UTE AVE TÚNEL DE SERRANO	42.00
UTE ÁVILA 6	35.00
UTE BALLONTI ARDANZA	9.80
UTE BARBADOS	50.00
UTE BELLTALL	40.00
UTE BENTA AUNDI	50.00
UTE BERGARA ANTZUOLA	50.00
UTE BIBLIOTECA DE NAVARRA	65.00
UTE BILBAO MANTENDU	24.50
UTE BIMENES	70.00
UTE BIMENES III	70.00
UTE BOCANA PUERTO TARRAGONA	70.00
UTE BOETTICHER	50.00
UTE BOETTICHER CLIMA	50.00
UTE BOETTICHER ELECTRICIDAD	50.00
UTE BOQUILLA SUR TÚNEL VIGO - DAS MACEIRAS	50.00
UTE BUÑEL - CORTES	80.00
UTE BUSINESS	25.00
UTE BUSINESS ELECTRICIDAD	57.00
UTE BUSINESS MECÁNICAS	40.00
UTE C31-ACCESOS MATARÓ	50.00
UTE C&F JAMAICA	50.00
UTE C.A.R.E. CÓRDOBA	75.00
UTE CÁCERES NORTE	50.00
UTE CAMPO GIBRALTAR	80.00
UTE CAMPUS CLIMA	50.00
UTE CAN TUNIS	70.00
UTE CANAL PRINCIPAL DE ORBIGO	50.00

	Percentage of ownership as at 31 December 2014
UTE CANALES DEL JÚCAR	60.00
UTE CANONADA SANT JUST	60.00
UTE CÁRCEL MARCOS PAZ	35.00
UTE CARCHUNA - CASTELL	75.00
UTE CARRETERA IBIZA - SAN ANTONIO	50.00
UTE CARRETERAS ACCESO PUERTO CASTELLON	50.00
UTE CASON II	50.00
UTE CASTELLÓ D'AMPÚRIES	50.00
UTE CASTILLO SAN JUAN	85.00
UTE CATENARIA RIGIDA TERRASSA	50.00
UTE CATLANTICO	25.00
UTE CECOEX	20.00
UTE CEIP OROSO	60.00
UTE CENTRO COMERCIAL LA GRELA	50.00
UTE CENTRO COMERCIAL MESOIRO	50.00
UTE CENTRO SALUD TUI	50.00
UTE CERRO GORDO	75.00
UTE CHUAC	50.00
UTE CIBELES	50.00
UTE CIBELES ELECTRICIDAD	50.00
UTE CINE AVENIDA	50.00
UTE CIRCUITO	70.00
UTE CIUTAT DE LA JUSTÍCIA	30.00
UTE CLIMA "LA FE"	38.00
UTE CLIMATIZACIÓN CIBELES	50.00
UTE CLIMATIZACIÓN SON DURETA	42.00
UTE CLIMATIZACIÓN W.T.C.	50.00
UTE CLUB NÁUTICO CASTELLÓN	50.00
UTE COALVI - CONVENSA	25.00
UTE COIMA, S.A. - T.P. D ARMENGOLS C.P.	29.97
UTE COLADA	69.93
UTE COLECTOR ABOÑO II	80.00
UTE COLECTOR NAVIA	80.00
UTE CONEXIÓN CORREDOR MEDITERRÁNEO	40.00
UTE CONEXIÓN MOLINAR	70.00
UTE CONSERVACION ANTEQUERA	50.00
UTE CONSERVACION MALPARTIDA	50.00
UTE CONSERVACION BADAJOZ	50.00
UTE CONSTRUCCIÓN HOSPITAL SURESTE	50.00
UTE CONSTRUCCIÓN HOSPITAL TORREJÓN	66.70
UTE CONSTRUCCIÓN TRANVÍA ZARAGOZA	50.00
UTE CONTROL MOGÁN	33.33
UTE COORDINACIÓN	34.00
UTE COPERIO	70.00
UTE CORREDOR	55.00
UTE COSTA DEL SOL	50.00
UTE CP NORTE I	50.00
UTE CREA	50.00
UTE CYCSA - ISOLUX INGENIERÍA	50.00
UTE CYS - IKUSI - GMV	43.50
UTE DÁRSENA CORUÑA	50.00
UTE DE SUMINISTROS PUENTE RÍO OZAMA	50.00
UTE DESALADORA BAJO ALMANZORA	60.00
UTE DESDOBLAMIENTO CV - 309 EN SAGUNTO	50.00
UTE DESARROLLO PUERTO DE AVILES FASE I	80.00
UTE DESDOBLAMIENTO DE LA AS-17 I	70.00
UTE DIQUE ESTE	35.00
UTE DIQUE ESTE DÁRSENA SUR PUERTO DE CASTELLÓN	50.00
UTE DIQUE TORRES	27.00
UTE DOCENCIA HOSPITAL SON ESPASES	33.00
UTE DONOSTIALDEA 2014	60.00
UTE DOZÓN	29.60
UTE DRAGADO CANAL ENTRADA Y DÁRSENA SUR	50.00
UTE DRAGADO MUELLE COMERCIAL VILAGARCÍA	50.00
UTE DRENAJES ADAMUZ	33.33
UTE EDAR NAVIA	80.00

	Percentage of ownership as at 31 December 2014
UTE EDIFICIO 4 WTC	56.25
UTE EDIFICIO 6-7-8 WTC	36.00
UTE EDIFICIO C. CULT. POLIV, F. II-V. D'UIXO	60.00
UTE EDIFICIO IDI 5 TERCERA FASE CPI	75.00
UTE EDIFICIO TERMINAL	40.00
UTE EDIFICIOS TÉCNICOS CIUDEN	80.00
UTE EIX BERGUEDÀ	34.00
UTE EL CONDADO	40.00
UTE ELECTRICIDAD BY PASS SUR CALLE 30	33.33
UTE ELECTRICIDAD CIUDAD COMUNICACIONES	50.00
UTE ELECTRICIDAD HOSPITAL SON DURETA	50.00
UTE ELECTRIFICACION ARRIONDAS RIBADESELLA	60.00
UTE ELECTRIFICACIÓN BURGOS	33.33
UTE ELECTRIFICACIÓN GRANOLLERS	20.00
UTE ELECTRIFICACIÓN TRANVÍA DE MURCIA	55.00
UTE ENCAUZAMIENTO BARRANCO DE FRAGA	60.00
UTE EQUIPAMIENTO AUDITORIO BURGOS	65.00
UTE ESCLUSA SEVILLA	70.00
UTE ESPELSA - CYMI INSTALACIONES NORTE	50.00
UTE ESPELSA - OCESA	75.00
UTE ESTACIÓN FGV MERCADO - ALICANTE	60.00
UTE ESTACIÓN LUCERO ALICANTE	33.33
UTE ESTACIÓN GIRONA	40.00
UTE ESTACIONES AEROPORT L9	49.00
UTE ESTACIONES LÍNEA 9	33.00
UTE ESTACIONES TERRASSA	36.00
UTE ESTEPONA	25.00
UTE EZKIO ITSASO	40.00
UTE F.I.F. GNL FB 301/2	35.96
UTE FASE II C.I.C.C.M.	60.00
UTE FASE II PABELLÓN REYNO DE NAVARRA	50.00
UTE FCC INDUSTRIAL - ATON	90.00
UTE FCC - SCENIC LIGHT	80.00
UTE FCC - TECYSU	80.00
UTE FGV ALICANTE TRAMO 2	60.00
UTE FGV VARIANTE TRAMO FINCA ADOC	55.00
UTE FIBER	50.00
UTE FUENTE DE CANTOS	50.00
UTE GANGUREN	11.03
UTE GASODUCTOS ENAGAS GD	50.00
UTE GC - 1 PUERTO DE RICO - MOGÁN	40.00
UTE GEDERIAGA	24.50
UTE GIRONA NORTE	70.00
UTE GIRONA NORTE II	70.00
UTE GIRONA NORTE 2014	70.00
UTE GOIAN	70.00
UTE GOIERRIALDEA 2010	55.00
UTE GRANADA	70.00
UTE GRAU DE LA SABATA	90.00
UTE GUADARRAMA 3	33.33
UTE GUADARRAMA 4	33.33
UTE HABILITACIÓN ED. C. COMUNICACIONES	50.00
UTE HORCHE	65.00
UTE HORKASITAS	24.50
UTE HOSPITAL ALCÁZAR	60.00
UTE HOSPITAL CAMPUS DE LA SALUD	80.00
UTE HOSPITAL DE CARTAGENA	70.00
UTE HOSPITAL DE MIRANDA	65.00
UTE HOSPITAL DEL SUR	80.00
UTE HOSPITAL DEL SUR, SEGUNDA FASE	40.00
UTE HOSPITAL FCC - VVO	80.00
UTE HOSPITAL MARQUÉS VALDECILLA FASE III	33.33
UTE HOSPITAL NORTE TENERIFE	80.00
UTE HOSPITAL SON DURETA	33.00
UTE HOSPITAL UNIVERSITARIO DE MURCIA	50.00
UTE HOTEL VALENCIA PARAISO	50.00
UTE HUELVA NORTE II	55.00

	Percentage of ownership as at 31 December 2014
UTE HUELVA SUDESTE	40.00
UTE HUESCA - 2013	70.00
UTE HUESNA CONSTRUCCIÓN	33.33
UTE IBAI EDER	24.50
UTE IBARRETA	24.50
UTE IMPERMEABILIZACIÓN TÚNEL PAJARES NORTE	50.00
UTE INSTALACIONES C - 17 VIC - RIPOLL	33.33
UTE INSTALACIONES ELECTRICAS MOGÁN	50.00
UTE INSTALACIONES FONTFREDA	50.00
UTE INSTALACIONES FGC	36.00
UTE INSTALACIONES MADRID ESTE	46.25
UTE INSTALACIONES METRO MÁLAGA	54.00
UTE INSTALACIONES TÚNELES MUROS-DUEÑAS	50.00
UTE INSTITUTO DE SUANCES	70.00
UTE INTERFAZ	50.00
UTE INTERFICIES AEROPORT L9	49.00
UTE INTERM. PTO TARRAGONA	75.00
UTE INTERMODAL PRAT	35.00
UTE IRO	80.00
UTE JAÉN - MANCHA REAL	80.00
UTE JEREZ - LA BARCA	80.00
UTE JONCADELLA	34.00
UTE JUAN DE LA COSA	80.00
UTE JUAN GRANDE	50.00
UTE L9 HOSPITALET	50.00
UTE LA ALDEA	35.00
UTE LAKUA 796	24.50
UTE LA ROBLA	30.00
UTE LAS ROSAS I - 7	33.33
UTE LASGARRE	50.00
UTE LAUDIO	24.50
UTE LINEA 1 TRANVÍA DE MURCIA	50.00
UTE LÍNEA 2	50.00
UTE LÍNEA 9	33.00
UTE LLAGOSTERA	50.00
UTE LLOVIO 2012	70.00
UTE LOGÍSTICA	33.33
UTE LOT 2 PMI BCN	80.00
UTE LOT 3 PMI BCN	80.00
UTE LUKO	45.00
UTE M-407	50.00
UTE M-30 TÚNEL SUR	50.00
UTE MÁLAGA COCHERAS	50.00
UTE MALLABIA	14.70
UTE MAN. AEROPORT L9	49.00
UTE MANTENIMENT RONDES II	70.00
UTE MANTENIMENT RONDES 2012	70.00
UTE MANTENIMIENTO ARANJUEZ II	76.00
UTE MANTENIMIENTO CÓRDOBA	49.00
UTE MANTENIMIENTO HUSE	50.00
UTE MANTENIMIENTO FIGUERAS	50.00
UTE MANTENIMIENTO FIGUERAS II	50.00
UTE MANTENIMIENTO TDM	50.00
UTE MANTENIMIENTO TRANVÍA ZARAGOZA	50.00
UTE MANTENIMIENTO TÚNELES CÁDIZ	40.00
UTE MANTENIMIENTO TÚNELES GUADALHORCE	40.00
UTE MANTENIMIENTO TÚNELES SEVILLA	40.00
UTE MANTENIMIENTO VÍA ARANJUEZ	50.00
UTE MANTENIMIENTO VÍA SEVILLA	50.00
UTE MANZANAL	50.00
UTE MAQUINARIA PESADA INFOMA	50.00
UTE MAQUINARIA VERÍN	50.00
UTE MATADERO	57.50
UTE MECÁNICA VILLENA	65.00
UTE MEDINACELI	22.40
UTE MEJORA VIADUCTOS LORCA	50.00
UTE MEL9	49.00

	Percentage of ownership as at 31 December 2014
UTE METRO MÁLAGA	36.00
UTE MONFORTE	24.00
UTE MONTAJE VIA MOLLET - GIRONA	50.00
UTE MONTAJE VIA O IRIXO - SANTIAGO	50.00
UTE MONTAJE VIA SIETE AGUAS - VALENCIA	50.00
UTE MONT-RAS	50.00
UTE MONTSERRAT	35.00
UTE MORA - CALATRAVA	39.97
UTE MORALEDA	66.00
UTE MTM. ARQUITECTURA, INFRAESTR. Y VÍA	28.00
UTE MTMTO. ENERGÍA Y ELECTRO	50.00
UTE MTMTO. REDES Y SISTEMAS METRO	40.00
UTE MUELLE BOUZAS	70.00
UTE MUELLE COMERCIAL VILAGARCÍA	70.00
UTE MUELLES COMERCIALES	60.00
UTE MUELLE DE LA QUÍMICA	70.00
UTE MUNGUÍA	13.72
UTE MURCIA	40.00
UTE MUSEO NACIONAL DE LA ENERGÍA	50.00
UTE N.O.M.	63.00
UTE NACIMIENTO	54.00
UTE NANCLARES	95.00
UTE NOU PONT DE FUSTA	50.00
UTE NTC CÁDIZ	50.00
UTE NUDO DE MOLLET	50.00
UTE NUEVO ESTADIO VCF	49.00
UTE NUEVO HOSPITAL DE CÁCERES	33.33
UTE NUEVO PUERTO DE IGOUMENITZA	50.00
UTE OFICINAS HOSPITALET	50.00
UTE OLOT MONTAGUT	45.00
UTE OPERACIÓN TRANVÍA DE MURCIA	50.00
UTE OPERADORA TERMOSOLAR GUZMÁN	67.50
UTE OPERADORA VILLENA	88.00
UTE ORDIZIA	90.00
UTE ORENSE - MELÓN	50.00
UTE PABELLÓN ARENA	50.00
UTE PABELLÓN REYNO DE NAVARRA	50.00
UTE PAGO DE ENMEDIO	75.00
UTE PALACIO DE CONGRESOS DE LEÓN	50.00
UTE PALACIO DE LOS DEPORTES	50.00
UTE PANADELLA	50.00
UTE PARADOR DE EL SALER	75.00
UTE PARANINFO ZARAGOZA	60.00
UTE PARQUE MÁLAGA	60.00
UTE PARQUE MAYORDOMÍA	50.00
UTE PARQUE TECNOLÓGICO	60.00
UTE PASAIA BERRI	50.00
UTE PASAIA BERRI INSTALACIONES	80.00
UTE PASEO PARQUE RIBALTA CASTELLÓN	65.00
UTE PAVONES VIVIENDAS	50.00
UTE PCI METRO DE MÁLAGA	40.00
UTE PERI AR.8 LA MADRAZA	99.00
UTE PIEDRAFITA	66.67
UTE PINO MONTANO P 5	50.00
UTE PLA DE NA TESA	70.00
UTE PLASENCIA	50.00
UTE PLATAFORMA TPTE PBCO CASTELLÓN	55.00
UTE PLATAFORMA TRANSPORTE UJI DE CASTELLÓN	65.00
UTE PLATAFORMA TTE.PUB. TRAMO I COLUMBRETES	55.00
UTE POBLA TORNESA	50.00
UTE POLA DE LENA	70.00
UTE POLÍGONO BOBES	50.00
UTE POLÍGONO DE TANOS	50.00
UTE POLÍGONO LLOREDA	70.00
UTE POLÍGONO VICÁLVARO	80.00
UTE PONT DE CANDI	75.00
UTE PORT DE LLANÇÀ	60.00

	Percentage of ownership as at 31 December 2014
UTE PREFABRICADOS POLA	50.00
UTE PRESA ENCISO	50.00
UTE PRESAS ITOIZ	33.00
UTE PRESAS EBRO	50.00
UTE PREVENCIÓN DE INCENDIOS NORESTE	50.00
UTE PREVENCIÓN DE INCENDIOS NORTE	50.00
UTE PREVENCIÓN INCENDIOS PATRIMONIO	20.00
UTE PROLONGACIÓN DIQUE REINA SOFÍA	40.00
UTE PROSER-BATLLE I ROIG	50.00
UTE PROSER - GEOCONTROL	60.00
UTE PROSER - GEOCONTROL II	62.00
UTE PROSER - UG 21	70.00
UTE PROSER - LA ROCHE TF5 III	50.00
UTE PSIR CASTRO URDIALES	50.00
UTE PUENTE RIO OZAMA (DFC-COCIMAR)	35.00
UTE PUENTE DE PONFERRADA	55.00
UTE PUENTE DEL REY	33.33
UTE PUENTE Ma - 1110	33.00
UTE PUENTE PISUERGA	50.00
UTE PUERTO DE GRANADILLA	40.00
UTE PUERTO DE LAREDO	50.00
UTE PUERTO DEL ROSARIO	90.00
UTE R. ARCADIA	97.00
UTE RADIALES	35.00
UTE RANILLA CONSTRUCCIÓN	85.00
UTE RED ARTERIAL PALENCIA FASE I	80.00
UTE REFORÇ C-25	40.00
UTE REFORMA HOSPITAL V SALUD (TOLEDO)	60.00
UTE RELLENO EXPLANADA MUELLE QUÍMICA	70.00
UTE REMODELACION CTRA. RIBES (BCN)	80.00
UTE RESIDENCIAS REAL MADRID	50.00
UTE RÍO CABE	50.00
UTE RÍO LLOBREGAT	55.00
UTE RODADURA I	50.00
UTE RODADURA II	50.00
UTE RONDA HISPANIDAD	45.00
UTE RUTA NACIONAL HAITÍ	55.00
UTE S.A.I.H. CHJ	50.00
UTE S.A.I.H. SUR	40.00
UTE SAGUNTO	60.00
UTE SAGUNTO PARCELA M17-3	50.00
UTE SAN PEDRO	24.50
UTE SAN VICENTE	43.00
UTE SANEAMIENTO ARCO SUR	56.50
UTE SANEAMIENTO DE VILLAVICIOSA	80.00
UTE SANTA COLOMA DE FARNERS	50.00
UTE SANTA MARÍA D'OLO-GURB	60.00
UTE SANTO DOMINGO	70.00
UTE SECTOR M-5 2012	70.00
UTE SEGUNDA FASE DELICIAS ZARAGOZA	50.00
UTE SEMINARIO P3-2	99.00
UTE SERV. ENERG. PISCINA CUB. S. CABALLO	50.00
UTE SERVEIS AFFECTATS CASTELLÓ D'AMPÚRIES	50.00
UTE SIETE AGUAS - BUÑOL	66.66
UTE SISTEMA INTEGRAL ALACANTI SUR	66.67
UTE SISTEMAS METRO MALAGA	25.00
UTE SISTEMAS TRANVÍA DE MURCIA	32.00
UTE SOMOSAGUAS	50.00
UTE SOTIELLO	50.00
UTE SSAA AP - 7	50.00
UTE STADIUM	70.00
UTE SUBESTACIÓN SERANTES	50.00
UTE SUD SAMART VILAFANT	45.00
UTE TARRAGONA LITORAL	70.00
UTE TECSACON	20.00
UTE TERMINAL SUR MUELLE LEÓN Y CASTILLO	35.00
UTE TERMOSOLAR GUZMÁN	67.50
UTE TF-5 2ª FASE	70.00
UTE TINDAYA	50.00

	Percentage of ownership as at 31 December 2014
UTE TORQUEMADA	50.00
UTE TORRE DON JIMENO	50.00
UTE TORREBLANCA	50.00
UTE TORRE ISLA CARTUJA	80.00
UTE TRAMBESÓS	50.00
UTE TRAMMET	50.00
UTE TRAMO DE NUEVA CONSTRUCCIÓN JÚCAR-VINALOPO	70.00
UTE TRANVÍA DE PARLA	50.00
UTE TRANVÍA L-2 PARQUE ALICANTE	55.00
UTE TRANVÍA LUCEROS-MERCADO ALICANTE	60.00
UTE TRASVASE JÚCAR VINALOPÓ	50.00
UTE TREN TRAM I	50.00
UTE TRIANGLE LÍNEA 9	33.00
UTE TS VILLENA	88.00
UTE TÚNEL AEROPORT	33.00
UTE TÚNEL AEROPORT II	33.00
UTE TÚNEL C.E.L.A.	50.00
UTE TÚNEL AVE CHAMARTÍN - ATOCHA	42.00
UTE TÚNEL DE BRACONS	75.00
UTE TÚNEL DE PAJARES 1	50.00
UTE TÚNEL FIRA	33.00
UTE TÚNEL PASANTE ESTACION DE ATOCHA	42.00
UTE TÚNEL PROVISIONAL ESTACIÓN ATOCHA	42.00
UTE TÚNEL SANT JUST	60.00
UTE TÚNEL TERRASSA	36.00
UTE TUNELADORA METRO	33.00
UTE TUNELES BARAJAS	50.00
UTE TÚNELES BOLAÑOS	47.50
UTE TÚNELES DE GUADARRAMA	33.33
UTE TÚNELES DE SORBES	67.00
UTE TÚNELES DELICIAS	65.00
UTE UE 1 ARROYO DEL FRESNO	50.00
UTE UE 2 ARROYO DEL FRESNO	50.00
UTE UNIVERSIDAD DE MÁLAGA	65.00
UTE UNQUERA - PENDUELES	80.00
UTE URBANITZACIÓ GIRONA	40.00
UTE URBANIZACIÓN PARC SAGUNT	50.00
UTE URBANIZACIÓN VIA PARQUE TRAMO A.V.L. CARB.-P	60.00
UTE URBISERVEIS	29.00
UTE VALDEVIVIENDAS II	33.33
UTE VALLE INFERIOR	80.00
UTE VANDELLÓS	24.00
UTE VARIANTE DE MONZÓN	70.00
UTE VARIANTE MANCHA REAL	67.00
UTE VELA BCN	33.33
UTE VELÓDROMO	60.00
UTE VERTEDERO CASTAÑEDA	62.50
UTE VÍA ACCESOS SANTIAGO	50.00
UTE VÍA PAJARES	50.00
UTE VÍAS COLECTORAS LA CARPETANIA	50.00
UTE VIADUCTOS PREFABRICADOS METRO	50.00
UTE VIC - RIPOLL	34.00
UTE VIDRERES	34.00
UTE VIGO-DAS MACEIRAS	50.00
UTE VILARIÑO (VIA IZQUIERDA)	90.00
UTE VILLAR - PLASENCIA	70.00
UTE VULLPALLERES	65.00
UTE YELTES	75.00
UTE YESA	33.33
UTE ZONA MANIOBRA	50.00
UTE ZONAS VERDES ENSANCHE DE VALLECAS	33.33

	Percentage of ownership as at 31 December 2014
CEMENT	
UTE A-27 VALLS-MONTBLANC	39.52
UTE AVE GIRONA	39.52
UTE BCN SUD	11.86
UTE GROUPEMENT EUROBETON	34.78
UTE LAV SAGRERA	26.34
UTE NUEVA ÁREA TERMINAL	39.52
UTE OLERDOLÁ	47.42
UTE ULLÁ	39.52
UTE VILADECALLS 92	26.35
CENTRAL SERVICES	
C.G.T. - UTE JEREZ CB	50.00
CLEAR - CHANNEL CEMUSA UTE	50.00
TRAMBESÓS UTE	33.00
UTE CEMUSA - MOBILIARIO URBANO	50.00
UTE TRAMBAIX	33.00



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

Directors' Report

This report was prepared in accordance with the guidelines established in the “Guide for the preparation of directors reports of listed companies” published by the Spanish National Securities Market Commission (CNMV).

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

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1. COMPANY SITUATION

1.1. Company situation: Organisational structure and management decision-making process

On a primary level, the organisational structure of the FCC Group is composed of areas, which are divided into two large groups: operating and functional.

The operating areas encompass all the activities relating to the production line. As described in greater detail in Note 1 to the consolidated financial statements, the FCC Group is composed of the following operating areas:

- **Environmental Services.**
- **Integral Water Management.**
- **Construction.**
- **Cement.**

Each of these operating areas is presided over by one or various Specialised Companies, which report to FCC and encompass the activities inherent to the Group.

The functional areas that provide support to the operating areas are as follows:

- **General Secretariat:** legal affairs of the FCC Group and coordination of the functioning of the various managing bodies.
- **Organisation:** includes the Human Resources, Information Technologies and Systems and Aggregate Purchases departments.
- **Administration:** administrative management, general accounting, tax management and administrative procedures.
- **Finance:** financial management of the FCC Group, relations with financial institutions, capital markets, shareholders, stock markets and the Spanish National Securities Market Commission (CNMV), financial analysis of investments, integrated Group financial management and control, management, budgetary and planning control.
- **Internal Audit:** effective oversight of the Internal Control System, which contributes to Good Corporate Governance, verifies correct compliance with applicable regulations and reduces the potential impact of risks in the attainment of the FCC Group's objectives.
- **Communication and Corporate Responsibility:** management of Communication Services, Corporate Image and Corporate Responsibility.

On a secondary level, the areas may be divided into Sectors – operating sectors – and divisions functional divisions -, creating spheres permitting greater specialisation when required.

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The structure of the decision-making bodies is as follows:

- **Board of Directors:** this is the body with the most wide-reaching, unrestricted powers, except for those expressly reserved by the Spanish Limited Liability Companies Law or the Bylaws, to the powers of the shareholders at the General Meeting.
- **Strategy Committee:** this supports the Board of Directors in determining the Group's strategy, in accordance with the guidelines agreed by the latter, by preparing the corresponding reports and proposals, reporting on the investment and divestment proposals, association agreements, third-party agreements, development of new lines of business and financial transactions that might affect the Group's strategy.
- **Executive Committee:** the Board of Directors delegates the most wide-reaching powers to the Executive Committee, which may exercise all the functions and powers conferred by the Bylaws and the Spanish Limited Liability Companies Law to the Board of Directors, with the sole exception of those that cannot be delegated.
- **Audit and Control Committee:** its main function is to support the Board of Directors in its supervisory tasks, through the periodic review of the process for preparing economic and financial information, its internal controls and independence of the external auditor.
- **Nomination and Remuneration Committee:** this supports the Board of Directors in relation to the proposals for the nomination, re-election, ratification and termination of Directors, establishes and controls the remuneration policy of the Company's Directors and Senior Executives and the fulfilment by the Directors of their duties, particularly in relation to situations of conflicts of interest and related-party transactions.
- **Management Committee:** transaction of business which requires coordinated actions between various areas of activity.

More detailed information on the functions of the FCC Group's decision-making bodies is provided in section 1 of the Internal Control over Financial Reporting system (ICFR).

1.2 Company situation: Company business model and strategy

1.2.1. Business model

FCC is one of the main European groups specialised in environmental services and infrastructure development, with a presence in over 20 countries worldwide. Over 44% of its billings arise from international markets, mainly Europe, Latin America and the United States.

Environmental Services

The Environmental Services Area has a solid presence in Spain and has been leader in the provision of environmental urban services for over 100 years, with a solid presence in the international sphere. In Spain, activities are performed through offices of the Parent and the specialised companies FCC Medio Ambiente, S.A. and FCC Ámbito, S.A., which engages in industrial waste management. Also, international business is carried on mainly by its subsidiary FCC Environment (UK) Limited, whose registered office is located in the UK, and by the A.S.A Group, which operates in Austria and Eastern Europe. Both subsidiaries are leaders in the integral management of urban solid waste and energy recovery. Consequently, FCC's main line of business is considerably diverse in geographical terms, with 43.8% of total revenues stemming from international markets.

Environmental services generate recurring cash flows since they are based on long-term contracts (5-10 year contracts in waste collection and up to 30 years in urban waste treatment).

In Spain, FCC is leader in waste collection, street cleaning and green area upkeep, the contracts of which have a very high renewal rate upon expiry, and efforts are made to obtain new contracts.

The Environmental Services Area also includes the Industrial Waste sector, where FCC operates mainly in Spain and Portugal.

In Spain, it manages hazardous waste (with a market share of approximately 25%, making it market leader); and non-hazardous waste. In relation to recoverable non-hazardous industrial waste, FCC focuses mainly on paper and cardboard. It also operates in soil decontamination.

With regard to its international activities in Portugal, FCC is focused on the management and treatment of hazardous industrial waste. The company is leader with a market share of approximately 60%.

The Division's global activities saw an increase compared to 2013.

Integral Water Management

Like Environmental Services, Integral Water Management generates recurring cash flows, since it is based on long-term contracts (up to 30 years in water management and distribution).

91.9% of the income from this line derives from water management and distribution, where FCC estimates that it is ranked number two in terms of leadership in Spain through its subsidiary Aqualia, and number three in the Czech Republic through Aqualia Czech. Also, approximately 16.0% of the income generated by the water business hails from international markets.

FCC Aqualia is the sixth largest operator in the world and is ranked third in the private capital companies sector, according to the magazine Global Water Intelligence, the most widely renowned media source and main benchmark in the international water industry. This position enables FCC Aqualia to compete on an equal-footing basis in any international tender process, in a market which is still dominated by two major French operators.

In 2014 the volume of water sales in Spain stabilised for the first time since the economic crisis unfolded. A number of regulatory measures are also being implemented, which strengthen private water management in Spain, an activity with an ever-growing technological component, accompanied by service quality excellence aimed at guaranteeing a clean and healthy water supply for human consumption and, consequently, safeguarding human health. Such were the recent findings by the Spanish consumer organisation OCU, which, at the end of 2014, published an independent study on the quality of the water supply in 62 Spanish locations, nine of which were managed by FCC Aqualia. The OCU report classified the water supply as "Very good" and "Good".

Construction

The area's activity is divided into four lines of business:

- **Civil engineering:** Represents 77% of the area's revenues. Its activity is focused, inter alia, on the construction of roads, bridges, tunnels, railway infrastructure, airports, hydroelectric and port work.
- **Non-residential building:** Represents 13% of the area's revenues. Its activity is focused, inter alia, on the construction of administrative, health, cultural and sports centres.
- **Residential building:** Represented 3% of the area's revenues. Its activity is focused, inter alia, on the construction of housing units, housing developments and car parks.
- **Industrial:** Represents 7% of the area's revenues. Its activity is focused, inter alia, on the construction of mechanical and electrical facilities, distribution networks, generation plants, energy maintenance and efficiency.

The revenues from international markets represent approximately 50% of the total.

Cement

The FCC Group carries on its cement activity through Cementos Portland Valderrivas, S.A. (CPV), a company listed on the Spanish stock market interconnection system, in which it holds a 78% ownership interest. FCC's ownership interest in Cementos Portland Valderrivas was strengthened following the capital increase carried out in 2014. Its activity is geared towards the operation of quarries and mineral deposits for the manufacture of cement, which entails approximately 86% of the activity's total income. The remaining 14% is contributed by waste management and the concrete, mortar and aggregates businesses.

With regard to its geographical diversification, 64% of income comes from international markets. CPV is present in Spain, Tunisia and the US, although the company also exports mainly to the UK, North Africa and Canada.

CPV has an estimated penetration of 22% in Spain and 21% in Tunisia.

1.2.2. Company strategy

Throughout 2014 the Company continued to implement the measures set out in its 2013-2015 Strategic Plan and the year drew to a close with a 1,000 euro million capital increase, allowing the repayment of 900 million euro in refinanced debt recognised at the Group's parent, a debt of 100 million euro at Azincourt Investments, S.L and 100 million euro at Cementos Portland Valderrivas. The latter took place in February.

A number of successful changes were made at the Company under the aforementioned Strategic Plan, i.e. lower dependence on the economic cycle and a decrease in major individual projects. However, these achievements did not hamper the operating flexibility we need in order to develop our businesses.

Our strategic objectives are based on strengthening our position as world leader in Environmental Services and Integral Water Management businesses, while we maintain our presence in the cement industry and in highly profitable construction projects. The Group's strategy is based on the following main pillars:

1. Strengthen the Environmental Services and Integral Water Management businesses

The Integral Water Management and Environmental Services Areas are a profitable business model and are low risk. Consequently, our strategy is focused on strengthening our position as world leader in both Environmental Services and the water industry, as well as in the cement market, with a presence in profitable construction projects. Furthermore, we will create new lines of business to support our international growth and permit expansion throughout Latin America, Central Europe, the Middle East, North Africa and the US.

2. International expansion of the Environmental Services and Integral Water Management businesses.

The expansion of Environmental Services and Integral Water Management is key to our strategy. We consider that the growth of these areas reduces our company risk and boosts our geographical diversification. In Environmental Services, Latin America is a noteworthy target for new opportunities, whilst we leverage our businesses in central Europe. For the Integral Water Management business, our goal is to expand throughout Latin America, the Middle East, North Africa and the US, while availing of our presence in Spain. In order to achieve these objectives, we have specialised team that are widely experienced in international expansion, including penetrating new markets such as Chile, Tunisia and Saudi Arabia.

3. Strengthen flexibility and profitability in construction-related activities

We do not wish to have a capital-intensive business model for construction projects and we enhance the flexibility of our operations, maximising revenues and optimising costs.

4. Optimise the capital structure

Our objective is to achieve a viable capital structure with reasonable liquidity indicators. To pursue this end, we have put in place a number of measures, including refinancing and a strategic divestment plan. We are also focused on maintaining the flexibility required to achieve growth opportunities.

2. BUSINESS PERFORMANCE AND RESULTS

2.1. Operating performance

2.1.1. Highlights

Successful capital increase in the amount of 1,000 million euro

The Extraordinary General Shareholders' Meeting held on 20 November 2014, approved a capital increase with preferential subscription rights, in the amount of 1,000 million euro, which was launched by the Board of Directors of the 27th of the same month, equivalent to 133,269,083 new shares at a subscription price of 7.5 euro per share. On 19 December 2014, it was completed with the full subscription of the new shares and a bid-to-cover ratio for the shares of more than 9.2 times. Accordingly, the current share capital stands at 260,572,379 shares.

The transaction has reduced debt, through the partial prepayment and restructuring of Tranche B included in the bank refinancing signed on June 2014, and has covered other engaged investment needs. It has also strengthened the equity structure and the Group result by reducing the financial burden.

Entry of a new significant shareholder into the capital of FCC

On 27 November 2014, the Company communicated the successful negotiations between the controlling shareholder (B1998) and Control Empresarial de Capitales S.A. de C.V. (CEC), controlled by the Slim family.

Subsequently, during the preferential subscription period of the capital increase carried out by the FCC Group, CEC signed a total of 66,794,810 newly issued FCC shares, representing 25.6% of the share capital of FCC after the capital increase.

Following the transaction and the recent capital reduction at B1998, the resulting significant shareholder structure of FCC is: 25.6% held by CEC, 22.4% held by B1998, and 5.7% held by BGI (Funds linked to Bill Gates).

FCC Construction obtains large new railway contracts outside Spain

Two consortia led by the Construction area obtained contracts totalling over 3,800 million euro for the year as a whole. Two underground metro projects are notable among the latter. It was awarded the contract to design and build line 2 of Lima Metro and a branch of line 4 for 3,300 million euro. The execution period envisioned is five years, after which the 30-year operation period will commence. In the Middle East, an FCC Construction-led consortium obtained a contract to build the Red line of Doha metro (Qatar) for 500 million euro.

The works portfolio attributable to FCC Construction reflects 6,213 million euro at year end, guaranteeing over 35 months' work aligned with a profitable and selective positioning process.

FCC Aqualia consolidated its presence in the Middle East and North Africa

FCC Aqualia, parent of the Water area, was awarded a contract for the construction of the Djerba desalination plant (Tunisia) for a total of 70 million euro. The contract includes the start-up and operation of a plant which will supply water to a total of 150,000 people.

Moreover, the company has won —as part of a consortium— a tender worth 300 million euro for the development and management of the sewerage network of Al Dhakhira (Qatar) over the next 10 years, with a served population of over 200,000 inhabitants. This contract marks the entry into the country and adds to its strategic presence in the area together with the concessions awarded previously in Saudi Arabia and UAE. With this new international expansion, FCC Aqualia is now present in over 15 countries as part of its selective expansion process in Europe, MENA and Latin America. With these new additions, the total population served amounts to 23.5 million users, with an income portfolio of 15,114 million euro at year-end, a growth of 1.7%.

Compliance with the divestment plan reach 80% completion, with 1,740 million euro

Since the current Strategic Plan was implemented in the second quarter of 2013, the group has already completed and agreed on divestments of non-core assets amounting to 1,740 million euro; this means that 79% of the target of 2,200 million euro has been reached.

Regarding those completed in 2014, notable is the sale of the Logistics business for 32 million euro, the agreement to divest Cemusa (street furniture) for 80 million euro —which is now only awaiting certain administrative authorisations in order to complete the transfer— and the sale of FCC Environmental (industrial waste in USA) last month of October, for 69 million euro.

Among the assets pending sale in coming quarters, notable is the 50% stake in Globalvía, together with real estate assets and stakes in infrastructure concessions.

2.1.2 EXECUTIVE SUMMARY

- ◇ Revenues fell by 6.2% to 6,334.1 million euro, mainly due to the ongoing contraction in demand in Spain's construction sector and the more selective growth pursued in this area overseas.
- ◇ EBITDA grew by 12.1% to 804 million euro, thanks to the efficiency and restructuring measures implemented and the stability provided by the environmental "utilities" areas. Thus, the operating margin has increased over the year to 12.7%, compared to 10.6% in 2013.
- ◇ The business portfolio remains at historic highs of 32,996.5 million euro (-1.1% with respect to 31 December 2013), buoyed by the expansion in the Water area.
- ◇ Net attributable loss was -724.3 million euro, due to the accounting impact of non-recurring provisions and impairments in the amount of 781 million euro, with there being no impact on the cash flow for the year, completing the restructuring cycle undertaken since 2013.
- ◇ Net borrowings were reduced by 15.9% after the capital increase carried out in December and

stood at 5,016 million euro at the end of 2014.

NOTE: ASSETS HELD FOR SALE

The residual assets and liabilities in the Versia business (Cemusa) have been designated as "*held for sale*" since 30 June 2013 and are pending completion of the sale. In the same terms, it has registered those corresponding to the shares in GVI since 31 December 2013 (see note 2.1.5.3). Accordingly, their earnings are recognised under "*results from discontinued operations*" (Note 2.1.4.5.2). Realia has also been reclassified as a continuing activity since 31 December 2014.

As a result of these changes, the income statement and cash flow statement for 2013 have been restated to enable comparison.

KEY FIGURES			
(million euro)	Dec. 14	Dec. 13	Chg. (%)
Net Revenues	6,334.1	6,750.0	-6.2%
EBITDA	804.0	717.3	12.1%
EBITDA margin	12.7%	10.6%	2.1 p.p
EBIT	(345.6)	(307.7)	12.3%
Ebit margin	-5.5%	-4.6%	-0.9 p.p
Income attributable to equity holders of the parent company	(724.3)	(1,506.3)	-51.9%
Operating cash flow	608.9	774.8	-21.4%
Investment cash flow	(167.2)	(411.5)	-59.4%
(million euro)	Dec. 14	Dec. 13	Chg. (%)
Net equity	495.4	243.2	103.7%
Net interest-bearing debt	5,016.0	5,964.5	-15.9%
Backlog	32,996.5	33,352.5	-1.1%

2.1.3. SUMMARY BY BUSINESS AREA

Area	Dec. 14	Dec. 13	Chg. (%)	% of 2014 total	% of 2013 total
<i>(million euro)</i>					
REVENUE BY BUSINESS AREA					
Environmental Services	2,805.0	2,770.6	1.2%	44.3%	41.0%
Water	954.0	945.6	0.9%	15.1%	14.0%
Construction	2,076.1	2,597.1	-20.1%	32.8%	38.5%
Cement	542.9	540.9	0.4%	8.6%	8.0%
Corp. services & adjust.	(43.9)	(104.2)	-57.9%	-0.7%	-1.5%
Total	6,334.1	6,750.0	-6.2%	100.0%	100.0%
REVENUES BY GEOGRAPHIC AREA					
Spain	3,540.5	3,880.1	-8.8%	55.9%	57.5%
UK	931.8	840.7	10.8%	14.7%	12.5%
Latin America	672.7	923.0	-27.1%	10.6%	13.7%
Central & Eastern Europe	520.0	560.4	-7.2%	8.2%	8.3%
MENA	338.9	178.1	90.3%	5.4%	2.6%
US and Canada	203.5	241.3	-15.7%	3.2%	3.6%
Others	126.7	126.4	0.2%	2.0%	1.9%
Total	6,334.1	6,750.0	-6.2%	100.0%	100.0%
EBITDA					
Environmental Services	418.3	424.6	-1.5%	52.0%	59.2%
Water	208.4	193.7	7.6%	25.9%	27.0%
Construction	98.2	94.3	4.1%	12.2%	13.1%
Cement	104.8	50.4	107.9%	13.0%	7.0%
Corp. services & adjust.	(25.7)	(45.7)	-43.8%	-3.2%	-6.4%
Total	804.0	717.3	12.1%	100.0%	100.0%
EBIT					
Environmental Services	(437.8)	(68.5)	N/A	126.7%	22.3%
Water	123.9	115.9	6.9%	-35.9%	-37.7%
Construction	27.8	(253.2)	-111.0%	-8.0%	82.3%
Cement	35.9	(24.2)	N/A	-10.4%	7.9%
Corp. services & adjust.	(95.4)	(77.7)	22.8%	27.6%	25.3%
Total	(345.6)	(307.7)	12.3%	100.0%	100.0%
Area	Dec. 14	Dec. 13	Chg. (%)	% of 2014 total	% of 2013 total
NET DEBT					
Environmental Services	1,764.4	2,162.5	-18.4%	35.2%	36.3%
Water	326.8	395.9	-17.5%	6.5%	6.6%
Construction	(212.3)	(164.1)	29.4%	-4.2%	-2.8%
Cement	1,304.3	1,363.7	-4.4%	26.0%	22.9%
Corp. services & adjust.	1,832.9	2,206.5	-16.9%	36.5%	37.0%
Total	5,016.0	5,964.5	-15.9%	100.0%	100.0%
BACKLOG					
Environmental Services	11,669.7	11,884.8	-1.8%	35.4%	35.6%
Water	15,113.8	14,859.5	1.7%	45.8%	44.6%
Construction	6,213.0	6,608.1	-6.0%	18.8%	19.8%
Total	32,996.5	33,352.5	-1.1%	100.0%	100.0%

2.1.4. INCOME STATEMENT

<i>(million euro)</i>	Dec. 14	Dec. 13 ⁽¹⁾	Chg. (%)
Net Revenues	6,334.1	6,750.0	-6.2%
EBITDA	804.0	717.3	12.1%
<i>EBITDA margin</i>	<i>12.7%</i>	<i>10.6%</i>	<i>2.1 p.p</i>
Non-recurring provisions	(98.0)	(358.7)	-72.7%
Impairment of non-current assets	(665.1)	(346.6)	91.9%
Amortisation of fixed assets	(404.3)	(425.8)	-5.0%
Other operating results	17.8	106.1	-83.2%
EBIT	(345.6)	(307.7)	12.3%
<i>EBIT margin</i>	<i>-5.5%</i>	<i>-4.6%</i>	<i>-0.9 p.p</i>
Financial income	(375.8)	(438.5)	-14.3%
Other financial results	(12.7)	(77.8)	-83.7%
Equity-accounted affiliates	(84.8)	34.3	-347.2%
Earnings before taxes (EBT) from continuing activities	(818.8)	(789.7)	3.7%
Corporate income tax expense	64.2	135.4	-52.6%
Result of continued operations	(754.6)	(654.3)	15.3%
Result of discontinued operations	21.2	(876.0)	-102.4%
Net Result	(733.4)	(1,530.3)	-52.1%
Minority interests	9.1	24.0	-62.1%
Income attributable to equity holders of the parent company	(724.3)	(1,506.3)	-51.9%

(1) *Figures have been restated for the sole purpose of complying with IFRS 11 "Joint arrangements".*

2.1.4.1. Net Revenues

The consolidated revenues of the Group totalled 6,334.1 million euro in 2014, a 6.2% decrease year-on-year.

Revenues from Construction fell 20.1% year-on-year due to the continued adjustment in recent years to public investment in infrastructure in Spain, where revenues have shrunk 28.3%. This is in addition to the fact that many important works in international markets are —as yet— in the initial phase; markets in which more selective growth objectives have been implemented and the company has focused on optimising profitability and cash generation, rather than expanding the activity.

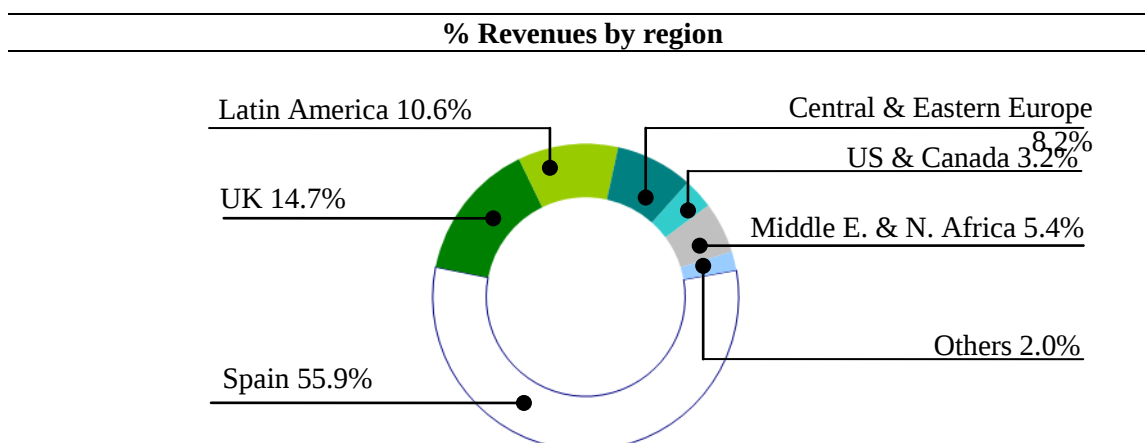
Excluding the Construction business, revenues from the rest of the Group increased by 2.5%. In the area of Environmental Services, revenues rose 1.2% driven by business in the UK; while in the area of Water, revenues rose by 0.9% due to the strength of the concession business. In the area of Cement, revenues recorded a slight increase of 0.4% due to exports, which offset the decline in revenues in Spain, linked to the closure of unprofitable cement by-product sales.

Revenue breakdown, by region			
(million euro)	Dec. 14	Dec. 13	Chg. (%)
Spain	3,540.5	3,880.1	-8.8%
UK	931.8	840.7	10.8%
Latin America	672.7	923.0	-27.1%
Central & Eastern Europe	520.0	560.4	-7.2%
Middle East & North Africa	338.9	178.1	90.3%
US and Canada	203.5	241.3	-15.7%
Others	126.7	126.4	0.2%
Total	6,334.1	6,750.0	-6.2%

By geographic area, the strong growth of 90.3% of revenues in Middle East and North Africa is worth attention. This is due to the commencement of works of the Riyadh metro in the Construction area. Income in Latin America fell by 27.1% mainly due to the completion of other projects such as the line 1 metro project and road re-structuring of Panama City. The works for the Lima metro are expected to start in the second quarter of 2015.

In the UK, revenues increased by 10.8% due to the commencement of the Mersey Gateway project, in the Construction area, and to the increase in the urban waste treatment, recycling and incineration activity in the Environmental area, in addition to the positive effect of the exchange rate of the British pound (+5.3%). In addition, during 2014, a number of urban waste recycling, processing and incineration facilities have started to operate.

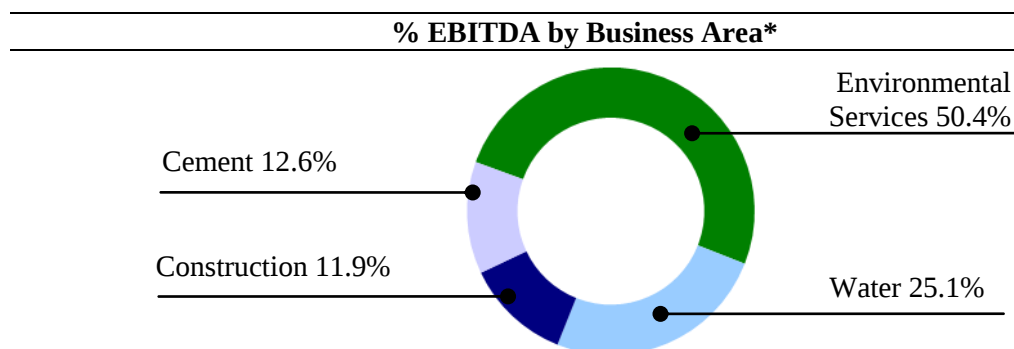
Revenues fell by 7.2% in Central and Eastern Europe, mainly due to the termination of the civil works in Romania and Bulgaria, as well as the negative effect in the exchange rate in the Czech Republic (-5.7%). In USA and Canada, the 15.7% decrease in revenues was mainly due to the completion of the Toronto metro project in the Construction business.



2.1.4.2. EBITDA

EBITDA amounted to 804 million euro in 2014, 12.1% increase compared to the same period from the previous year, and an improvement of 2.1 percentage points in the operating margin which climbed to 12.7%.

This improvement in profitability was due in large part to savings reached through the efficiency program and the restructuring measures implemented since the Strategic Plan launch, at the beginning of 2013. This is especially relevant in the Cement, Construction and Central Services areas.



**Adjusted for Corporate Services*

2.1.4.3 Net Operating Profit (EBIT)

The net operating profit resulted in a negative balance of 345.6 million euro, after including non-recurring provisions and impairments of 748 million euro in the EBITDA, with no impact on the cash flow in the year, as well as the amortisation of property, plant and equipment and other operating results for a total amount of 401 million euro.

2.1.4.3.1 Non-recurring provisions

During the year, the Company has made non-recurring provisions totalling 98 million euro to cover both the impairment of real estate assets in the Construction area (in the amount of 34 million euro) and various risks at the level of the parent company (in the amount of 64 million euro).

In 2013, this line item included provisions amounting to 272.4 million euro to cover the valuation adjustment of assets, workforce restructuring costs and risks linked to certain international contracts in the area of Construction, in addition to a further 58.6 million euro in the area of Cement and 27.7 million euro in Corporate Services for restructuring costs.

2.1.4.3.2 Impairment of non-current assets

In 2014, an impairment of 649.7 million euro was recorded in the non-current assets of the subgroup FCC Environment (Environmental Services in the UK), as a result of the progressive closure forecast in some landfills which are no longer profitable due to lower volumes than expected as a result of a continued increase in the landfill tax in the past few years. This decision accelerates the change of the urban waste management business in the UK, giving considerably more weight to the recycling, recovery and treatment activity, so as to improve profitability in all the operations in the long-term.

In 2013, this line item included the impairment of the goodwill of the subgroup FCC Environment and of companies engaged in the industrial waste business in the amount of 262.7 million euro, together with the deterioration of other non-current assets amounting to 83.9

million euro —mainly concessions in the area of Construction and the concrete, mortar and aggregates businesses in the area of Cement.

2.1.4.3.3 Amortisation of fixed assets

The depreciation and amortization expense of property, plant and equipment in 2014 amounted to 404.3 million euro, which is 5% less than the previous year and in line with the Group's reduction in property, plant and equipment. This figure includes 44.8 million euro related to the amortisation of the increase assigned to various assets at the time of their inclusion in the Group.

2.1.4.3.4 Other operating results

Finally, the line item "other operating income" contributed 17.8 million euro, mainly from the sale of property, plant and equipment in the areas of Cement and Construction. The profit of 106.1 million euro in the same period of 2013 included 105 million euro in capital gains from the swap transaction and the sale of a terminal in the Cement area.

2.1.4.4 Earnings before taxes (EBT) from continuing activities

EBT reflected a negative balance of 818.8 million euro, after incorporating the following to EBIT:

2.1.4.4.1 Financial income

Net financial expense for the year amounted to 375.8 million euro, representing a decrease of 14.3% compared to 2013 thanks to the debt haircut in the amount of 135 million euro on the amortized amount (900 million euro) of Tranche B of the syndicated corporate loan. The aggregate finance costs at year-end included 40.5 million euro in capitalised interests corresponding to Tranche B.

The negative balance of 12.7 million euro in 2014 and 77.8 million euro in 2013 from "other financial results" are primarily due to the impairment of loans to affiliates in the area of Construction.

2.1.4.4.2 Equity-accounted affiliates

The equity-accounted affiliates had a negative impact in the amount of 84.8 million euro in 2014; of which 35.8 million euro correspond to Realia, while the rest mainly relate to losses and impairment of companies in the area of Construction.

The positive result of 34.3 million euro in 2013 included 52 million euro from the sale of 50% of Grupo Proactiva and 15 million euro from the sale of other assets, mainly investments in various concessions in the area of Construction, within the ongoing divestment programme. The stake in Realia contributed losses of 29.1 million euro.

2.1.4.5 Income attributable to equity holders of the parent company

Net attributable income in the year amounted to a negative balance of 724.3 million euro (compared to 1,506.3 million euro in 2013), after including the following items in EBT:

2.1.4.5.1 Income tax

Corporate income tax included a tax credit of 64.2 million euro (135.4 million euro in the previous year).

2.1.4.5.2 Result of discontinued operations

Profit from discontinued operations is at 21.2 million euro. During the year the company concluded the sale of FCC Logística, FCC Environmental (US) and 51% of FCC Energía. At year-end 2014, the sale of Cemusa is still pending formalisation, which is expected to be completed during the second quarter of 2015.

The loss of 876 million euro in 2013 related mainly to the decline in value of the Alpine shareholding to zero, including the financial result of the company until the time of its liquidation, for a net amount of 423.9 million euro, together with the impairment of the remaining assets held for sale in the net amount of 371.1 million euro.

2.1.4.5.3 Minority interests

The minority shareholders, mainly concentrated in the Cement area, reflect losses of 9.1 million euro (24 million euro in 2013).

2.1.5. BALANCE SHEET

<i>(million euro)</i>	Dec. 14	Dec. 13 (1)	Change (M€)
Intangible fixed assets	2,967.5	2,864.4	103.1
Tangible assets	3,175.6	3,753.1	(577.5)
Investments accounted for under the equity method	239.8	371.8	(132.0)
Non-current financial assets	426.7	386.8	39.9
Deferred tax assets and other non-current assets	1,044.2	1,082.0	(37.8)
Non-current assets	7,853.8	8,458.1	(604.3)
Non-current assets held for sale	1,002.5	2,172.5	(1,170.0)
Inventories	760.6	798.3	(37.7)
Trade and other receivables	2,488.4	2,819.3	(330.9)
Other current financial assets	380.4	396.3	(15.9)
Cash and cash equivalents	1,537.1	987.6	549.5
Current assets	6,169.1	7,174.0	(1,004.9)
TOTAL ASSETS	14,022.9	15,632.1	(1,609.2)
Equity attributable to equity holders of parent company	271.7	3.2	268.5
Minority interests	223.7	240.0	(16.3)
Net equity	495.4	243.2	252.2
Grants	239.3	228.7	10.6
Non-current provisions	1,157.9	1,092.5	65.4
Long-term borrowings	5,615.7	1,070.7	4,545.0
Other non-current financial liabilities	66.5	66.3	0.2
Deferred tax liabilities and other non-current liabilities	754.6	1,017.2	(262.6)
Non-current liabilities	7,834.0	3,475.3	4,358.7
Liabilities linked to non-current assets available for sale	776.9	1,729.2	(952.3)
Current provisions	288.5	341.4	(52.9)
Short-term financial debt	1,317.9	6,277.7	(4,959.8)
Other current financial liabilities	63.2	116.9	(53.7)
Trade and other creditors	3,247.0	3,448.4	(201.4)
Current liabilities	5,693.5	11,913.6	(6,220.1)
TOTAL LIABILITIES	14,022.9	15,632.1	(1,609.2)

(1) Figures have been restated for the sole purpose of complying with IFRS 11 "Joint arrangements".

2.1.5.1 Tangible assets

The balance of fixed tangible assets at 31 December totalled 3,175.6 million euro; 577.5 million euro less than on 31 December 2013 mainly due to the impairment of the fixed assets of the FCC Environment subgroup (in the UK), linked to the landfills business, as referred to in section 4.3.2.

2.1.5.2 Investments accounted for under the equity method

The balance of 239.8 million euro in investments made in investees comprised the following at 31 December:

- 1) 88.7 million euro for shareholdings in Water concession companies.
- 2) 81.8 million euro for the shareholding in companies in the Environmental Services area.
- 3) 54.4 million euro corresponding to the 36.9% shareholding in Realia.
- 4) 14.9 million euro corresponding to the remaining shareholdings and loans to investees.

The reduction of 132 million euro compared to 31 December 2013 is mainly due to the impairment and losses of investees in the Construction area.

2.1.5.3 Non-current assets and liabilities held for sale

The balance of 1,002.5 million euro in non-current assets held for sale at 31 December mainly includes the value of the assets linked to Cemusa, and to a lesser extent to the 50% shareholding in Globalvía. This line item has decreased by 1,170 million euro compared to the aggregate balance at 31 December 2013, due to the sale of FCC Logística, 51% of FCC Energía, FCC Environmental (US) and the reclassification of the Realia shareholding as an investment accounted for by the equity method.

These assets are in turn associated with liabilities in an aggregate amount of 776.9 million euro, which correspond entirely to Cemusa, mainly due to payment obligations related to the long-term exploitation rights of its street furniture advertising media.

2.1.5.4 Net equity

Net equity at 31 December amounted to 495.4 million euro, representing an increase of 252.2 million euro compared with the aggregate balance at year-end 2013, mainly due to the capital increase of 1,000 million euro undertaken last December which offsets the appropriation of attributable losses in the amount of 724.3 million euro. These losses correspond to non-recurring provisions, impairments totalling 748 million euro (pretax), as described in paragraphs 4.3.1 and 4.3.2.

2.1.5.5 Net interest-bearing debt

Net debt at 31 December 2014 stood at 5,016.0 million euro, representing a decrease of 948.5 million euro compared to year-end 2013, following the capital increase of 1,000 million euro completed last December.

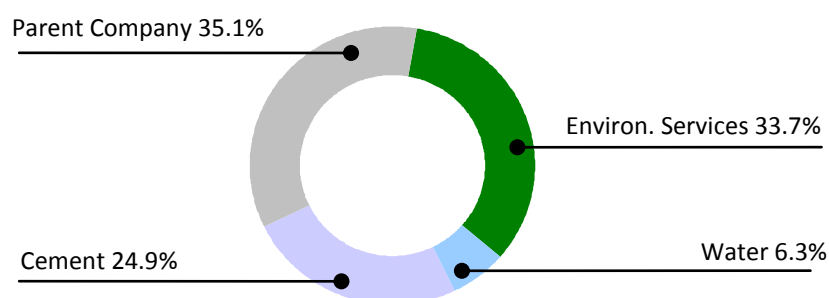
In the first half of fiscal year 2014, the FCC Group performed a refinancing transaction for its corporate bank debt worth 4,528 million euro, divided into a tranche A and a tranche B, for a period of four years (until June 2018), it extended by 6 years (until October 2020) the convertible bonds issued in October 2009, amounting to 450 million euro and it refinanced an additional 381 million pounds of bank debt corresponding to FCC Environment UK, without recourse to the parent company.

<i>(million euro)</i>	Dec. 14	Dec. 13	Chg. (M€)
Bank borrowings	5,756.4	6,228.4	(472.0)
Obligations (loans)	906.7	851.1	55.6
Finance leases	53.6	48.3	5.4
Derivatives and other financial liabilities	216.9	220.6	(3.7)
Gross interest-bearing debt	6,933.6	7,348.4	(414.8)
Cash and other financial assets	(1,917.6)	(1,383.9)	(533.7)
Net interest-bearing debt	5,016.0	5,964.5	(948.5)
<i>With recourse</i>	2,798.3	3,775.8	(977.5)
<i>Without recourse</i>	2,217.7	2,188.7	29.0

In addition, during the month of December, FCC performed a capital increase of 1,000 million euro against new cash contributions. Of this amount, 765 million euro were allocated to repay and amortise 900 million euro from tranche B of the corporate bank debt, with a debt haircut of 15%. A further 200 million euro have been used to reduce the indebtedness of the subsidiaries Cementos Portland Valderrivas and FCC Environment UK, and the remaining 35 million euro to cover the costs of the entire transaction.

Thus, the Group has managed to significantly reduce its debt level throughout the year, significantly increase their maturities and shore up its capital structure.

Net debt, by Business Area*

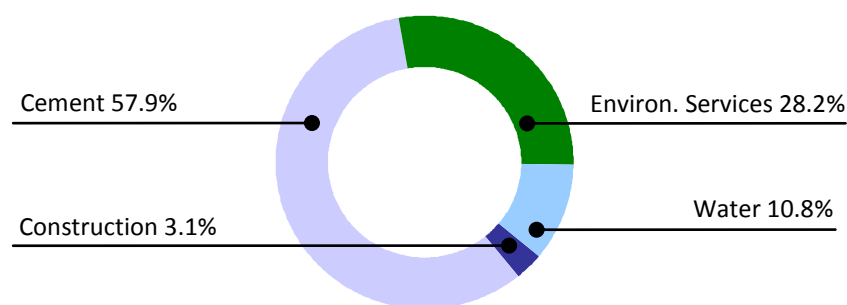


*Adjusted by net cash position in Construction

By business unit, Environmental Services and Water accounted for 40% of the net debt, related to public, regulated and long-term services; 24.9% corresponded to Cement, which accounts for a great part of fixed assets on the balance sheet; and 35.1% to the parent company, which includes among others, the aforementioned 450 million euro convertible bond issue and the acquisition debt linked to different companies in various business activities.

The Group's net non-recourse debt amounted to 2,217.7 million euro at year end; 44.2% of the total.

Net debt without recourse, by area



It is worth noting that almost all of the debt linked to the Cement area (1,283.9 million euro) is non-recourse debt for the FCC Group. The remaining net non-recourse debt corresponds mainly to the Environment business, representing 625.5 million euro, of which 510 million euro correspond to the UK business, 80.6 million euro to the Central and Eastern Europe business and the remaining 34.9 million euro to other treatment and recycling plants in Spain and Portugal. Net non-recourse debt in the area of Water amounts to 240.2 million euro, of which 166.3 million euro correspond to business in the Czech Republic and the remaining 73.9 million euro to various end-to-end water management concessions in Spain. Lastly, non-recourse debt in the Construction area (68 million euro) is related to funding for two transport concessions.

2.1.5.6 Other current and non-current financial liabilities

The balance of other current and non-current financial liabilities amounted to 129.7 million euro and includes financial liabilities not classified as interest-bearing debt, such as those linked to suppliers of property, plant and equipment, and deposits and guarantees received.

2.1.6 CASH FLOW

<i>(million euro)</i>	Dec. 14	Dec. 13⁽¹⁾	Chg. (%)
Funds from operations	779.6	745.6	4.6%
(Increase)/decrease in working capital	22.3	264.8	-91.6%
Income tax (paid)/received	(78.7)	(112.1)	-29.8%
Other operating cash flow	(114.3)	(123.5)	-7.4%
Operating cash flow	608.9	774.8	-21.4%
Investment payments	(485.5)	(479.6)	1.2%
Divestment receipts	227.6	310.7	-26.7%
Other investing cash flow	90.7	(242.6)	-137.4%
Investing cash flow	(167.2)	(411.5)	-59.4%
Interest paid	(358.5)	(402.3)	-10.9%
(Repayment)/issuance of financial liabilities	(554.4)	(211.1)	162.6%
Other financing cash flow	998.6	245.2	N/A
Financing cash flow	85.7	(368.2)	-123.3%
Exchange differences, change in consolidation scope, etc	22.2	(177.7)	-112.5%
Increase/(decrease) in cash and cash equivalents	549.6	(182.6)	N/A

(1) *Figures have been restated for the sole purpose of complying with IFRS 11 "Joint arrangements".*

2.1.6.1 Operating cash flow

The operating cash flow generated during the year amounted to 608.9 million euro, compared with 774.8 million euro in 2013, which included a non-recurring positive effect deriving from the implementation of the supplier payment funds which contributed to a reduction in working capital of 264.8 million euro.

As planned, working capital recorded a significant reduction in the fourth quarter and ended the year with an improvement of 22.3 million euro, despite the adverse effect of the lower volume of trade receivables assigned to financial institutions amounting to 130.6 million euro, reaching a balance of 159.9 million euro at 31 December 2014.

<i>(million euro)</i>	Dec. 14	Dec. 13	Change (M€)
Environmental Services	(8.2)	205.9	(214.1)
Water	21.6	7.2	14.4
Construction	67.5	8.4	59.1
Cement	(2.0)	15.7	(17.7)
Corporate services and adjustments	(56.6)	27.6	(84.2)
(Increase)/decrease in working capital	22.3	264.8	(242.5)

Following the substantial improvement of past-due accounts receivable from government clients in Spain, at year-end 2014 the latter was close to 300 million euro. In this regard, in early 2015 the

electronic invoicing system for public clients has been launched, which aims to contribute to reducing the average payment period to suppliers to thirty days and end public arrears.

Other operating cash flow amounted to 114.3 million euro and it mainly includes the application in provisions for risks and expenses in Construction, related to the restructuring of the area.

2.1.6.2 Investing cash flow

The consolidated investing cash flow in the year was reduced by 59.4% compared to the same period in 2013, the difference coming from other investing cash flow. During this financial year, deposits and guarantees were recovered along with the collection of loans from investees and discontinued affiliates amounting to 90.7 million euro. In 2013, the opposite was true for a negative net amount of 242.6 million euro. Excluding this line item, the cash flow from investments totalled 257.9 million euro in the year, compared to 168.9 million euro in 2013.

In this period, a total of 485.8 million euro have been paid in asset investments related to the operating activity of the Group (compared to 479.6 million euro in 2013); representing a 1.2% increase.

On the other hand, the company has performed divestments totalling 227.6 million euro, mostly related to assets held for sale, including most notably the divestment of FCC Environmental (US) in the amount of 69 million euro. Throughout the whole of 2013, divestments were received totalling 310.7 million euro, notable among which was Proactiva, for an amount of 125 million euro.

The breakdown of net investments, according to payments and collections by activity, is as follows:

<i>(million euro)</i>	Dec. 14	Dec. 13	Change (M€)
Environmental Services	(168.7)	(59.9)	(108.8)
Water	(96.7)	(103.7)	7.0
Construction	(77.1)	(3.6)	(73.5)
Cement	8.2	7.7	0.5
Corporate services and adjustments	76.4	(9.4)	85.8
Net investments	(257.9)	(168.9)	(89.0)

Notable are the net investments totalling 168.7 million euro made in the area of Environmental Services, which includes investments in the construction and expansion of treatment and municipal waste reduction plants in the UK.

2.1.6.3 Financing cash flow

The consolidated cash flow from financing in the year reflects a net cash inflow of 85.7 million euro, which essentially relates to the capital increase in the amount of 1,000 million euro in December, in addition to interest payments in the amount of 358.5 million euro and amortizations of financial liabilities in the amount of 554.4 million euro. It should be noted that this amount does not match the reduction in gross financial debt of 414.8 million euro on the balance sheet during the year, mainly due to the effect of exchange differences on the debt.

In 2013, this item included 96.6 million euro from the sale of 49% of the Water business in the Czech Republic (Aqualia Czech) and 150.6 million euro from the sale of 9.6% of the share capital in treasury stock.

2.1.6.4 Exchange differences, change in consolidation scope, etc

This heading, with a positive variation of 22.2 million euro in the period, includes the effect of exchange rate variations on the cash account. In 2013, this item also included a 177.7 million euro outflow in the Construction area due to the deconsolidation of the Alpine Group.

2.1.6.5 Variation in cash and cash equivalents

Combining all the previous cash flow movements, the Group's liquidity position increased by 549.6 million euro in the year, up to 1,537.1 million euro in cash and other equivalents at year end.

2.1.7 BUSINESS PERFORMANCE

2.1.7.1 Environmental Services

Environmental Services contributed 52% of the FCC Group's total EBITDA. A total of 96% of its activities involve municipal solid waste collection, treatment and disposal, along with other municipal services such as street cleaning and green area upkeep. The other 4% corresponds to industrial waste collection and management.

FCC's business in Spain focuses on municipal waste management and street cleaning; in the UK, it is involved notably in municipal waste treatment and disposal; in Central and Eastern Europe, mainly Austria and the Czech Republic, it engages in end-to-end municipal waste management (collection, processing and disposal). FCC's Portuguese presence focuses on industrial waste management.

2.1.7.1.1 Results

<i>(million euro)</i>	Dec. 14	Dec. 13	Chg. (%)
Net Revenues	2,805.0	2,770.6	1.2%
<i>Environmental</i>	2,680.5	2,635.5	1.7%
<i>Industrial Waste</i>	124.5	135.1	-7.8%
EBITDA	418.3	424.6	-1.5%
<i>EBITDA margin</i>	14.9%	15.3%	-0.4 p.p
EBIT	(437.8)	(68.5)	N/A
<i>EBIT margin</i>	-15.6%	-2.5%	-13.1 p.p

Net revenues in the Environmental Services area totalled 2,805 million euro in the year, 1.2% more than in the same period last year. The positive performance of the Environmental activity offsets the 7.8% decline in revenues in the Industrial Waste business.

Revenue breakdown by region			
<i>(million euro)</i>	Dec. 14	Dec. 13	Chg. (%)
Spain	1,576.9	1,571.5	0.3%
UK	846.0	809.2	4.5%
Central and Eastern Europe	347.3	349.6	-0.7%

		CONSOLIDATED GROUP	
Portugal and other	34.8	40.3	-13.6%
Total	2,805.0	2,770.6	1.2%

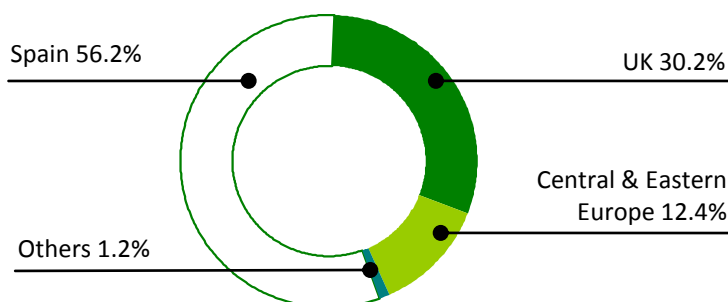
In Spain, revenues remained stable (0.3%) at 1,576.9 million euro, due to the positive evolution of urban waste management, which offsets the 3.6% reduction in the domestic Industrial Waste activity.

In the UK, revenues increased 4.5% due to the positive effect of the exchange rate, and to the notable increase in the urban waste treatment, recycling and incineration activity, which accounts for 50% of the total waste treatment managed. During 2014, a number of recycling and processing facilities have started to operate, as well as the Lincolnshire incineration plant. Yet under construction, two treatment and incineration plants in the counties of Wrexham (extension) and Buckinghamshire, whose operational start-up is expected for the end of 2015 and 2016, respectively.

In Central and Eastern Europe revenues fell slightly by 0.7% as a result of the negative effect of the exchange rate in the Czech Republic (-5.7%) and to the effect of a progressive application of a landfill tax in certain countries; which has been compensated by the significant increase in the urban waste collection activity in Poland.

The 13.6% decline in net revenues in other markets is due basically to the completion of a large sludge removal contract in Italy (-6.2 million euro) and to the slowdown in the industrial waste activity in Portugal.

Revenue breakdown, by region



Gross operating income (EBITDA) decreased by 1.5% to 418.3 million euro; representing a 14.9% operating margin (15.3% in 2013). In Spain, the increase in social security contributions arising from recent regulatory changes in labour matters weighs strong; while in the UK the operating margin has been favoured by the entry into operation of the Lincolnshire incinerator and in Central and Eastern Europe has improved with the efficiency measures implemented throughout the year.

Net operating profit, however, reflects losses of 437.8 million euro after including in EBITDA a 649.7 million euro impairment, recorded in the tangible assets of the sub-group FCC Environment (Environmental Services in the UK) and linked to landfills. This impairment has no effect on cash flow and corresponds to the progressive closure forecast in some landfills which are no longer profitable due to lesser volumes than expected as a result of a continued increase in the landfill tax in the past few years. This decision accelerates the change of the urban waste management business in the UK, giving more weight to the recycling, recovery and treatment activity, so as to improve profitability in all the operations in the long-term.

In 2013, net operating income of -68.5 million euro included an impairment to goodwill for the FCC Environment subgroup amounting to 236.4 million euro, in addition to an impairment to goodwill for the companies engaged in Industrial Waste amounting to 24 million euro.

Backlog breakdown by region

<i>(million euro)</i>	Dec. 14	Dec. 13	Chg. (%)
Spain	7,070.9	7,437.4	-4.9%
International	4,598.8	4,447.4	3.4%
Total	11,669.7	11,885.0	-1.8%

Finally, backlog fell by 1.8% compared to the aggregate at year end 2013, reaching 11,669.7 million euro, which this year includes various extensions of contracts in Spain. This amount covers more than 4 times the 2014 revenues.

2.7.1.1.2 Cash Flow

<i>(million euro)</i>	Dec. 14	Dec. 13	Chg. (%)
Funds from operations	437.8	443.5	-1.3%
(Increase)/decrease in working capital	(8.2)	205.9	-104.0%
Income tax (paid)/received	(38.5)	(53.2)	-27.6%
Other operating cash flow	(35.3)	(20.6)	71.4%
Operating cash flow	355.8	575.6	-38.2%
Investment payments	(254.9)	(197.1)	29.3%
Divestment receipts	86.2	137.2	-37.2%
Other investing cash flow	50.3	140.4	-64.2%
Investing cash flow	(118.4)	80.5	N/A
Interest paid	(160.7)	(130.6)	23.0%
Issuance/(repayment) of financial liabilities	(300.2)	(367.0)	-18.2%
Other financing cash flow	417.5	(137.1)	N/A
Financing cash flow	(43.4)	(634.7)	-93.2%
Exchange differences and others	12.1	(8.0)	N/A
Increase/(decrease) in cash and cash equivalents	206.1	13.5	N/A

<i>(million euro)</i>	Dec. 14	Dec. 13	Change (M€)
Net interest-bearing debt	1,764.4	2,162.5	(398.1)
<i>With recourse</i>	<i>1,139.0</i>	<i>1,475.5</i>	<i>(336.5)</i>
<i>Without recourse</i>	<i>625.5</i>	<i>687.0</i>	<i>(61.6)</i>

Operating cash flow generated by the Environmental Services area in 2014 totalled 355.8 million euro, down 38.2% compared to the same period of 2013. This was due both to the extraordinary cash-in of collection rights from customers in 2013 linked to the supplier payment plan, and to the lower sales volume of collection rights from clients. All in all, the average collection period in the domestic Environmental activity at year end was 4.5 months, compared to 5 months at the end of 2013.

Investment payments increased to 254.9 million euro, mainly due to the development of new treatment plants in the UK. Furthermore, the cash from divestments include the sale of FCC Environmental (US) in the amount of 69 million euro in the fourth quarter of 2014. The section includes deposits and guarantees recovered from the termination of a treatment plant in UK, within item "other investing cash flow".

The net interest-bearing debt of the area was reduced by 398.1 million euro in 2014, standing at 1,764.4 million euro at year-end, following the transfer of 480 million euro to the parent company, corresponding to the historic debt from the acquisition of subsidiaries overseas. The net non-recourse debt amounts to 625.5 million euro, of which 510 million euro correspond to the UK business, 80.6 million euro to the Central and Eastern Europe business and the remaining 34.9 million euro to other treatment and recycling plants in Spain and Portugal.

2.1.7.2 Water

The Water area accounts for 25.9% of FCC Group EBITDA. Public concessions and end-to-end water management operations (capture, distribution and treatment) account for 92% of total revenues, and water infrastructure design and construction for the other 8%.

FCC serves more than 13 million people in over 850 municipalities in Spain. In Eastern Europe, FCC serves 1.3 million users, mainly in the Czech Republic. It also has a strong presence in Italy and Portugal. In Latin America, the Middle East and North Africa, FCC is involved mainly in water infrastructure design, construction and management. FCC Aqualia provides water supply and/or sewage services to 23.5 million people worldwide.

2.1.7.2.1 Results

<i>(million euro)</i>	Dec. 14	Dec. 13	Chg. (%)
Net Revenues	954.0	945.6	0.9%
<i>Concessions</i>	876.6	867.6	1.0%
<i>Design and Construction</i>	77.4	78.0	-0.8%
EBITDA	208.4	193.7	7.6%
<i>EBITDA margin</i>	21.8%	20.5%	1.4 p.p
EBIT	123.9	115.9	6.9%
<i>EBIT margin</i>	13.0%	12.3%	0.7 p.p

Net revenues for the area grew by 0.9% compared to 2013, reaching 954 million euro. The concessions business has seen a 1% increase in turnover, despite the negative effect of the exchange rate against the Czech koruna (-5.7%); while income from the water treatment design and construction remained virtually unchanged (-0.8%).

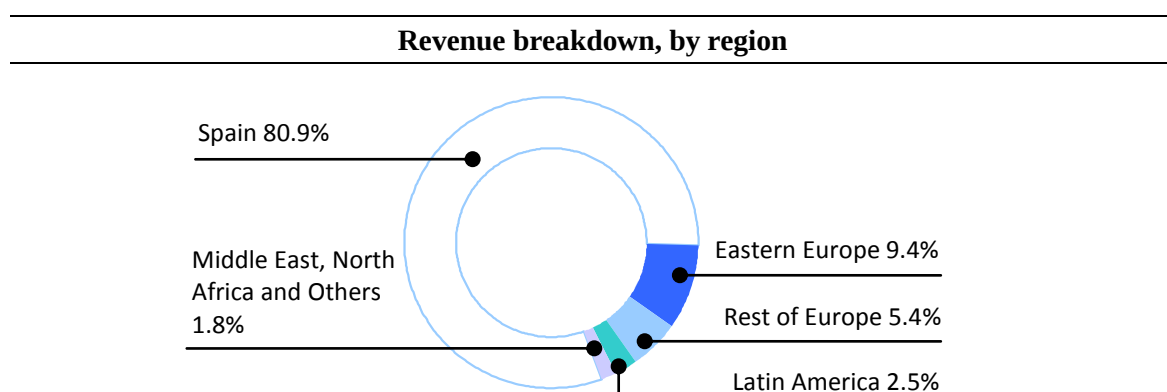
Revenue breakdown by region				
(million euro)	Dec. 14	Dec. 13	Chg. (%)	
Spain	772.1	749.8	3.0%	
Eastern Europe	90.0	94.3	-4.6%	
Rest of Europe	51.2	49.3	3.9%	
Latin America	24.1	35.6	-32.3%	
Middle East, North Africa and Others	16.7	16.6	0.6%	
Total	954.0	945.6	0.9%	

In Spain, revenues increased 3.0% with the addition of Jerez de la Frontera and Cartaya new end-to-end water management contracts, among others, and an increase in the Alcalá de Henares contract and the management of various installations in Madrid.

In Eastern Europe, revenues decreased 4.6% mainly due to the aforementioned negative exchange rate effect in the Czech Republic. In the rest of Europe, activity increased 3.9% after the effect of the adjustment of rates in Italy that took place in third quarter of 2013.

In Latin America, the fall in revenues (-32.3%) was due to the completion of a number of treatment plants in Mexico and a desalination plant in Chile. Looking to the year 2015, we expect an increase in turnover in the region for the execution of various projects such as the construction of a sewerage line in Mexico, an underwater outfall in Uruguay and a treatment plant in Chile.

Finally, income in other markets remains stable (+0.6%) following the initiation of the construction of a desalination plant in Tunisia in the fourth quarter of 2014, which has offset the adverse comparative effect of the adjustment of the operating rates of two desalination plants in Algeria that occurred in the third quarter of 2013.



The gross operating income (EBITDA) increased 7.6% up to 208.4 million euro; representing a 21.8% operating margin (20.5% in 2013). This improvement has mainly arisen as a result of the improved operational efficiency of the concessions business, although it also includes a significant margin improvement in the business of designing and building water infrastructures due to the successful completion of several projects during the year.

Backlog breakdown by region

<i>(million euro)</i>	Dec. 14	Dec. 13	Chg. (%)
Spain	10,575.1	10,653.0	-0.7%
International	4,538.7	4,206.5	7.9%
Total	15,113.8	14,859.5	1.7%

Backlog increased by 1.7% compared to the aggregate at year-end 2013, reaching 15,113.8 million euro, driven by the addition of several international contracts for the design and construction of water infrastructures, along with the upgrade to the associated backlog with the end-to-end supply contract in the Czech Republic. This amount covered more than 15 times the 2014 revenues.

2.1.7.2.2 Cash Flow

7.1.1 C

<i>(million euro)</i>	Dec. 14	Dec. 13	Chg. (%)
Funds from operations^S	227.6	211.4	7.7%
(Increase)/decrease in working capital	21.6	7.2	200.0%
Income tax (paid)/received ^F	(30.6)	(18.1)	69.1%
Other operating cash flow	0.8	(1.7)	-147.1%
Operating cash flow^w	219.4	198.8	10.4%
Investment payments	(106.4)	(122.2)	-12.9%
Divestment receipts	9.7	18.5	-47.6%
Other investing cash flow	(123.7)	(11.1)	N/A
Investing cash flow	(220.5)	(114.7)	92.2%
Interest paid	(45.3)	(73.4)	-38.3%
Issuance/(repayment) of financial liabilities	82.7	(123.2)	-167.1%
Other financing cash flow	3.7	109.3	-96.6%
Financing cash flow	41.1	(87.3)	-147.1%
Exchange differences and others	(0.5)	0.6	-183.3%
Increase/(decrease) in cash and cash equivalents	39.6	(2.6)	N/A

<i>(million euro)</i>	Dec. 14	Dec. 13	Change (M€)
Net interest-bearing debt	326.8	395.9	(69.1)
<i>With recourse</i>	86.6	191.5	(104.9)
<i>Without recourse</i>	240.2	204.4	35.8

The operating cash flow generated by the Water area during the year increased by 10.4% compared to the same period in 2013, totalling 219.4 million euro, in line with the increase in funds from operations.

Investment payments decreased 12.9% to 106.4 million euro, due to the comparative effect with 2013, which included the payment of a fee in connection with the 25-year end-to-end water

management concession in Jerez, Spain. Other investing cash flow includes mainly loans to Group companies, which are adjusted in the consolidated cash flow statement.

Net interest-bearing debt is at 326.8 million euro, down 69.1 million euro. Net non-recourse debt of the parent company amounts to 240.2 million euro, of which 166.3 million euro correspond to business in the Czech Republic and the remaining 73.9 million euro to various end-to-end water management concessions in Spain.

2.1.7.3 Construction

The Construction area accounts for 12.2% of FCC Group EBITDA. It is mainly involved in the design and construction of large civil engineering and industrial works and building in certain geographies. It operates in highly complex public works such as railways, tunnels and bridges, which, with industrial installation and maintenance projects, account for a large part of its activity.

2.1.7.3.1 Results

<i>(million euro)</i>	Dec. 14	Dec. 13	Chg. (%)
Net Revenues	2,076.1	2,597.1	-20.1%
EBITDA	98.2	94.3	4.1%
<i>EBITDA margin</i>	4.7%	3.6%	1.1 p.p
EBIT	27.8	(253.2)	-111.0%
<i>EBIT margin</i>	1.3%	-9.7%	11.1 p.p

Revenues from the area totalled 2,076.1 million euro during 2014; representing a 20.1% decline compared to the previous year, due to the sharp adjustment in public spending on infrastructure in Spain in the last few years, and to the still incipient phase of important international contracts that will start later than initially envisaged.

Revenue breakdown by region			
<i>(million euro)</i>	Dec. 14	Dec. 13	Chg. (%)
Spain	1,037.9	1,447.2	-28.3%
Latin America	640.4	880.0	-27.2%
Europe	190.7	167.8	13.6%
Middle East and North Africa	184.5	40.8	352.2%
US, Canada and others	22.5	61.2	-63.2%
Total	2,076.1	2,597.1	-20.1%

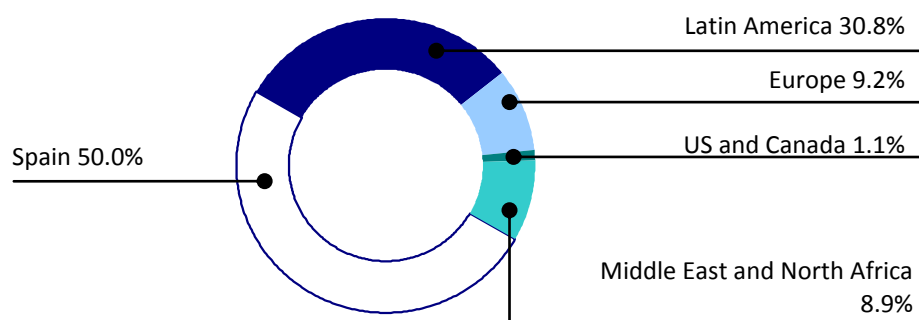
The strong increase in revenues in Middle East and North Africa is mainly due to the commencement of works in the Riyadh metro. The first conditioning phases for the works in the Doha metro began at the end of the third quarter.

Revenues in Latin America decreased 27.2% due to the completion of large projects such as the metro and road reorganisation in Panama City. The works for the Lima metro are expected to start in the second quarter of 2015. In Europe, the 13.6% rise in revenues is mainly due to the start of the

Mersey Gateway project in the UK. The drop in revenues in the US and Canada is due to the completion of the Toronto metro project.

Looking to the year 2015, we expect that turnover in international markets will return to the path of growth once more, due to large-scale projects such as the metros in the cities of Riyadh, Lima and Doha. In any case, it should be noted that the area's growth targets are subject to operational and financial efficiency.

Revenue breakdown by region



Despite the lower net revenues, the gross operating profit (EBITDA) improved by 4.1% year-on-year, reaching 98.2 million euro, which represents an operating margin of 4.7% compared to 3.6% in 2013. This improvement in profitability is due to the measures implemented to adapt the cost structure in Spain to current demand and to the improvement in the average profitability of international contracts.

EBIT fell to 27.8 million euro after incorporating into EBITDA 34 million euro of non-recurrent provisions to cover the risks of the real estate business, with no impact on cash flow during the period.

In 2013, net operating income of -253.2 million euro included impairments and provisions of assets, primarily real estate and concession assets, for an aggregate amount of 129.7 million euro, together with the recognition of a provision of 103.9 million euro for risks associated with certain international contracts and a provision of 75.6 million euro for workforce restructuring costs.

Backlog breakdown by region

(million euro)	Dec. 14	Dec. 13	Chg. (%)
Spain	2,019.7	2,520.6	-19.9%
International	4,193.3	4,087.5	2.6%
Total	6,213.0	6,608.1	-6.0%

The area's backlog fell 6% compared to the end of 2013, reaching 6,213 million euro, due to the continuous decrease in contracting in Spain. However, this balance allows for a guaranteed period of activity of almost three years and is aligned with the aims of giving precedence to future profitability over greater volumes of activity.

Backlog breakdown, by business segment			
<i>(million euro)</i>	Dec. 14	Dec. 13	Chg. (%)
Civil engineering	5,002.2	5,095.3	-1.8%
Building	886.5	1,237.1	-28.3%
Industrial projects	324.3	275.7	17.6%
Total	6,213.0	6,608.1	-6.0%

By business segment, Civil engineering and Industrial projects are gaining weight in the backlog (85.7% of the total), the remaining 14.3% is for the building segment, mainly non-residential. In total, the backlog guaranteed over 35 months' work.

2.1.7.3.2 Cash Flow

<i>(million euro)</i>	Dec. 14	Dec. 13	Chg. (%)
Funds from operations	50.2	120.1	-58.2%
(Increase)/decrease in working capital	67.5	8.4	N/A
Income tax (paid)/received	50.6	(18.7)	N/A
Other operating cash flow	(71.2)	(73.5)	-3.1%
Operating cash flow	97.1	36.3	167.5%
Investment payments	(104.5)	(115.0)	-9.1%
Divestment receipts	27.4	111.4	-75.4%
Other investing cash flow	(137.6)	(146.0)	-5.8%
Investing cash flow	(214.6)	(149.5)	43.5%
Interest paid	(45.7)	(82.3)	-44.5%
Issuance/(repayment) of financial liabilities	208.8	162.2	28.7%
Other financing cash flow	0.9	(0.9)	-200.0%
Financing cash flow	164.0	79.0	107.6%
Exchange differences and others	7.7	(164.2)	-104.7%
Increase/(decrease) in cash and cash equivalents	54.2	(198.3)	-127.3%

<i>(million euro)</i>	Dec. 14	Dec. 13	Change (M€)
Net interest-bearing debt	(212.3)	(164.1)	(48.2)
<i>With recourse</i>	<i>(280.3)</i>	<i>(205.9)</i>	<i>(74.4)</i>
<i>Without recourse</i>	<i>68.0</i>	<i>41.8</i>	<i>26.2</i>

The area of Construction has recorded an operating cash flow of 97.1 million euro in the year, up from 36.3 million in 2013, due to the reduction in operating working capital of 67.5 million euro and to the 50.6 million euro from income tax to the parent company. Other operating cash flow includes, in both periods, provisions for structure adjustments that have already been provisioned, mainly in

the area of domestic Construction, which continues to be a burden on the operating cash flow in this area.

Investment cash flow includes payments for investments —net of cash collections from disposals, in the amount of 77.1 million euro— including contributions to infrastructure concession management companies in the amount of 49.2 million euro. In 2013, investment cash flow included collections from disposals totalling 111.4 million euro, mainly related to the sale of minority stakes in various concessionaires and real estate companies. Other investing cash flow, amounting to 137.6 million euro mainly includes loan variations granted to Group companies and affiliates.

Overall, the area's net cash position increased by 48.2 million euro with respect to December 2013, resulting in 2014 in net cash flow position of 212.3 million euro. The 68 million euro in net interest-bearing debt without recourse to the parent company corresponds to the concession companies for the Coatzacoalcos Tunnel (Mexico) and Conquense Highway (Spain).

2.1.7.4 Cement

The Cement area accounts for 13% of the FCC Group EBITDA, through its 77.9% stake in Cementos Portland Valderrivas. It focuses mainly on cement production, and that company has seven cement factories in Spain, three in the US and one in Tunisia.

2.1.7.4.1 Results

<i>(million euro)</i>	Dec. 14	Dec. 13	Chg. (%)
Net Revenues	542.9	540.9	0.4%
<i>Cement</i>	467.2	426.2	9.6%
<i>Other</i>	75.7	114.7	-34.0%
EBITDA	104.8	50.4	107.9%
<i>EBITDA margin</i>	19.3%	9.3%	10.0 p.p
EBIT	35.9	(24.2)	N/A
<i>EBIT margin</i>	6.6%	-4.5%	11.1 p.p

Income in this area reached 542.9 million euro in 2014 and grew slightly by 0.4%, although this represents the first increase for six consecutive years. By business activity, the 9.6% increase in the net revenues in Cement was offset by the divestment of the least profitable businesses of concrete, mortar and aggregates in Spain.

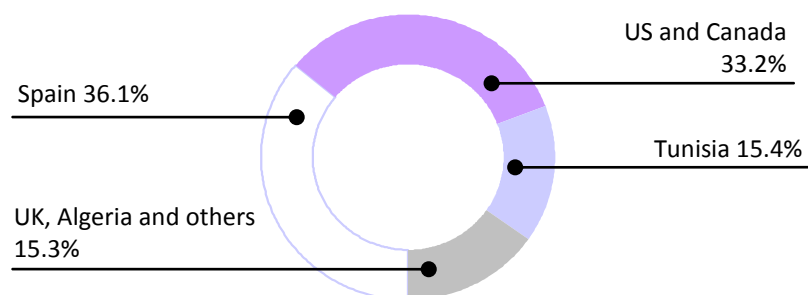
Revenue breakdown by region			
<i>(million euro)</i>	Dec. 14	Dec. 13	Chg. (%)
Spain	196.0	215.0	-8.8%
US and Canada	180.0	180.3	-0.2%
Tunisia	83.8	79.7	5.1%
UK, Algeria and others	83.1	65.9	26.1%
Total	542.9	540.9	0.4%

In Spain, revenues fell by 8.8% due to the aforementioned closure of less profitable plants in the concrete, mortar and aggregate business (whose revenues fell by 55.4%). On the other hand, cement revenues, which reflect the area's evolution on a homogeneous basis of productive assets, increased by 11.7% compared with an annual 0.4% increase in the Spanish cement consumption.

Revenues in the US and Canada were affected by especially adverse weather conditions in the first few months of the year and the period ended practically level compared to 2013 (-0.2%).

In Tunisia, revenues increased by 5.1% despite the negative exchange rate effect (-4.3%), due to improved prices in sales volumes in the local market. Revenues from exports to the UK, Algeria and other markets rose a notable 26.1%.

Revenue breakdown by region



The gross operating profit practically doubled (+107.9%) with respect to the previous year 2013 figures, totalling 104.8 million euro, mainly due to cost saving measures implemented in Spain in previous quarters. This EBITDA figure includes 20.8 million euro from the sale of emissions rights, compared to 2.6 million euro in 2013. Excluding the sale of emissions rights, the area's EBITDA grew by 75.7%. In international markets, the improvement in EBITDA in Tunisia more than offsets the effects of adverse weather in the US during the first few months of the year.

EBIT totalled 35.9 million euro compared to a negative balance of 24.2 million euro in 2013, which included capital gains on the asset sale and swap with CRH for 105 million euro, for the 46.3 million euro in writedowns of less profitable assets and a 58.6 million euro provision for non-recurrent restructuring costs.

2.1.7.4.2 Cash Flow

(million euro)	Dec. 14	Dec. 13	Chg. (%)
Funds from operations	99.1	42.8	131.5%
(Increase)/decrease in working capital	(2.0)	15.7	-112.7%
Income tax (paid)/received	(5.5)	(3.5)	57.1%
Other operating cash flow	(6.8)	(29.6)	-77.0%
Operating cash flow	84.8	25.4	N/A
Investment payments	(14.6)	(31.3)	-53.4%
Divestment receipts	22.8	39.0	-41.5%
Other investing cash flow	0.7	2.4	-70.8%
Investing cash flow	8.9	10.1	-11.9%
Interest paid	(71.4)	(71.2)	0.3%
Issuance/(repayment) of financial liabilities	(23.8)	(23.7)	0.4%
Other financing cash flow	(4.1)	13.0	-131.5%
Financing cash flow	(99.3)	(81.9)	21.2%
Exchange differences and others	2.9	0.3	N/A
Increase/(decrease) in cash and cash equivalents	(2.7)	(46.1)	-94.1%

<i>(million euro)</i>	Dec. 14	Dec. 13	Change (M€)
Net interest-bearing debt	1,304.3	1,363.7	(59.4)
<i>With recourse</i>	20.4	108.2	(87.8)
<i>Without recourse</i>	1,283.9	1,255.5	28.4

The area of Cement has generated an operating cash flow of 84.8 million euro in the year as a whole, compared to 25.4 million in 2013, thanks to the aforementioned increase in gross operating income, along with lower restructuring payments, conducted mainly in 2013.

Investing cash flow totalled 8.9 million euro due to the divestment of non-operational property, plant and equipment and to the restrictions on new investments. The figure in 2013 included the proceeds of 22.1 million euro from the sale of a terminal in the UK.

Net interest-bearing debt declined by 59.4 million euro with respect to December 2013, to 1,304.3 million euro, largely due to the capitalisation of a 110.8 million euro loan granted by the FCC Group's parent company.

2.2. Business performance. Environment

The information relating to the FCC Group's Environmental Policy is described in greater detail in Note 30 to the consolidated financial statements. Information on the environment.

The FCC Group's strategy has a socially responsible commitment in relation to environmental services, complying with applicable legal requirements, respect for its relationship with interest groups and its desire to generate wealth and social wellbeing.

At the FCC Group, the following principles, which form the basis of its contribution to sustainable development, are encouraged and stimulated throughout the organisation:

- On-going improvement: To promote environmental excellence through the setting of targets to achieve on-going improvements in the performance of activities, while minimising the negative impacts of the FCC Group's processes, products and services and strengthening the positive impacts.
- Control and monitoring: To establish environmental indicator management systems for the operational control of processes, which provide the necessary information for monitoring, assessing, taking decisions on and communicating the FCC Group's environmental efforts, and ensure compliance with the commitments acquired.
- Climate change and prevention of pollution: To lead the battle against climate change by implementing processes involving reduced emissions of greenhouse gases and by promoting energy efficiency and the use of renewable energies. To prevent pollution and protect the natural environment through responsible management and consumption of natural resources and by minimising the impact of the emissions, discharges and waste generated and managed as a result of the FCC Group's activities.
- Observation of the environment and innovation: To identify the risks and opportunities of the activities with respect to the changing natural environment in order to promote innovation and the use of new technologies, and to generate synergies between the FCC Group's various activities, inter alia.

- Life cycle of the products and services: To intensify environmental considerations in the planning of activities, purchase of materials and equipment and in relationships with suppliers and contractors.
- Everyone's participation is needed: To promote awareness and application of the environmental principles among employees and other interest groups.

2.3. Business performance. Employees

Following is a detail, by business area, of the FCC Group's headcount at 31 December 2014:

AREAS	SPAIN	ABROAD	TOTAL	%/Total	%Chg. 2013
Construction	4,396	5,576	9,972	17%	-7%
Environmental Services	30,077	8,399	38,476	65%	-1%
Integral Water Management	6,061	1,451	7,512	12%	5%
Cement	811	937	1,748	3%	-5%
Central and Other Services*	636	296	932	2%	-80%
TOTAL	41,981	16,659	58,640	100%	-7%

* Includes 608 employees involved in operations classified as held for sale.

3. LIQUIDITY AND CAPITAL RESOURCES

Liquidity

To optimise its financial position, the FCC Group maintains a proactive liquidity risk management policy by comprehensively monitoring cash and its projections on a fortnightly basis.

The FCC Group meets its liquidity requirements through the cash flows generated by the businesses and through financial agreements reached.

With a view to improving its financial position, the Group actively manages collection from its customers to ensure they meet their payment obligations.

For the purpose of ensuring liquidity and enabling it to meet all the payment obligations arising from its business activities, the Group has the cash disclosed in the consolidated balance sheet (see Note 17 to the consolidated financial statements), and financing (detailed in Note 21 to the consolidated financial statements).

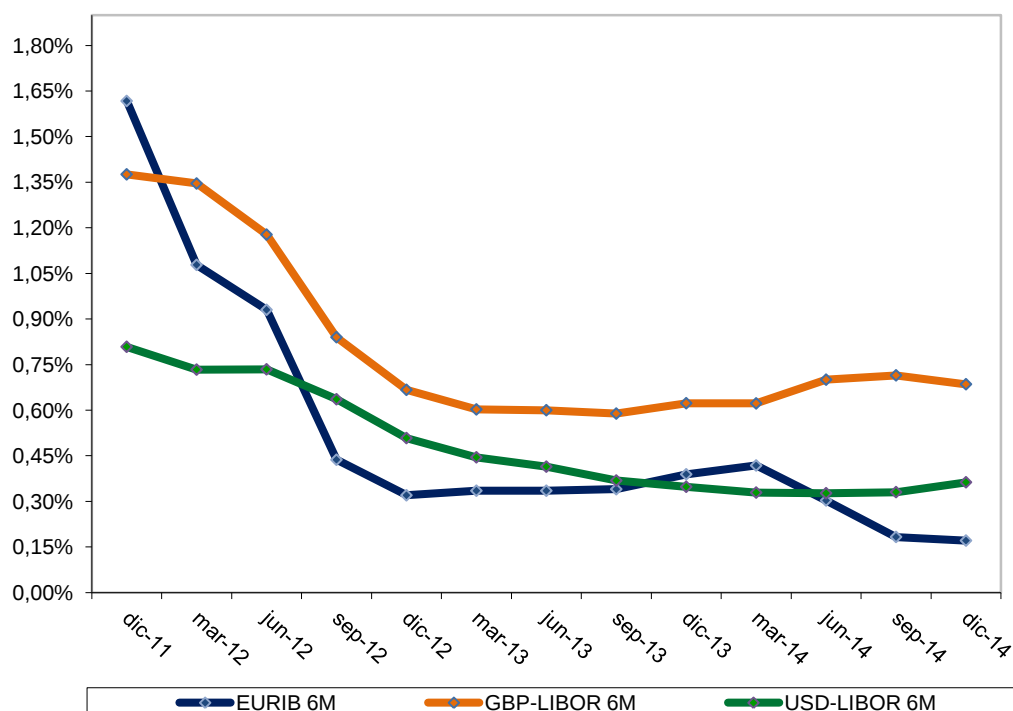
Capital resources

The Group manages its capital to ensure that the companies of which it is composed are capable of continuing as profitable and solvent businesses.

As part of capital management operations, the Group obtains financing through a wide variety of financial products from over 50 domestic and international financial institutions.

In 2014 the Group completed a 4,528 million euro global financing process and reached various limited recourse debt refinancing agreements (see Note 21 to the consolidated financial statements). At the end of 2014, the capital increase of almost 1,000 million euro was also successfully completed.

In order to optimise the cost of capital resources, the FCC Group maintains an active interest rate risk management policy that includes ongoing monitoring of the market and assumes various positions based mainly on the financed asset. As shown by the chart, interest-rate stability over the past year led to very stable interest rate risk in 2014 (see Note 31 to the consolidated financial statements).



This section is discussed in further detail in Note 31 to the consolidated financial statements.

4. MAIN RISKS AND UNCERTAINTIES

The FCC Group is currently implementing an Integrated Risk Management Model, which is being progressively deployed and which will lead to significant improvement in the near future when mitigating the impact of any variances and breaches of its financial and corporate strategy. This new model will enable the Group to anticipate the potential risks to which its activities are subject, since it operates in various geographical spheres, activities and legal environments, which, in turn, imply different risk levels inherent to the businesses in which it performs its operations. In 2015 the implementation of this model is expected to gather momentum.

To date and throughout 2014, the Model, -partially implemented so far- has allowed a high-level risk map to be developed, using Enterprise Risk Management (COSO II) methodology, which furnishes information to Senior Executives and which will contribute to defining the FCC Group's strategy once it has been fully implemented.

The FCC Group's risk management philosophy is being consistent with the business strategy, seeking maximum efficiency and solvency at all times, for which strict risk control and management criteria are being established. It consists of identifying, measuring, analysing and controlling the risks incurred by the Group's operations to ultimately ensure that the risk policy is correctly integrated in the organisation thereof.

In view of the unique nature of each FCC Group business area, risk is managed in each area by preparing a Risks Map in each one and subsequently, based on the reported information, a consolidated Risks Map of the FCC Group will be prepared.

Using this model, the risk in each business area was partially managed in 2014 through:

- The identification of the key risks for the FCC Group, based on their potential threat to the attainment of the organisation's objectives in each business area.
- Risk evaluation. The risk valuation scales are defined in accordance with their potential impact if they materialise and their likelihood of occurrence.
- The identification of the controls and procedures that mitigate both the economic impact and their likelihood of occurrence.
- The identification of an owner for each identified risk, as the person responsible for maintaining an adequate Internal Control level.

The results of Ongoing Risk Management are reported to the Audit and Control Committee, the body ultimately responsible for overseeing the Group's risk management, as included in the Group's Board Regulations.

In 2014, in order to ensure compliance with the best practices existing in this sphere (COSO II ERM), The FCC Group's General Internal Audit and Risk Management Division oversaw the work performed by the various business areas during the implementation stages of the model relating to risk identification and assessment, the appropriate identification of existing control activities and identification of the most effective risk materialisation indicators.

As implementation of the model gathers pace in 2015 for risks exceeding the Accepted Risk for each sector of activity, the necessary action plans will be put into place, including possible corrective measures enabling their critical nature to fall within the Accepted Risk area. These action plans will include the measures required to strengthen existing controls and could potentially include new controls.

Work will also be carried out on updating specific Risk Management procedures in each business area, to ensure compliance with the model and their active involvement in any decision-making process within the organisation.

Consequently, once implemented, the model will enable the FCC Group to:

- Adopt measures to prevent their materialisation (likelihood of occurrence) or minimise their economic impact, by identifying early the key risks, in the case of identifying an internal control area of improvement.
- Compare the objectives to be reached by the Group with the risks that could prevent them from being executed and with the control activities required so that the risk does not materialise, or minimise their economic impact if they do materialise.
- Ensure compliance with prevailing legislation and the Group's internal regulations and procedures.
- Check that the financial preparation processes are adequate to guarantee the reliability and integrity of such financial information.
- Safeguard assets.

By following the best corporate practices in this area and applying COSO II methodology, the various types of risks are categorised in the model into:

- Strategic risks. These are risks related to the Group's strategy and are given priority management. They include the risks relating to the markets /countries/sectors in which the FCC Group operates. They also include reputational risks, innovation risks and economic planning.
- Operating risks. These are risks relating to the operational management and the value chain of each business where the FCC Group operates. They include the risks relating to tender and contracting processes, partner selection, subcontracting and suppliers, human resources management and ongoing employee training.
- Compliance risks. These affect internal or external regulatory compliance. They include those relating to compliance with the FCC Group's Code of Ethics, compliance with legislation applicable to: legal (which includes, since 2010, the criminal code from which criminal liability for legal entities derives), tax, ICFR matters, protection of data, quality, environment, information security and the prevention of occupational risks.
- Financial risks. Risks associated with financial markets, cash generation and management. They include the risks relating to liquidity, working capital management, access to financial markets, exchange rates and interest rates.

In 2014 the reporting risks are included in the operating and strategic risks category. However, in view of their unique nature and that it is essential for the FCC Group to appropriately control this type of risks, in 2015 they will be identified as a separate category in the Risk Maps, in terms of the risks associated with the reliability of the businesses' financial reporting, which is consolidated at the FCC Group's parent, including those relating to the generation of information and their management throughout the organisation.

4.1. Main risks and uncertainties. Operating risks

- a) Public Authorities can unilaterally amend or terminate certain contracts before they are fully executed. In these cases, the compensation to be received by the FCC Group might not be sufficient to cover the losses incurred and, also, such compensation might be difficult to collect.
- b) The economic crisis has led to a slump in the tax revenues of Public Authorities, causing a decline in investment in industries such as concessions or infrastructures.
- c) Certain municipalities could decide to manage the services currently provided by the FCC Group.
- d) The FCC Group's design and construction activities expose it to certain risks, including those relating to economic losses and third-party liability.

- e) The FCC Group carries on its activities through long-term contracts that can adversely affect its ability to react swiftly and appropriately to new unfavourable financial situations.
- f) The FCC Group's ability to make payments is linked to its customers' ability to make payments.
- g) The decline in the acquisition of goods and services or project delays in both the public and private sectors can adversely affect the FCC Group's results.
- h) The FCC Group relies on technology to develop its lines of business and maintain its competitiveness. If the FCC Group failed to keep up with technological developments or industry trends, its business could be adversely affected.
- i) The companies in which the FCC Group has ownership interests together with third parties may expose it to risks.
- j) Certain of the FCC Group's investees are controlled by third parties over which the FCC Group does not exercise control.
- k) The FCC Group's backlog is subject to project adjustments and cancellations and, therefore, is not a sure indication of future revenue.
- l) The FCC Group partakes in tender processes and authorisation regulatory procedures, in which significant expenses can be incurred, without any guarantee of success.
- m) The FCC Group carries out its activity in competitive markets.
- n) Public opinion may react negatively to certain FCC Group facilities.
- o) The FCC Group uses large volumes of energy in its business, laying itself bare to the risk of fluctuations in energy prices.
- p) The departure of key technical and management staff could hamper the success of business operations.
- q) The FCC Group is increasingly dependent on IT systems.
- r) The FCC Group is subject to litigation risk.
- s) The industries in which the FCC Group operates are subject to intense scrutiny by competition authorities.
- t) If the FCC Group fails to obtain Government approval for its projects or suffers delays in obtaining them, its financial position and results could be adversely affected.
- u) The FCC Group's activities are subject to laws and regulations against bribery and corruption that affect where and how the FCC Group conducts its activities.
- v) The FCC Group can be affected by accidents that take place at its construction projects.
- w) Risks associated with the Environmental Services area.
 - (i) The landfill business in the UK has been and continues to be exposed to a very adverse market climate, which could continue to deteriorate in the future, thereby having a negative bearing on the FCC Group.
 - (ii) The decline in waste collection would give rise to a fall in the rates received.

x) Risks associated with the Integral Water Management Area.

- (i) The Water business activities are sensitive to changes in consumption models.
- (ii) The Water business is sensitive to climate conditions.
- (iii) In the supply of drinking water, the FCC Group must ensure that water is fit for human consumption.
- (iv) Polluted water discharge could adversely impact the FCC Group.

y) Risks relating to the Construction Area.

- (i) The FCC Group is subject to construction-related risks.
- (ii) The construction industry is highly cyclical.
- (iii) The FCC Group's construction projects could be delayed or their budget might be exceeded, leading to lower profits than those expected or losses.
- (iv) The construction materials market is greatly affected by the cyclical nature of the construction industry.

z) Risks associated with the Cement Area.

- (i) The cement business's operations are subject to emission control regulations.

4.2. Main risks and uncertainties. Financial risks

The concept of financial risk refers to the changes in the financial instruments arranged by the Group as a result of political, market and other factors and the repercussion thereof on the consolidated financial statements. The FCC Group's risk management philosophy is consistent with its business strategy and seeks to achieve maximum efficiency and solvency at all times. To this end, strict financial risk management and control criteria have been established, consisting of identifying, measuring, analysing and controlling the risks incurred in the Group's operations, and the risk policy has been integrated into the Group organisation in the appropriate manner.

In 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

Capital risk is described in greater detail in Note 3 to the consolidated Directors' Report.

Interest rate risk

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

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.

Solvency risk

The most representative ratio to measure solvency and debt repayment capacity is: Net Debt /EBITDA.

Liquidity risk

Liquidity risk is described in greater detail in Note 3 to the consolidated Directors' Report.

Concentration risk

This is the risk deriving from the concentration of financing transactions based on common characteristics and is distributed as follows:

- Financing sources: In order to diversify this risk, the FCC Group works with a large number of domestic and international financial institutions in order to obtain financing.
- Markets/geographical area (Spanish, foreign): the FCC Group operates in a wide variety of Spanish and international markets, the Group's debt concentrated mainly in euros and in other various international markets, with different currencies.
- Products: The FCC Group uses various financial products: loans, credit facilities, debt instruments, syndicated transactions, assignments and discounts, etc.
- Currency: the FCC Group finances its operations in a wide variety of currencies, corresponding to the country of the investment.

Credit risk

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

The Group requests commercial reports and assesses the financial solvency of its customers before entering into agreements with them and also engages in on-going monitoring of customers, and has a procedure in place to be followed in the event of insolvency. In the case of public customers, the Group follows the policy of not accepting projects without an allocated budget and financial approval. The bids that exceed a certain collection period must be authorised by the Finance Department. Furthermore, late payment is monitored on an ongoing basis by specific bodies such as risk committees.

Financial derivatives designated as hedging instruments

In general, the financial derivatives arranged by the FCC Group are treated for accounting purposes, according to the legislation on hedge accounting described in Note 24 to the consolidated financial statements. The main financial risk being hedged by the FCC Group using derivative instruments is that relating to the change in floating interest rates to which the financing of the FCC Group companies is referenced. Financial derivatives are measured by experts on the subject that are independent from the Group and the entities financing it, using generally accepted methods and techniques.

The financial risks to which the Group is exposed are discussed in further detail in Note 31 to the FCC Group's consolidated financial statements.

5. IMPORTANT CIRCUMSTANCES OCCURRING AFTER THE REPORTING PERIOD

In relation to the New Restructuring Framework Agreement (see Note 21 to the consolidated financial statements), it should be noted that following approval by 86.5% of the lender banks, a court approval proceeding ("*homologacion judicial*") was implemented in order to apply the conditions to all lender banks. Once the Spanish scheme of arrangement has been approved in court, legal proceedings commence in order to file challenges, which, at the date of authorisation of issue of these consolidated financial statements, have not yet concluded.

6. COMPANY OUTLOOK

Set forth below are the prospects for 2015 for the main business areas composing the FCC Group. The construction and services backlog at 2014 year-end, which amounted to 32,996 million euro guarantees the continuation of a high level of activity over the coming years.

In 2015 the **Environmental Services** Area is expected to maintain the budgets in Spanish local corporations, which will help preserve the level of activity. Tender process are envisaged to increase and, therefore, growth is forecast in energy efficiency contracts.

At the end of 2014, the Environmental Services Area portfolio amounted to 11,670 million euro, which is equal to 4.16 years of production, thereby giving a clear perception of future revenues.

In relation to customer debt, the mandatory so-called electronic invoice was implemented vis à vis the Spanish Public Authorities, permitting tighter control over collection periods.

The promotion of new long-term Public Private Partnership-type contracts is forecast to continue throughout 2015, while the Edinburgh and Midlothian contracts are set to be signed, relating to the construction of an energy-from-waste incineration plant, in addition to the development of a third incineration facility at Eastcote, with Nottingham city. Despite the progressive slump in landfill activity, these activities allow us to maintain revenues, which will continue focusing on recycling and landfill diversion objectives imposed by EU directives. An optimisation plan involving landfill activity will be foreseeably implemented, aimed at only keeping assets that meet market demand and profitability criteria. The treatment plant performance enhancement programme is expected to remain ongoing, while growth is forecast for activities relating to power generation and recyclable products.

With regard to Central and Eastern Europe, the business will foreseeably consolidate its position and achieve moderate growth, while overcoming the effects of the financial crisis.

It is envisaged that considerable endeavours will be made to lay the foundations for developing the concessions activity and traditional activities in new countries, within the scope of the strategic plan over the short term.

In 2014 the Industrial Waste sector came to a turning point, compared to preceding years, with regard to the volumes of treated waste and is estimated to slightly rise in 2015 due to an upturn in the economy, growth in private consumption and a moderate revival of industrial activity. Also, keeping up the adjustment measures carried out in 2014 will lead to substantial improvement in results in Spain. In Portugal, the panorama is envisaged to continue as a result of land management awards and mild growth in industrial activity, giving rise to a higher volumes of waste requiring treatment. In the US, following the sale of FCC Environmental, a new company was created called FCC Environmental Services, which is focused on oil field waste management and Public Authority waste management.

In the **Integral Water Management** Area, expansion in 2015 will be boosted mainly through projects in familiar markets, such as Spain, Portugal, Central and Eastern Europe, the Middle East (Egypt, Saudi Arabia and UAE) and Latin America. New markets are also set to open, such as North America, North Africa and India.

At 31 December 2014, the Integral Water Management Area portfolio amounted to 15,114 million euro, which is over 15 times the income for 2014.

The contribution by private companies to provide universal access to water, established as a Millennium Development Goal by the United Nations, will certainly be important, not only because of their technological and management ability but also their capacity to attract financing to develop new infrastructures and maintain those already in existence. According to the definition of the United Nations, this goal obliges governments to seek solutions to facilitate universal access to water, which must contribute to the economic maintenance of the service, in accordance with the conditions established by each country.

In recent years, the Public Authorities in charge of water management are moving away from water cycle integral management concession models towards public-private participation models under the Build Operate Transfer (BOT) regime for new infrastructure construction work. In countries with sufficient budgetary capacity, new infrastructure is still built under construction contracts and new types of maintenance and operation service contracts are being created in accordance with the specific characteristics of each Public Authority.

In Spain in particular, the Law on the de-indexation of the Spanish Economy is still going through Parliament, which is also processing the Bill amending the General Regulations of the Public Procurement Contracts Law. This will have an impact in the industry in terms of bidder solvency and on the lack of classification required for service agreements. These regulatory measures will foreseeably strengthen private water management in Spain.

In the **Construction** Area, although the Spanish market is showing green shoots, significant growth is not envisaged in the volume of public tenders over the short term. Conversely, the international infrastructure market stemming mainly from emerging countries with successful economies present an opportunity for the FCC Construcción Group.

Once phase one of the Strategic Plan has been completed, which consisted of a significant restructuring and adjustments process, the Construction Area will focus on better management, thus contributing positive results to the income statement and cash generation.

One objective in 2015 will be the search for growth, mainly through the international market, based on adequate risk management that will enable a selective project policy to be pursued, thus guaranteeing clear profitability perspectives.

Taking into account the foregoing, it is estimated that revenues in Spain in 2015 will be lower than in 2014, due mainly to budgetary restrictions in the public sector.

However, revenues from abroad in 2015 are estimated to exceed those earned in 2014, thanks to the development of large infrastructure construction projects commenced in 2014 and to the endeavours being made to open new markets enabling operations to take place in main areas such as the Americas (Central America, Chile, Peru, Brazil, Colombia, US, and Canada), the Middle East (Saudi Arabia) and Europe (UK, Romania, Portugal and Poland).

With respect to the **Cement** Area, it should be noted that the level of income is closely linked to the economic performance of the various countries in which the Company is established, which are mainly Spain, accounting for approximately 36% of total revenues, the US, with 33% and Tunisia, with 15%. CPV exports to other countries such as Canada, UK and North Africa from these three countries.

In Spain where most of the Cementos Portland Valderrivas Group's production facilities are located, the estimates for 2015 by Oficimen (the Cement Production Grouping in Spain) indicate an optimistic scenario of a 6.1% increase in cement consumption. It is the first year since 2007 that growth forecasts have been positive. The industry's performance in recent years has been an ongoing decline in activity (2011, down 16.4%, 2012, down 34 %; 2013, down 21%; 2014, up 0.4%) up until 2014, in which activities have stabilised compared to the preceding year. Starting a growth trend is a very important factor for the entire industry and for Cementos Portland, the company with the largest market share.

CPV's projections concerning the downturn in the market are similar to those of Oficimen. Of the total number of tonnes produced by CPV in Spain, approximately 33% are earmarked mainly for exports. This proportion is expected to remain the same in 2015, although cement exports are expected to fall and clinker exports are set to rise. Also, prices are forecast to increase by 7% in the domestic market.

In the US, the estimates from PCA (Portland Cement Association) indicate annual market growth of approximately 8.4% / 10.7% for the 2015-2016 period, which will be headed by the residential sector, while civil works will see more moderate increases due to the budgetary restrictions of the union's government and states. In view of this market performance, as well as the various improvements in management undertaken by the Group, the outlook is bright for the inflows of funds over the coming years in this market. Conversely, although the weight of the sales in tonnes for export to the US stood at approximately 6% in 2014, they will foreseeably increase in coming years, leading to growth in revenues from the US.

The Tunisian market is expected to increase slightly by an estimated 4% in 2015. This market growth will be affected by the presence of new installed production capacity in the market in 2014. However, exports to other countries in North Africa are set to increase, thus leading to a rise in CPV's income in this country compared to 2014.

In this context, the Cementos Portland Valderrivas Group will continue developing its policies to contain costs and restrict investments and adapt all organisational structures to the reality of the various markets in which it operates, in order to obtain a better inflow of funds.

7. R&D+I ACTIVITIES

In 2014 the FCC Group's R&D+i activities materialised into more than 70 projects.

Among the Corporate R&D+i projects, the following must be highlighted in 2014:

- **IISIS- Integrated Research on Sustainable Islands.** It is led by FCC, S.A. through the Environmental Services and Energy Areas, with the participation of other Group areas such as Aqualia, FCC Construcción and the Cementos Portland Valderrivas Group, together with various outside companies. Its objective is to achieve sustainability and self-sufficiency with regard to urban developments for the future, including:
 - Elements, materials, technologies and systems required to develop the building in a marine environment, without constituting a threat to the environment.
 - Self-sufficiency in all respects (energy, water, basic food, waste treatment and recycling).
 - A smart management and control system. All the processes and sub-processes involved in all stages of the lifecycle of the island have been identified, which will be used to create the smart control and management orders, based on achieving maximum efficiency and sustainability.

In 2014 the business areas performed the following R&D+i activities.

SERVICES

In environmental services activities, aside from continuing with the research work in various projects that commenced in previous years, other new projects have been developed, the main ones being as follows:

- **ULTRACAPS TRUCK: New technology in hybrid electric motorisation for waste collection trucks.** Transformation of a collector-compactor side loader unit based on CNG into another truck using an electrical traction system and basic energy storage using ultracapacitor technology.
- **ECOEFFICIENT MANAGEMENT INDICATORS:** In-house development of a method and functional pilot to calculate the significant indicators of the ecoefficient management of the services rendered. It consists of establishing and implementing a system of benchmark indicators that enable the environmental efficiency of the FCC Group's environmental division's production processes to be assessed, in terms of optimisation of resources, reduction in GHGs and adaptation to climate change.
- **ADVANCED SOLUTION FOR THE GLOBAL MANAGEMENT OF ALL THE PROCESSES AND PLAYERS IN ENVIRONMENTAL CONTRACTS:** project that includes various objectives such as process improvement, swiftness of response vis à vis new business requirements, global access to more favourable functionalities, management of geo-referenced information inter alia.

- **PLUG-IN ELECTRIC COLLECTION VEHICLE:** The results of the tests carried out during actual service were analysed and validated.
- **ENERCITY:** With the purpose of developing a printed PV panel using organic material in urban street furniture, to provide energy to its power system.
- **ECOE:** Development and pilot test of a system and new management technology for building installation systems, capable of functioning using the surplus energy in the environment.
- **CEMESMER.** To meet the demand for the management of mercury-related waste in the face of the upcoming obsolescence of certain industrial processes. In 2014 tasks were focused on developing a new range of high-performance cement products for the immobilisation of mercury, thus achieving a technological breakthrough in treatment processes for mercury-contaminated waste. The possibility of its reuse as a construction material will also be studied.
- **LEACHATES.** Modelling of the hydraulic performance of a landfill to study the production of leachates and the implementation of control and mitigation measures.
- **DECONTAMINATION OF AQUIFERS:** Development of a new work method to diagnose the status of a contaminated aquifer and its application to design corrective actions.
- **SOIL DECONTAMINATION:** Inclusion of new sampling techniques, preparation and modelling in the decontamination of environmental liabilities.
- **RECO2VAL:** Integrated demonstration of CO2 reduction processes through the carbonation of waste and mineral raw materials and recovery of carbonation products.

INTEGRAL WATER MANAGEMENT

In 2014 FCC Aqualia's innovation activity was carried on in the areas of Sustainability, Quality and Intelligent Management, including strategic planning. The main projects are as follows:

- **CENIT VIDA.** The project's work led to a change in the treatment model and facilitated the development of five other bioenergy projects relating to the All-gas project.
- **ITACA.** Included in the Sustainability Area, it has extensively sought novel approaches for the use of wastewater as a resource, to lower energy consumption and emissions or in the search for alternative technologies.
- **IISIS.** One of the major initiatives in the Company's Intelligent Management area. The project, led by FCC S.A. enjoyed the significant involvement of FCC Aqualia, which headed the "Water and Environment" and "Integration" tasks. The project's main results led to energy savings, savings in sludge production, enhanced operations, detection of leakages and various software developments.
- **SMARTIC.** Work was performed on water quality control from its collection until its exit from the drinking water plant, with the design and construction of various automation systems capable of performing tests that must currently be conducted at laboratories. Savings have been observed in the drinking water plant's operating costs, as well as an increase in quality, since the operation can be adjusted to the gross water's characteristics.

- **ALEGRIA.** The recovery of industrial effluent, the process of anaerobic digestion with membrane bioreactors and the cultivation of microalgae for its recovery were studied. The project sought to obtain bioenergy and value products.
- **RENOVAGAS.** Its aim is to develop a Synthetic Natural Gas production plant based on biogas, through the methanisation of hydrogen obtained from renewable sources.
- **REGENERA.** In order to develop a wastewater treatment system through the cultivation of microalgae and using the biomass generated as a raw material for biofertilizer production. The research team is composed of Aqualia Infraestructuras, Biorizon, Universidad de Almería and Fundación Cajamar.
- **LIFE MEMORY.** This proposes to demonstrate, on an industrial prototype scale, the technical and economic feasibility of innovative technology, a submerged anaerobic membrane bioreactor (SAnMBR), as an alternative to traditional treatment processes. This technology allows the organic matter in wastewater to be converted into biogas, which can be used at the treatment plant to produce energy in the form of heat and electricity. The benefits to be obtained from the project are: a decrease of up to 70% in energy consumption and 80% in CO₂ emissions, a 25% decrease in space requirement compared to conventional aerobic treatment plants, a decrease of approximately 50% in sludge production and the implementation of a protocol to design and operate treatment plants based on this technology.
- **LIFE BIOSOLWARE.** The study proposes to demonstrate a new treatment for wastewater based on biological technology and a purification site. The process allowed 80% of the water to be reused and organic waste and gas to be recovered.
- **CIP CLEANWATER.** To demonstrate new technology for disinfecting water in three applications: drinking water, desalination and reuse.
- **FP7 URBAN WATER.** An innovative platform will be developed and innovated based on IT and communication technologies, which will improve integral water management in urban areas, representing 17% of water consumption in Europe. The project is focused on developing new solutions to predict water demand and interpreting consumption in order to manage water more efficiently, with innovative modules to estimate water availability and supply, improvement of billing systems and data management in real time, leakage detection and decision making, inter alia.
- **WATER JPI MOTREM.** The Motrem project aims to contribute new technologies for water treatment and/or enhance those already in existence, by developing integrated processes for the control and treatment of pollutants emerging in the current line of the municipal wastewater treatment plants, placing particular importance on water reuse. For this purpose, the project combines transverse and multidisciplinary experience in the design of water treatment processes, and in engineering, analytical chemistry and ecotoxicology applied to the emerging pollutants, which guarantees the generation, not only of new scientific knowledge, but also of innovative commercial solutions for the market.

CONSTRUCTION

FCC Construcción fosters an active policy for technological development, while permanently applying innovation to its construction projects, with a firm commitment to research and development, sustainability and the contribution to the Company's quality of life, as competitiveness factors. This innovation policy is coordinated with the other business areas of the FCC Group.

The development and use of innovative technologies to carry out construction projects significantly contribute value added and is a differentiating factor in the current market, which is highly competitive and internationalised.

The main projects developed were as follows:

- **SMARTBLIND.** The objective of this project is to develop an energy-efficient smart window that includes a hybrid film made up of an electrochromic LC film and a PV film both printed on the same long-lasting flexible substrate.
- **IMPACTO CERO.** Project from the European LIFE programme to develop and demonstrate anti-bird strike tubular screens for high-speed rail lines.
- **DOVICAIM.** Aimed at developing an integrated method and the tools required to support the complete life cycle of the construction of vertical docks using prefabricated blocks in a floating dock, including the design, optimisation, construction, installation and operation. The project is focused directly on a clear strategic priority that is the international development of FCC Construcción.
- **SORT-i.** Development of tools based on optical systems and new technologies for the identification, monitoring and management of structural risks of buildings and infrastructure in an intelligent, automatic and telemetric manner, as a means to maximise safety and minimise the risks of physical damage in high potential situations of structural collapse.
- **REWASTEE.** Aimed at the industrial validation, market deployment and replication of a developed technology for recycling steelmaking wastes to be used for manufacturing multifunctional building products.
- **RS. Rehabilitación Sostenible de Edificios.** Performed in cooperation with Córdoba municipal council through Vimcorsa (Viviendas Municipales de Córdoba S.A.) and the Municipal Housing Institute of Málaga municipal council.
- **SEIRCO.** Smart expert system to assess risks in various construction sector environments.
- **SPIA.** New high-visibility sign systems. Self-contained luminous system for individual use.
- **PRECOIL.** New smart collective prevention systems in dynamic linear infrastructure environments.
- **SETH.** Comprehensive structural monitoring system for buildings based on holistic technologies.
- **BOVETRANS.** Development of a system of light transition vaults in road tunnels that will take advantage of sunlight, a project in cooperation with the Murcia Demarcation of State Roads, monitored in particular by the Directorate General of Roads.
- **APANTALLA.** New nanostructured materials with improved electromagnetic radiation shielding properties.
- **CEMESMER.** New range of cements for stabilising mercury and to achieve a technological breakthrough in treatment processes for mercury-contaminated waste, for its potential recovery for reuse as a construction material.

- **NANOMICRO.** Based on nanomicrocements and their application in concrete towers for wind farms.
- **MERLIN.** Based on the development of better local refurbishment of infrastructure. The three latter projects are carried out in cooperation with the Cementos Portland Valderrivas Group.
- **NEWCRETE.** Concrete for structural use containing a high percentage of recycled aggregates.
- **SEA MIRENP.** Based on marketable ecoefficient by-products yielded by integrating recycled materials at harbours and ports, the objective of which is to conduct research on the application of construction and demolition waste at port and harbour construction projects.
- **AUSCULTACIÓN CONTINUA.** Based on the design, development and validation of a distributed continuous auscultation system for building structures in urban environments.
- **CETIEB.** The project's main objective is the development of innovative solutions for better environmental quality monitoring indoors.
- **BUILD SMART.** It aims to change buildings to achieve increased energy efficiency, based on the new legislation for 2020.

CEMENTOS PORTLAND VALDERRIVAS

Noteworthy is the successful completion of four projects: **CEMESFERAS, HORMIGONES POROSOS, ESCOMBRERAS AND MICROCEMENTOS.** As a result of this research, following is a summary of the main results obtained from them:

- New cement materials were designed leaving a lower carbon footprint, promoting sustainable production through natural resources savings and lower greenhouse gas emissions in processes.
- New high-performance porous concrete has been developed to service new applications under the framework of energy efficiency and future road drainage for heavy traffic.
- Research was carried out on ecoefficient cements through fly ash recovery from fossil fuel waste tips.
- A new range of microcements was developed, placing us in the international sphere with regard to this type of special products, earmarked for the restoration of microfissures in dams and soil stabilisation.

The promotion and development of the five other remaining projects also continued; **NANOMICRO, CEMESMER, BALLAST, MERLIN and MAVIT**, in compliance with the planning of the research work included in the milestones for 2014. Mention should be made of the design and construction of a pilot plant in the **MAVIT** project, carried out at year-end, which will provide us with a test bench for trials on a range of high value-added projects.

Throughout this process, intellectual property remains a key component in safeguarding the developed technologies. Noteworthy is the approval by the Spanish Patents and Trademarks Office (OEPM) of two new patents this year, thereby increasing Cementos Portland Valderrivas's portfolio.

8. ACQUISITION AND DISPOSAL OF TREASURY SHARES

The FCC Group does not perform any transactions involving treasury shares other than those included in the framework agreement of the Spanish National Securities Market Commission (CNMV) on Liquidity Contracts, which aims to provide the share price with liquidity and depth, in accordance with prevailing legislation.

In December 2014 a 1,000 million euro capital increase was carried out, which entailed the issuance of 133,269,083 new shares, thus increasing the Company's share capital to 260,572,379 shares of one euro par value each. For legal reasons, when the aforementioned transaction was performed, the liquidity contract was suspended on 18 November 2014 and resumed on 22 January 2015.

It is estimated that there will be no impact on the return obtained by shareholders from the Liquidity Contract of the treasury shares, given that their nature and objective contravene the existence thereof, or on the earnings per share of the FCC Group.

At 31 December 2014, the FCC Group held directly and indirectly a total of 232,747 Company shares, representing a mere 0.089% of the share capital.

9. OTHER RELEVANT INFORMATION, STOCK MARKET PERFORMANCE AND OTHER INFORMATION

9.1 Stock Market Performance

	Jan. – Dec. 2014	Jan. –Dec. 2013
Closing price (€) ⁽¹⁾	11.75	11.84
Revaluation	(0.8%)	64.06%
Maximum (€) ⁽¹⁾	15.49	12.50
Minimum (€) ⁽¹⁾	9.54	4.90
Average daily trading volume (no. of shares)	1,331,501	798,280
Average effective volume per day (millions of €)	20.4	9.3
Closing capitalisation (millions of €)	3,062	2,059
No. of shares outstanding at close	260,572,379	127,303,296

Following is a detail of FCC's share performance in 2014 compared to 2013.

(1) The figures relating to FCC's shares in 2013 and 2014 are figures adjusted by the capital increase performed in 2014, amounting to 133.26 million shares.

9.2. Dividends

In accordance with the principle of prudent management and in the best interest of all the Company's shareholders, since December 2012, FCC's Board of Directors has decided not to pay any dividends. This agreement remained unchanged in 2014.

This decision, included in the restructuring in progress over the past two years, the purpose of which is to enhance operating efficiency and strengthen the balance sheet, must be ratified by the shareholders at the General Meeting, which will be held in the first half of 2015.

10. ANNUAL CORPORATE GOVERNANCE REPORT
