GRUPO FCC

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.
AND SUBSIDIARIES (CONSOLIDATE 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 financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 35). In the event of a discrepancy, the Spanish-language version prevails.

Consolidated Financial Statements and Directors' Report

2013

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

Financial Statements

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 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
at 31 December 2013

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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 cleaning, industrial waste treatment and waste-to-energy systems.

— **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, freeways and other roads, tunnels, bridges, hydraulic construction works, ports, airports, residential property developments, housing units, non-residential building construction, lighting, industrial air conditioning and heating systems, environmental restoration, etc.

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

International operations, which represent approximately 42% of the FCC Group's revenue (38% in 2012), 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, which was set out in the 2013-2015 Strategic Plan, 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 income statement (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"). The main effects of this process are described in the following paragraphs.

Pursuant to the Group's new business strategy, "Integrated Water Management", which was previously included in Environmental Services, was recognised as a business area, and Versia was eliminated. Versia's main activities, i.e. logistics and street furniture (Cemusa group), were integrated in the latter and are being sold (see Note 4).

With regard to the Renewable Energies Area, it is important to note that, as notified to the Spanish National Securities Market Commission (CNMV) on 30 December 2013, pursuant to the Strategic Plan, Fomento de Construcciones y Contratas, S.A. approved the sale of 51% of the Energy activity to Plenium FMGP, S.L. through an agreement entered into on 27 December 2013. However, the sale will be completed in 2014 (see Note 34). In accordance with accounting standards, the assets and liabilities relating to the Energy business are presented in the accompanying consolidated financial statements under "Non-Current Assets Classified as Held for Sale", "Liabilities Associated with Non-Current Assets Classified as Held for Sale and "Discontinued Operations" (see Note 4).

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

CONSOLIDATED BALANCE SHEET

ASSETS		31/12/13		31/12/12 (*)
NON-CURRENT ASSETS		**8,442,388**		**10,593,513**
Intangible assets (Note 7)		2,857,263		3,821,713
Concessions (Notes 7 and 11)	1,241,958		1,144,232	
Goodwill	1,446,518		1,971,234	
Other intangible assets	168,787		706,247	
Property plant and equipment (Note 8)		3,734,068		4,620,674
Land and buildings	969,627		1,239,200	
Plant and other items of property, plant and equipment	2,764,441		3,381,474	
Investment property (Note 9)		16,827		70,668
Investments accounted for using the equity method (Note 12)		368,709		935,039
Non-current financial assets (Note 14)		383,532		412,630
Deferred tax assets (Note 25)		1,081,989		732,789
CURRENT ASSETS		**7,159,560**		**9,129,536**
Non-current assets classified as held for sale (Note 4)		2,172,503		1,476,190
Inventories (Note 15)		798,029		1,128,668
Trade and other receivables		2,733,676		4,837,241
Trade receivables for sales and services (Note 16)	2,282,468		4,241,536	
Other receivables (Note 16)	417,045		569,892	
Current tax assets (Note 25)	34,163		25,813	
Other current financial assets (Note 14)		401,842		437,212
Other current assets		75,760		83,981
Cash and cash equivalents (Note 17)		977,750		1,166,244
TOTAL ASSETS		**15,601,948**		**19,723,049**

The accompanying Notes 1 to 35 and Appendixes I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2013.

(*) The 2012 column was restated to include the impact of applying the amendments to IAS 19 "Employee Benefits" (see Notes 2, 20 and 26).

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

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND SUBSIDIARIES
for the year ended 31 December 2013 (in thousands of euros)

EQUITY AND LIABILITIES		31/12/13		31/12/12 (*)
EQUITY (Note 18)		**242,756**		**1,696,990**
Equity attributable to the Parent		3,184		1,246,906
Shareholders' equity	330,953		1,674,432	
Share capital	127,303		127,303	
Retained earnings and other reserves	1,680,144		2,884,197	
Treasury shares	(6,103)		(345,019)	
Profit (loss) for the year attributable to the Parent	(1,506,305)		(1,027,963)	
Other equity instruments	35,914		35,914	
Valuation adjustments	(327,769)		(427,526)	
Non-controlling interests		239,572		450,084
NON-CURRENT LIABILITIES		**3,472,310**		**7,587,157**
Grants		226,254		220,239
Long-term provisions (Note 20)		1,091,981		1,154,967
Non-current financial liabilities (Note 21)		1,136,907		5,105,892
Debt instruments and other marketable securities	402,411		1,130,327	
Bank borrowings	518,026		3,220,073	
Other financial liabilities	216,470		755,492	
Deferred tax liabilities (Note 25)		802,757		907,266
Other non-current liabilities (Note 22)		214,411		198,793
CURRENT LIABILITIES		**11,886,882**		**10,438,902**
Liabilities associated with non-current assets classified as held for sale (Note 4)		1,729,203		970,355
Short-term provisions (Note 20)		340,087		303,575
Current financial liabilities (Note 21)		6,398,483		4,324,620
Debt instruments and other marketable securities	448,700		14,350	
Bank borrowings	5,709,081		4,026,930	
Other financial liabilities	240,702		283,340	
Trade and other payables (Note 23)		3,413,817		4,832,407
Payable to suppliers	1,486,538		2,410,701	
Other payables	1,902,132		2,384,458	
Current tax liabilities (Note 25)	25,147		37,248	
Other current liabilities		5,292		7,945
TOTAL EQUITY AND LIABILITIES		**15,601,948**		**19,723,049**

The accompanying Notes 1 to 35 and Appendixes I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2013.

(*) The 2012 column was restated to include the impact of applying the amendments to IAS 19 "Employee Benefits" (see Notes 2, 20 and 26).

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

CONSOLIDATED INCOME STATEMENT

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND SUBSIDIARIES
for the year ended 31 December 2013 (in thousands of euros)

	31/12/13	31/12/12 (*)
Revenue (Note 29)	**6,726,488**	**7,429,349**
In-house work on non-current assets	99,608	60,599
Other operating income (Note 28)	226,373	327,529
Changes in inventories of finished goods and work in progress	(56,039)	(90,759)
Procurements (Note 28)	(2,604,687)	(2,691,270)
Staff costs (Note 28)	(1,995,593)	(2,154,928)
Other operating expenses	(1,886,044)	(1,872,574)
Depreciation and amortisation charge (Notes 7, 8 and 9)	(423,531)	(487,224)
Allocation to profit or loss of grants related to non-financial non-current assets and other grants	2,138	2,830
Impairment and gains or losses on disposals of non-current assets (Note 28)	(238,739)	(200,976)
Other gains or losses (Note 28-e)	(153,108)	(175,207)
PROFIT (LOSS) FROM OPERATIONS	**(303,134)**	**147,369**
Finance income (Note 28)	71,257	88,676
Finance costs (Note 28)	(510,041)	(461,867)
Changes in fair value of financial instruments (Note 28)	22,586	(51,584)
Exchange rate differences	(11,158)	530
Impairment and gains or losses on disposals of financial instruments (Note 28)	(89,232)	2,132
FINANCIAL PROFIT (LOSS)	**(516,588)**	**(422,113)**
Result of companies accounted for using the equity method (Note 28)	58,956	14,061
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**(760,766)**	**(260,683)**
Income tax (Note 25)	135,502	37,956
PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	**(625,264)**	**(222,727)**
Profit (loss) for the year from discontinued operations, net of tax (Note 4)	(905,158)	(869,465)
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR	**(1,530,422)**	**(1,092,192)**

Profit (loss) attributable to the Parent	(1,506,305)	(1,027,963)
Profit (loss) attributable to non-controlling interests (Note 18)	(24,117)	(64,229)

EARNINGS PER SHARE (Note 18)		
Basic	(12.73)	(8.97)
Diluted	(12.73)	(8.97)

The accompanying Notes 1 to 35 and Appendixes I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2013.

(*) The 2012 column was restated for comparison purposes, in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", in order to include the results of discontinued operations recognised in 2013 (see Note 4).

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND SUBSIDIARIES
for the year ended 31 December 2013 (in thousands of euros)

		31/12/13		31/12/12 (*)
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR		**(1,530,422)**		**(1,092,192)**
Income and expense recognised directly in equity		**(15,281)**		**(94,971)**
Revaluation of financial instruments	(2,952)		(195)	
Cash flow hedges	21,977		(68,019)	
Translation differences	(52,397)		23,258	
Actuarial gains and losses (*)	6,760			
Companies accounted for using the equity method	7,103		(63,364)	
Tax effect	4,228		13,349	
Transfers to income statement		**121,376**		**93,491**
Revaluation of financial instruments			14,900	
Cash flow hedges	81,813		85,058	
Translation differences	7,949			
Companies accounted for using the equity method	54,624		20,695	
Tax effect	(23,010)		(27,162)	
TOTAL COMPREHENSIVE INCOME		**(1,424,327)**		**(1,093,672)**
Attributable to the Parent		**(1,390,830)**		**(1,025,684)**
Attributable to non-controlling interests		**(33,497)**		**(67,988)**

(*) Amounts that may not be recognised in the consolidated income statement under any circumstances.

(**) The 2012 column was restated to include the impact of applying the amendments to IAS 19 "Employee Benefits" (see Notes 2 and 20).

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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 2013 (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-f)	Equity
Equity at 31 December 2011	**127,303**	**2,969,654**	**(80,616)**	**(347,479)**	**108,248**	**35,914**	**(434,140)**	**2,378,884**	**536,056**	**2,914,940**
Total income and expenses for the year					(1,027,963)		2,279	(1,025,684)	(67,988)	(1,093,672)
Transactions with shareholders or owners										
Capital increases (reductions)									684	684
Dividends paid		(74,370)						(74,370)	(4,454)	(78,824)
Treasury share transactions (net)		(2,312)		2,460				148		148
Other transactions with shareholders or owners										
Other changes in equity		4,202	80,616		(108,248)		4,335	(19,095)	(2,579)	(21,674)
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 expenses for the year		6,305			(1,506,305)		109,170	(1,390,830)	(33,497)	(1,424,327)
Transactions with shareholders or owners										
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 (Note 18)		(1,066,505)			1,027,963		(9,413)	(47,955)	(173,100)	(221,055)
Equity at 31 December 2013	**127,303**	**1,680,144**	**-**	**(6,103)**	**(1,506,305)**	**35,914**	**(327,769)**	**3,184**	**239,572**	**242,756**

The accompanying Notes 1 to 35 and Appendixes I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2013.

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

CONSOLIDATED STATEMENT OF CASH FLOWS (INDIRECT METHOD)

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND SUBSIDIARIES
for the year ended 31 December 2013 (in thousands of euros)

		31/12/13		31/12/12 (*)
Profit (loss) before tax from continuing operations		(760,766)		(260,683)
Adjustments to profit (loss)		1,509,055		1,437,430
Depreciation and amortisation charge (Notes 7, 8 and 9)	423,531		487,224	
Impairment of goodwill and non-current assets (Notes 7 and 8)	346,334		249,900	
Other adjustments to profit (loss) (net) (Note 28)	739,190		700,306	
Changes in working capital		257,316		145,660
Other cash flows from operating activities		(240,530)		(163,414)
Dividends received	14,141		23,114	
Income tax recovered/(paid) (Note 25)	(111,970)		(148,930)	
Other proceeds/(payments) relating to operating activities	(142,701)		(37,598)	
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		**765,075**		**1,158,993**
Payments due to investments		(507,770)		(437,443)
Group companies, associates and business units	(20,226)		(50,461)	
Property, plant and equipment, intangible assets and investment property (Notes 7, 8 and 9)	(447,236)		(341,236)	
Other financial assets	(40,308)		(45,746)	
Proceeds from disposals		313,171		198,080
Group companies, associates and business units	221,734		113,713	
Property, plant and equipment, intangible assets and investment property (Notes 7, 8 and 9)	63,818		47,150	
Other financial assets	27,619		37,217	
Other cash flows from investing activities		(247,899)		(187,168)
Interest received	36,101		55,525	
Other proceeds/(payments) relating to investing activities	(284,000)		(242,693)	
TOTAL CASH FLOWS FROM INVESTING ACTIVITIES		**(442,498)**		**(426,531)**
Proceeds and (payments) relating to equity instruments (Note 18)		246,487		(51,819)
Issues/(redemptions)	183		682	
(Acquisitions)/disposals	246,304		(52,501)	
Proceeds and (payments) relating to financial liability instruments (Note 21)		(203,888)		(1,007,497)
Issues	368,303		1,642,808	
Repayments and redemptions	(572,191)		(2,650,305)	
Dividends and returns on equity instruments (Note 6)		(4,488)		(152,522)
Other cash flows from financing activities		(371,466)		(396,813)
Interest paid	(402,096)		(371,044)	
Other proceeds/(payments) relating to financing activities	30,630		(25,769)	
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES		**(333,355)**		**(1,608,651)**
Effect of foreign exchange rate changes		(11,487)		6,185
Cash and cash equivalents of assets held for sale and of discontinued operations, reclassified		(166,229)		(266,393)
OTHER CASH FLOWS		**(177,716)**		**(260,208)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(188,494)**		**(1,136,397)**
Cash and cash equivalents at beginning of year		1,166,244		2,302,641
Cash and cash equivalents at end of year		977,750		1,166,244

The accompanying Notes 1 to 35 and Appendixes I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2013.

(*) The 2012 column was restated for comparison purposes, in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", in order to include the results of discontinued operations recognised in 2013 (see Note 4).

Furthermore, the FCC Group is present in the real estate industry through its 37.03% ownership interest in Realia Business, S.A., which engages mainly in housing development and office rental, both in Spain and abroad. The Group also engages, mainly through its 50% ownership interest in Globalvía Infraestructuras, S.A., in infrastructure concessions (motorways, tunnels, marinas, railways, tramways and buildings for a variety of uses). Both activities are included in the divestment plan mentioned above and were reclassified as discontinued operations (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 2013 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 2012 consolidated financial statements were approved by the shareholders of Fomento de Construcciones y Contratas, S.A. at the Annual General Meeting held on 23 May 2013.

These consolidated financial statements of the FCC Group present fairly its equity and financial position at 31 December 2013 and 2012, and the consolidated results of its operations, the changes in the consolidated equity and the consolidated cash flows in the years then ended.

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

In order to uniformly present the various items composing these consolidated financial statements, accounting standardisation criteria were applied to the separate financial statements of the companies included in the scope of consolidation. In general, in 2013 and 2012 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.

<u>De-consolidation of the Alpine Group</u>

On 19 and 28 June 2013, respectively, Alpine Bau GmbH (head of the group of operating companies of the Alpine Group) and Alpine Holding GmbH (parent of Alpine Bau), subsidiaries of FCC Construcción, S.A., decided to file for voluntary insolvency before the competent Austrian courts, after it became evident that they were unable to meet their obligations. The liquidation process of these companies was subsequently formalised, as a result of which, the FCC Group lost control over the Alpine Group and it ceased to be consolidated.

The effects of the de-consolidation of the Alpine Group in the FCC Group's financial statements were as follows:

a) Derecognition of the assets and liabilities belonging to the Alpine Group. The net amount of the derecognition was EUR 10,517 thousand, which relates to EUR 2,233,172 thousand of assets and EUR 2,222,655 thousand of liabilities. These changes are included under "Changes in the Scope of Consolidation, Translation Differences and Other" in the respective tables in the explanatory notes.
b) The FCC Group's ownership interest in these companies (which head the Alpine Group) was considered to be a financial asset valued at zero and a provision for contingencies and charges of EUR 85,317 thousand, net of the related tax effect, was recognised to cover the amount of possible liability and guarantees assumed by the FCC Group.
c) Since the Alpine Group represents a major line of business associated with a geographical area, in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", it was classified as a discontinued operation. Accordingly, "Profit (Loss) for the Year from Discontinued Operations, Net of Tax" in the accompanying consolidated income statement includes: the result of consolidating Alpine from 1 January 2013 until the date on which consolidation was discontinued, the result of the write-off of the full amount of the investment and the provision recognised to meet possible liability and guarantees. Furthermore, in accordance with this standard, for comparison purposes, the consolidated income statement and the consolidated statement of cash flows for 2012 were adjusted accordingly.

FCC management considers it unlikely that any additional, significant losses will arise for the Group as a result of the insolvency and liquidation process of the Alpine Group companies.

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 the Alpine Group.

Reclassifications

Pursuant to IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the Group reclassified the non-core assets, as described in Note 1, which are subject to the disposal process, 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 income statement. Similarly, pursuant to this standard, for comparison purposes, the consolidated income statement and the consolidated statement of cash flows for 2012 were adjusted accordingly.

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 these reclassifications.

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 published by the International Accounting Standards Board (IASB) in the year but which had not yet come into force, either because they had not yet been adopted by the European Union or because they are applicable in subsequent years, were as follows:

		Obligatory application for the FCC Group
Not adopted by the European Union		
IFRS 9	Financial Instruments	Sine die
IFRS 14	Regulatory Deferral Accounts	1 January 2016
IFRIC 21	Levies	1 January 2014
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions	1 January 2015
Adopted by the European Union but not yet in force		
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, IFRS 12 and IAS 27	Exception from consolidation for parent companies that meet the definition of investment entities	1 January 2014
Amendments to IFRS 10, 11 and 12	Clarification of the rules for transition to these standards	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

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.

Specifically, it is considered that the application of IFRS 11 "Joint Arrangements" will not have a significant impact since the FCC Group, as indicated below, applies the option provided for under the current IAS 31 "Interests in Joint Ventures" (which IFRS 11 replaces) to account for jointly controlled entities using the equity method and the jointly controlled assets using proportionate consolidation.

Similarly, it is estimated that the application of IFRS 10 "Consolidated Financial Statements" will not have a significant impact either, since the definition of control under IFRS 10 does not give rise to significant changes in the scope of consolidation of the Group's subsidiaries.

Significant standards and interpretations applied in 2013

The standards already adopted by the European Union that entered into force in 2013 and are used by the Group where applicable, were as follows:

Amendments to IAS 12	Income Taxes - Deferred Taxes Arising from Investment Property
IFRS 13	Fair Value Measurement
Amendments to IAS 1	Presentation of Other Comprehensive Income
Amendments to IAS 19	Employee Benefits
Amendments to IFRS 7	Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

The FCC Group adopted all the amendments and revisions made to the texts and interpretations of the "International Financial Reporting Standards" applicable to it. No noteworthy impacts resulted from the application of these amendments and revisions, except for the amendments to IAS 19 "Employee Benefits". Under the latter, which entered into force on 1 January 2013, any actuarial gains and losses that were previously recognised using the corridor approach must be recognised in equity. The adjustment made at the Cementos Portland Valderrivas Group represented a net impact on equity of EUR 24,612 thousand. As a result, in accordance with IAS 19, the consolidated balance sheet at 31 December 2012 was restated. The adjustments for the actuarial obligations and the changes in value of the assets that occurred in 2013 were taken to the consolidated statement of comprehensive income but it was not necessary to reclassify any of them to the consolidated income statement. Since the aforementioned effect of the restatement is not material, it was not considered necessary to detail the differences between the financial statements for 2012 and the restated financial statements or to include a third balance sheet.

The application of IFRS 13 "Fair Value Measurement" did not have a material effect on the Group's financial statements.

b) Basis of consolidation

Subsidiaries

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

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

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

Joint ventures

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

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

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

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

Associates

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

Companies Accounted for Using the Equity Method" in the accompanying consolidated income statement.

Transactions between Group companies

Gains or losses on transactions between consolidated companies are eliminated on consolidation and deferred until they are realised 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 2013 in the fully consolidated companies and the companies accounted for using the equity method. The results of these companies are included in the consolidated income statement from the effective date of acquisition to year-end or from the beginning of the year to the effective date of disposal or derecognition, as appropriate.

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

3. ACCOUNTING POLICIES

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

a) Service concession arrangements

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

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

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

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

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

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

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

These intangible assets are amortised on the basis of the pattern of consumption of the expected future economic benefits, taken to be the changes in and best estimates of the production units of each activity. The Group's most important concession business in quantitative terms is 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 income statement. As explained above, the income and expenses from the provision of maintenance and operation services are recognised in profit or loss in accordance with IAS 18 "Revenue".

b) Business combinations and goodwill

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

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

Goodwill is recognised as the excess of (a) the aggregate of the fair value of the consideration transferred for the equity interest acquired, 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.

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

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

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

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

c) Intangible assets

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

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

d) Property, plant and equipment and investment property

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

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

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

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

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

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

However, certain contracts have terms shorter than the useful life of the related 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 zero growth rates for the years after those covered by the business plans. In addition, it should be noted that sensitivity analyses are conducted in relation to revenue growth, operating margins and discount rates in order to forecast the impact of future changes on these variables.

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

f) Leases

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

f.1) Finance leases

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

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

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

f.2) Operating leases

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

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

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

g) Investments accounted for using the equity method

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

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

h) Financial assets

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

j) Inventories

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

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

k) Foreign currency

k.1) Translation differences

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

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

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

k.2) Exchange rate 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.

The 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 profit or loss.

The Group currently has in force a remuneration scheme for its Executive Directors and executive personnel, linked to the value of the Parent's 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 profit or loss as the asset or assets to which they relate are depreciated.

m.2) Grants related to income

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

n) Provisions

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

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

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

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. These include, most notably, the provisions recognised for the reorganisation process which the Group is currently undergoing (see Note 1).

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

o) Financial liabilities

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

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

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

p) Financial derivatives and hedge accounting

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

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

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

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

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

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

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

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

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

- Objective and verifiable ex-post measurements.

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

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

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

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

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

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

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

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

The 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 carryforwards, except for those with respect to which there are reasonable doubts as to their future recovery.

r) Pension obligations

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

s) Operating income and expenses

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

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

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

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

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

t) Related party transactions

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

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

u) Consolidated statement of cash flows

The FCC Group prepares its consolidated statement of cash flows in accordance with IAS 7 "Statement of Cash Flows" under the indirect method, 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.

In preparing the condensed consolidated statements of cash flows, "Cash and Cash Equivalents" were considered to be cash on hand, demand deposits at banks and short-term, highly liquid investments that are readily convertible into given amounts of cash and are subject to an insignificant risk of changes in value.

v) Use of estimates

In the Group's consolidated financial statements for 2013 and 2012, 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 identification and the determination of the fair value of the assets and liabilities acquired in business combinations (see Note 5)
- The impairment losses on certain assets (see Notes 7, 8 and 9)
- The useful life of the intangible assets, property, plant and equipment and investment property (see Notes 7, 8 and 9)
- The measurement of goodwill (see Note 7)
- The 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)
- The recoverability of amounts to be billed for construction work performed (see Notes 3-s and 16)
- 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 its sale price, less costs to sell, is estimated to be less than the carrying amount (see Note 4)
- The recoverability of deferred tax assets (see Note 25)

In 2013 and 2012, 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 associated with the cement business, as described in Notes 7 and 8 herein, 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. as 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, were included in the divestment process and for which there were committed sales plans, as indicated in Note 1 above, were reclassified. Specifically, these non-core assets were the Energy Area, the Cemusa, Logistics, FCC Environmental (USA), Realia and Globalvía groups (the latter two were accounted for using the equity method).

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

Also in accordance with IFRS 5, uniformity adjustments were made to the balances in the consolidated income statement and the consolidated statement of cash flows for 2012 relating to the businesses reclassified as discontinued operations in the year, but no such adjustments were made in the 2012 consolidated balance sheet.

With regard to the Energy Area, it is important to note 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 the accounts, except for the related impairment loss up to the sale price set forth in the aforementioned agreement (see Note 34).

Lastly, as a result of the ongoing liquidation process involving the Alpine Group, as described in Note 2, it was de-consolidated and included as a discontinued operation.

In 2012 the FCC Group reclassified the net assets of the Cementos Lemona Group and of Southern Cement Ltd that, subsequently in 2013, were subject to a share exchange for 26.34% of Corporación Uniland, S.A. as assets and liabilities classified as held for sale but not as a discontinued operation and, therefore, the various types of income and expense were recognised under each related line item in the accompanying consolidated income statement (see Note 5). Also, since the sale process of the Energy Area agreed upon in 2013 was already being performed in 2012, the asset, liability, income statement and statement of cash flow data for 2012 are presented as discontinued operations.

The sections below detail, by type, the various income statement, cash flow and balance sheet items relating to assets and liabilities classified as held for sale and discontinued operations.

Income statement

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

	Energy Area	Cemusa Group	Logistics Group	Alpine Group	Globalvia Group	Realia Group	FCC Environmental (USA) Group	Total
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)	(26.217)	(15.596)	(40.334)	(740.164)
Income tax	2.059	335	666	190.688			15.310	209.058
Impairment losses on discontinued operations after tax								(374.052)
Profit (loss) for the year from discontinued operations, net of tax	(13.082)	(24.856)	(2.463)	(423.868)	(26.217)	(15.596)	(25.024)	(905.158)
Profit (loss) attributable to non-controlling interests	(2.430)			(171)				(2.601)
2012								
Revenue	87.390	122.167	253.045	3.212.797			135.698	3.811.097
Operating expenses	(32.823)	(96.304)	(255.628)	(3.611.383)			(132.942)	(4.129.080)
Profit (loss) from operations	(567.630)	(26.892)	(65.637)	(452.894)			(4.951)	(1.118.004)
Profit (loss) before tax	(308.741)	(55.143)	(75.786)	(501.296)	(52.862)	(87.413)	(6.279)	(1.087.520)
Income tax	91.776	10.766	13.459	100.493			1.561	218.055
Profit (loss) for the year from discontinued operations, net of tax	(216.965)	(44.377)	(62.327)	(400.803)	(52.862)	(87.413)	(4.718)	(869.465)
Profit (loss) attributable to non-controlling interests	(1.008)			(4.654)			(40)	(5.702)

As indicated in Note 3-v, the result for 2013 presented in the foregoing table includes a total amount of EUR 374,052 thousand relating to the write-down of the assets classified as held for sale in order to adjust their carrying amount to the lower of carrying amount and estimated sale price less costs to sell. The result from discontinued operations in 2012 includes impairment losses amounting to EUR 262,510 thousand on the Energy Area assets

Statement of cash flows

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

	Energy Area	Cemusa Group	Logistics Group	Alpine Group	FCC Environmental (USA) Group	Total
2013						
Profit (loss) after 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)**
2012						
Profit (loss) after tax from discontinued operations	(308,741)	(55,143)	(75,786)	(501,296)	(6,279)	(947,245)
Adjustments to profit (loss)	374,732	92,738	71,888	279,305	9,983	828,646
Changes in working capital	(1,600)	15,804	(5,149)	(268,054)	1,680	(257,319)
Other cash flows from operating activities	7,446	19,284	3,475	(13,603)	318	16,920
Cash flows from operating activities	**71,837**	**72,683**	**(5,572)**	**(503,648)**	**5,702**	**(358,998)**
Payments due to investments	(214,975)	(102,376)	(2,902)	(68,105)	(13,261)	(401,619)
Proceeds from disposals	897	264	546	22,778	155	24,640
Other cash flows from investing activities	22	7,189	6,038	1,813	(1,069)	13,993
Cash flows from investing activities	**(214,056)**	**(94,923)**	**3,682**	**(43,514)**	**(14,175)**	**(362,986)**
Proceeds and (payments) relating to equity instruments	100,042	—	—	98,827	241	199,110
Proceeds and (payments) relating to financial liability instruments	93,381	30,735	4,251	222,215	10,153	360,735
Other cash flows from financing activities	(69,467)	(6,403)	(2,292)	(43,574)	(1,503)	(123,239)
Cash flows from financing activities	**123,956**	**24,332**	**1,959**	**277,468**	**8,891**	**436,606**
	(18,263)	**2,092**	**69**	**(269,694)**	**418**	**(285,378)**

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 consolidated balance sheet:

	2013		2012	
	Assets	Liabilities	Assets	Liabilities
Cementos Lemona	—	–	337,246	105,203
Energy area	1,190,253	918,67	1,138,944	865,152
Cemusa Group	709,013	714,63	—	—
Logistics Group	113,568	74,10	—	—
FCC Environmental (USA) Group	135,987	21,78	—	—
Globalvía Group	330,017	–	—	—
Realia Group	97,032	–	—	—
Impairment losses	(403,367)	–	—	—
	2,172,503	1,729,20	1,476,190	970,355

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

	2013	2012
Property, plant and equipment	1,031,447	966,258
Intangible assets	736,158	300,525
Financial assets	447,530	8,595
Deferred tax assets	66,243	68,814
Current assets	294,492	131,998
Impairment of non-current assets classified as held for sale	(403,367)	—
Non-current assets classified as held for sale	2,172,503	1,476,190
Non-current financial liabilities	1,265,416	796,474
Other non-current liabilities	71,468	67,050
Current financial liabilities	239,904	82,553
Other current liabilities	152,415	24,278
Liabilities associated with assets classified as held for sale	1,729,203	970,355

5. CHANGES IN THE SCOPE OF CONSOLIDATION

No noteworthy acquisitions took place either in 2013 or in 2012 and, consequently, there were no significant changes in the scope of consolidation of the FCC Group in this connection.

The FCC Group is committed to its Strategic Plan, which, in order to focus on its core businesses, entails major divestments (see Note 1), including most notably the following carried out in 2013:

- The performance of a swap transaction whereby the ownership interest in the Cementos Lemona subgroup was delivered in exchange for the non-controlling interest in the Uniland subgroup owned until then by the CRH cement group. The valuation of the transaction amounted to 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), decreases in reserves of EUR 105,697 thousand and 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.

- The disposal of 49% of Aqualia Czech, S.L. and Aqualia Infraestructuras Inzenyring, S.R.O., subsidiaries of the Smvak Group, 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 sale price and the carrying amount of the investment that was sold was taken to reserves. The transaction gave rise to the recognition in the consolidated financial statements of an increase of EUR 60,729 thousand in reserves and of EUR 38,703 thousand in non-controlling interests (see Note 18).

- With regard to the Alpine subgroup, the information on the impact of its de-consolidation on the consolidated financial statements is described in detail in Notes 2 and 4 to these consolidated financial statements.

In relation to 2012, it is important to note the sale of the Flightcare Group consisting of three companies engaging in passenger and aircraft handling that operated at airports in Spain, Belgium and Italy, for EUR 99,572 thousand (see Note 28-d).

6. ALLOCATION OF PROFIT (LOSS)

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

At its meeting on 20 December 2012, the Board of Directors of Fomento de Construcciones y Contratas, S.A. resolved to not distribute dividends out of 2012 results, as a consequence of the current economic and financial situation, and the need to assume losses due to the write-down of certain of its assets. The EUR 148,427 thousand paid in 2012, as shown in the following table, relate to the interim and final dividends for 2011.

	2013	2012
Shareholders of Fomento de Construcciones y Contratas, S.A.	—	148,427
Other non-controlling interests of the other companies	4,488	4,095
	4,488	152,522

At the Annual General Meeting of Fomento de Construcciones y Contratas, S.A. held on 31 May 2012, the shareholders approved the distribution of the profit for 2011 through a total dividend of EUR 1.30 gross per share. The shareholders of Fomento de Construcciones y Contratas, S.A. received this remuneration through the payment of an interim dividend in January 2012 equal to 65% gross of the par value of the shares, i.e. EUR 0.65 per share and the payment of a final dividend in July 2012 equal to 65% gross of the par value of the shares, i.e. EUR 0.65 per share.

7. INTANGIBLE ASSETS

The detail of the carrying amount of intangible assets at 31 December 2013 and 2012 is as follows:

	Cost	Accumulated amortisation	Impairment	Carrying amount
2013				
Concessions (Note 11)	1,795,529	(508,736)	(44,835)	1,241,958
Goodwill	2,173,838	—	(727,320)	1,446,518
Other intangible assets	371,650	(188,339)	(14,524)	168,787
	4,341,017	(697,075)	(786,679)	2,857,263
2012				
Concessions (Note 11)	1,603,574	(450,792)	(8,550)	1,144,232
Goodwill	2,581,391	—	(610,157)	1,971,234
Other intangible assets	1,282,170	(571,773)	(4,150)	706,247
	5,467,135	(1,022,565)	(622,857)	3,821,713

a) Concessions

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

The changes in "Concessions" in the consolidated balance sheet in 2013 and 2012 were as follows:

	Concessions	Accumulated amortisation	Impairment
Balance at 31/12/11	**1,447,171**	**(420,044)**	**(4,393)**
Additions or charge for the year	144,187	(56,515)	(4,157)
Disposals or reductions	(36,662)	21,220	—
Changes in the scope of consolidation, translation differences and other changes	20,374	4,981	—
Transfers	28,504	(434)	—
Balance at 31/12/12	**1,603,574**	**(450,792)**	**(8,550)**
Additions or charge for the year	215,536	(61,983)	(36,382)
Disposals or reductions	(4,517)	3,005	—
Changes in the scope of consolidation, translation differences and other changes	6,542	1,036	—
Transfers	(25,606)	(2)	97
Balance at 31/12/13	**1,795,529**	**(508,736)**	**(44,835)**

The most significant additions in 2013 relate to the following companies: Aquajerez, S.L., EUR 83,406 thousand, Concesionaria Túnel Coatzacoalcos, S.A., EUR 78,304 thousand (2012: EUR 59,971 thousand), Autovía Conquense, S.A., EUR 21,753 thousand (2012: EUR 23,634 thousand) and concessions operated by Aqualia Gestión Integral del Agua, S.A., EUR 16,829 thousand (2012: EUR 37,706 thousand).

The disposals in 2013 relate to concessions operated by Aqualia Gestión Integral del Agua, S.A., EUR 2,337 thousand and FCC Medio Ambiente, EUR 2,070 thousand, while in 2012 they related mainly to Cartagua Aguas de Cartaxo, S.A., EUR 12,260 thousand.

"Changes in the Scope of Consolidation, Translation Differences and Other Changes" in 2013 includes notably the recognition at Aquajerez, S.L. of future extension or improvement costs amounting to EUR 18,580 thousand (2012: EUR 17,568 thousand at Aqualia Gestión Integral del Agua for the same reason).

The borrowing costs capitalised in 2013 amounted to EUR 2,465 thousand (2012: EUR 2,659 thousand) and accumulated capitalised borrowing costs amounted to EUR 21,173 thousand (2012: EUR 18,708 thousand).

b) Goodwill

The breakdown of goodwill in the accompanying consolidated balance sheet at 31 December 2013 and 2012 is as follows:

	2013	2012
Corporación Uniland Group	583,082	583,082
FCC Environment (UK) Group	313,837	566,495
Cementos Portland Valderrivas, S.A.	226,269	226,269
Alpine Bau Group	—	188,705
A.S.A. Group	136,890	136,890
Aqualia Gestión Integral del Agua, S.A.	82,763	82,763
FCC Environmental LLC	-	50,447
FCC Ámbito, S.A.	23,311	40,735
Giant Cement Holding, Inc. (Notes 2 & 4)	25,870	27,012
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	7,434
International Petroleum Corp. of Delaware	—	5,499
Canteras de Aláiz, S.A.	4,332	4,332
Cementos Alfa, S.A.	3,712	3,712
Other	3,404	5,680
	1,446,518	1,971,234

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

The FCC Environment (UK) Group, formerly the WRG Group

Impairment losses amounting to EUR 236,435 thousand were recognised in 2013, in addition to those amounting to EUR 190,229 thousand recognised in 2012. The measurement of future cash flows estimates a reduction in the tonnage treated at landfills, for both business and municipal customers, since it takes into consideration the alternatives in the market as a result of the landfill tax and of the recycling targets set by the authorities. With regard to the incineration activity, which is carried on primarily at the Allington plant, the percentage availability is expected to rise as far as the forecast levels. As for the other businesses, the forecasts point to growth in projects such as waste management through treatment (sustainable management), incineration and power generation through waste treatment and recycling.

The main assumptions used envisage a sharp decline in revenue in 2014 on 2013 year-end of around 5%, with subsequent growth ranging between approximately 4% and 7% between 2015 and 2018, falling to 2.2% in the last year taken into consideration. For its part, gross operating margin ranges between 21.4% and 23.7% in all the periods taken into consideration. The discount rate used was 6.32% 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 zero growth rate was used to calculate perpetual return. An increase of 50 basis points in the discount rate would give rise to additional impairment of around EUR 121,000 thousand while a 1% increase in the growth of the perpetual return would give rise to an increase in the valuation of approximately EUR 190,000 thousand.

Corporación Uniland Group

Impairment losses amounting to EUR 234,100 thousand were recognised on the goodwill of Corporación Uniland in previous years and, in addition, as a result of acquisitions made subsequent to the takeover, EUR 71,596 thousand were recognised in reserves. The cash flow projections were based on historical data and on internal forecasts and those of external bodies. On the basis of these forecasts, in 2012 cement consumption in Spain was estimated at 15 million tonnes. The actual figure was 13.5 million tonnes (11% less). The estimate for 2013 was 13.4 million tonnes and the actual consumption was 10.8 million tonnes, i.e. 24% less. On the basis of projections as described above, the estimate of domestic consumption for 2014, using independent sources, is around 10 million tonnes. On the basis of this figure, the Group expects the market to recover in subsequent years, taking the historical behaviour of the Spanish population, European per capita consumption, investment in construction and analysts' estimates as reference macroeconomic variables results in estimated consumption of 28.8 million tonnes, which is considered to reflect the normalised volume of long-term consumption in Spain, assuming market share is maintained.

Using the framework described above, a gradual improvement was estimated in revenue with growth ranging from a maximum of 12% for 2019 and 2020 to more modest projected growth in the last two years of the series (2022 and 2023) of around 3.4%. This growth gives rise to a sustained improvement in the gross operating margin from the current figure of around 15% to approximately 34.4% in 2023, 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 cash flows were discounted using a discount rate of 7.24%. A zero growth rate was used to calculate perpetual return. The result of the test gave rise to an excess of recoverable amount over carrying amount of the cash-generating unit of EUR 91,409 thousand that would withstand an increase of slightly more than 45 basis points and a decrease in the present value of the cash flows of around 7.5% without suffering impairment. An increase of 50 basis points in the discount rate would give rise to impairment of approximately EUR 5,800 thousand and a 10% reduction in the present value of the cash flows would give rise to impairment of approximately EUR 29,000 thousand. A 1% increase in the growth rate would give rise to an increase in the measure of approximately EUR 136,000 thousand.

Cementos Portland Valderrivas

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

The cash flows corresponding to the Alcalá de Guadaira CGU were calculated using assumptions consistent with those employed for Uniland, which were adapted to the particular circumstances of this CGU. More specifically, the projected future revenue growth considered a 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 7.24% discount rate. A zero growth rate was used to calculate perpetual return. The current projections give rise to an excess of recoverable amount over the CGU's carrying amount of EUR 103,805 thousand, which would withstand an increase in the discount rate of more than 290 basis points and a reduction of more than 35% of the present value of cash flows.

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 7.24%, 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.

The changes in goodwill in the accompanying consolidated balance sheet in 2013 and 2012 were as follows:

Balance at 31/12/11		**2,352,312**
Changes in the scope of consolidation, translation differences and other changes:		
FCC Environment (UK) Group	18,965	
Other	(14,765)	4,200
Reclassifications to or from assets held for sale: (note 4)		
Giant Cement Holding, Inc.	26,682	
Cementos Lemona Group	(56,230)	
Southern Cement Ltd.	(3,749)	(33,297)
Impairment losses transferred to discontinued operations: (note 4)		
Alpine Holding GmbH	(80,000)	
FCC Logística, S.A.	(58,957)	(138,957)
Impairment losses (note 28-d)		
FCC Environment (UK) Group	(190,229)	
Other	(22,795)	(213,024)
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	(4,305)	(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	(5,499)	(244,651)
Impairment losses (note 28-d)		
FCC Environment (UK) Group	(236,435)	
FCC Ámbito, S.A.	(17,424)	
Other	(8,831)	(262,690)
Balance at 31/12/13		**1,446,518**

In 2013 the goodwill of the Alpine Group, amounting to EUR 188,705 thousand, was de-consolidated as a result of its ongoing liquidation process, goodwill at FCC Environmental LLC was reduced by EUR 50,447 thousand and goodwill at International Petroleum Corp. of Delaware was reduced by EUR 5,499 thousand, both of which were reclassified as discontinued operations (see Notes 2 and 4).

"Changes in the Scope of Consolidation, Translation Differences and Other Changes" in 2013 includes most notably the effect of the depreciation of the pound sterling against the euro, which gave rise to an decrease of EUR 11,928 thousand (2012: an increase of EUR 18,965 thousand) in the goodwill associated with the British FCC Environment (UK) Group (formerly the WRG Group).

c) Other intangible assets

The changes in "Concessions" in the consolidated balance sheet in 2013 and 2012 were as follows:

	Other intangible assets	Accumulated amortisation	Impairment
Balance at 31/12/11	**1,497,625**	**(552,069)**	**(3,573)**
Additions or charge for the year	34,976	(87,905)	(480)
Disposals or reductions	(41,053)	15,507	—
Changes in the scope of consolidation, translation differences and other changes	(208,174)	52,191	1,799
Transfers	(1,204)	503	(1,896)
Balance at 31/12/12	**1,282,170**	**(571,773)**	**(4,150)**
Additions or charge for the year	48,201	(21,910)	(10,277)
Disposals or reductions	(17,766)	10,627	—
Changes in the scope of consolidation, translation differences and other changes	(940,931)	394,721	(97)
Transfers	(23)	(4)	—
Balance at 31/12/13	**371,651**	**(188,339)**	**(14,524)**

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
- software.

In both years, "Changes in the Scope of Consolidation, Translation Differences and Other Changes" includes the transfers to non-current assets classified as held for sale. In 2013, it includes EUR 540,965 thousand net of amortisation and impairment losses 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 2013 and 2012 is as follows:

	Cost	Accumulated depreciation	Impairment	Carrying amount
2013				
Land and buildings	**1,513,594**	**(423,608)**	**(120,359)**	**969,627**
Land and natural resources	779,630	(98,275)	(105,461)	575,894
Buildings for own use	733,964	(325,333)	(14,898)	393,733
Plant and other items of property, plant and equipment	**7,546,834**	**(4,749,237)**	**(33,156)**	**2,764,441**
Plant	4,819,908	(2,734,194)	(16,049)	2,069,665
Machinery and transport equipment	2,052,925	(1,538,276)	(13,881)	500,768
Property, plant and equipment in the course of construction	52,094	—	—	52,094
Other property, plant and equipment	621,907	(476,767)	(3,226)	141,914
	9,060,428	(5,172,845)	(153,515)	3,734,068
2012				
Land and buildings	**1,817,284**	**(487,010)**	**(91,074)**	**1,239,200**
Land and natural resources	801,292	(95,209)	(80,400)	625,683
Buildings for own use	1,015,992	(391,801)	(10,674)	613,517
Plant and other items of property, plant and equipment	**8,628,807**	**(5,221,606)**	**(25,727)**	**3,381,474**
Plant	5,178,640	(2,838,991)	(10,710)	2,328,939
Machinery and transport equipment	2,544,678	(1,789,083)	(12,464)	743,131
Property, plant and equipment in the course of construction	83,944	—	—	83,944
Other property, plant and equipment	821,545	(593,532)	(2,553)	225,460
	10,446,091	(5,708,616)	(116,801)	4,620,674

The changes in 2013 and 2012 in property, plant and equipment accounts were as follows:

	Land and natural resources	Buildings for own use	LAND AND BUILDINGS	Plant	Machinery and transport equipment	Property, plant and equipment in the course of construction	Other property, plant and equipment	PLANT AND OTHER ITEMS OF PROPERTY, PLANT AND EQUIPMENT	ACCUMULATED DEPRECIATION	IMPAIRMENT
Balance at 31/12/11	**778,874**	**1,370,883**	**2,149,757**	**4,420,300**	**2,668,562**	**116,056**	**821,469**	**8,026,387**	**(5,513,646)**	**(60,585)**
Additions or charge for the year	925	29,836	30,761	17,615	94,375	75,869	40,353	228,212	(492,117)	(32,168)
Disposals or reductions	(664)	(17,045)	(17,709)	(22,504)	(80,166)	(4,445)	(41,766)	(148,881)	111,252	6,772
Changes in the scope of consolidation, translation differences and other changes	14,847	9,441	24,288	310,968	(158,968)	3,681	(1,555)	154,126	176,446	(23,253)
Transfers	7,310	(377,123)	(369,813)	452,261	20,875	(107,217)	3,044	368,963	9,449	(7,567)
Balance at 31/12/2012	**801,292**	**1,015,992**	**1,817,284**	**5,178,640**	**2,544,678**	**83,944**	**821,545**	**8,628,807**	**(5,708,616)**	**(116,801)**
Additions or charge for the year	933	21,171	22,104	17,178	63,980	39,977	26,626	147,761	(338,142)	(36,988)
Disposals or reductions	(8,807)	(12,479)	(21,286)	(11,887)	(74,565)	(1,517)	(25,391)	(113,360)	111,784	1,469
Changes in the scope of consolidation, translation differences and other changes	(14,818)	(281,037)	(295,855)	(402,117)	(492,179)	(23,946)	(204,525)	(1,122,767)	759,674	1,773
Transfers	1,030	(9,683)	(8,653)	38,094	11,011	(46,364)	3,652	6,393	2,455	(2,968)
Balance at 31/12/2013	**779,630**	**733,964**	**1,513,594**	**4,819,908**	**2,052,925**	**52,094**	**621,907**	**7,546,834**	**(5,172,845)**	**(153,515)**

The most significant "additions" in 2013 were the investments made for the performance of contracts in the Environmental Services business, mainly at the FCC Environment (UK) Group (formerly the WRG Group), amounting to EUR 53,436 thousand (2012: EUR 46,991 thousand), at Fomento de Construcciones y Contratas, amounting to EUR 30,291 thousand (2012: EUR 27,254 thousand) and those made in the Integral Water Management business, primarily by SmVak, amounting to EUR 18,568 thousand (2012: EUR 18,767 thousand).

Impairment losses in 2013 included most notably EUR 36,032 thousand (2012: EUR 30,216 thousand) recognised in the cement business on non-current assets used mainly in closed or loss-making aggregate, mortar and concrete production plants.

"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" includes the transfer of assets amounting to EUR 178,462 thousand net of depreciation and impairment losses to non-current assets classified as held for sale (2012: transfers from non-current assets classified as held for sale amounting to EUR 326,043 thousand) relating to companies classified as discontinued operations, and EUR 405,710 thousand relating to the de-consolidation of the Alpine Group as a result of its ongoing liquidation process (see Notes 2 and 4).

No borrowing costs were capitalised in 2013 (2012: EUR 15 thousand) and accumulated capitalised borrowing costs amounted to EUR 45,255 thousand (2012: EUR 59,172 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 2013 year-end, the Parent considered that the property, plant and equipment were fully insured.

Fully depreciated property, plant and equipment which, being in good working order, are used in production amounted to EUR 2,844,371 thousand at 31 December 2013 (31 December 2012: EUR 2,867,393 thousand).

At 31 December 2013, property plant and equipment located outside Spain, net of depreciation, in the accompanying consolidated balance sheet amounted to EUR 2,392,049 thousand (31 December 2012: EUR 3,095,335 thousand). The change in this line item arose mainly as a result of the de-consolidation of the Alpine Group, amounting to EUR 405,710 thousand, and the transfer to non-current assets classified as held for sale of the Cemusa Group, Logistics and the FCC Environment (USA) Group, amounting to EUR 144,214 thousand (see Note 4).

Restrictions on title to assets

Of the total property, plant and equipment in the consolidated balance sheet at 31 December 2013, there are restrictions on title to assets amounting to EUR 584,229 thousand (31 December 2012: EUR 771,442 thousand), the detail being as follows:

	Cost	Accumulated depreciation	Carrying amount
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
2012			
Buildings, plant and equipment	1,295,512	(697,502)	598,010
Other items of property, plant and equipment	764,858	(591,426)	173,432
	2,060,370	(1,288,928)	771,442

The change in the net value of the assets with restrictions on title arose mainly as a result of the de-consolidation of the Alpine Group, amounting to EUR 31,800 thousand, and to the transfer to non-current assets classified as held for sale of the Cemusa, Logistics and FCC Environment (USA) groups, amounting to EUR 86,350 thousand (see Note 4).

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

Purchase commitments

In the course of their business activities, the Group companies had formalised property, plant and equipment purchase commitments amounting to EUR 593 thousand at 31 December 2013 (31 December 2012: EUR 3,856 thousand), the detail being as follows:

	2013	2012
Buildings for own use	—	137
Plant	—	150
Machinery and transport equipment	272	2,580
Other property, plant and equipment	321	989
	593	3,856

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 2013 and 2012 is as follows:

	Cost	Accumulated depreciation	Carrying amount
2013			
Investment property	16,835	(8)	16,827
	16,835	(8)	16,827
2012			
Investment property	74,085	(3,417)	70,668
	74,085	(3,417)	70,668

The detail of the changes in 2013 and 2012 is as follows:

Balance at 31/12/11	**34,458**
Additions	37,149
Disposals	(3,727)
Depreciation and impairment charge	(2,400)
Changes in the scope of consolidation, translation differences and other changes	(104)
Transfers	5,292
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 31/12/2013	**16,827**

The "disposals" in 2013 include EUR 35,529 thousand relating to FCC Construcción, S.A. for the sale of the 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 include most notably EUR 14,691 thousand relating to the de-consolidation of the Alpine Group due to its ongoing liquidation process (see Notes 2 and 4).

At 2013 and 2012 year-end, the Group did not have any firm commitments to purchase or construct investment property.

10. LEASES

a) Finance leases

The detail of the finance leases in force at the end of 2013 and 2012 and of the related cash flows is as follows:

	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 -d)	**40,910**	**7,344**	**48,254**
Contract term (years)	2 to 5	10	
Value of purchase options	543	5,493	6,036

	Movable property	Real estate	Total
2012			
Carrying amount	**96,534**	**18,707**	**115,241**
Accumulated depreciation	65,578	5,151	70,729
Cost of the assets	**162,112**	**23,858**	**185,970**
Finance costs	15,079	8,906	23,985
Capitalised cost of the assets	**177,191**	**32,764**	**209,955**
Lease payments paid in prior years	(84,634)	(12,660)	(97,294)
Lease payments paid in the year	(35,271)	(660)	(35,931)
Lease payments outstanding, including purchase option	**57,286**	**19,444**	**76,730**
Unaccrued finance charges	(2,441)	(3,408)	(5,849)
Present value of lease payments outstanding, including purchase option (note 21-c and -d)	**54,845**	**16,036**	**70,881**
Contract term (years)	2 to 5	10	
Value of purchase options	2,487	10,754	13,241

The decrease in the present value of lease payments outstanding in 2013 arose mainly as a result of the de-consolidation of the Alpine Group which contributed EUR 19,624 thousand at 31 December 2012 (see Note 4).

The detail, by maturity, of the total amount of the lease payments and of their present value at 31 December 2013 is as follows:

	Within one year	Between one and five years	After five years	Total
2013				
Lease payments outstanding, including purchase option	**13,220**	**33,607**	**3,206**	**50,033**
Unaccrued finance charges	(470)	(1,195)	(114)	(1,779)
Present value of lease payments outstanding, including purchase option	**12,750**	**32,412**	**3,092**	**48,254**

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 2013 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 2013 amounted to EUR 205,496 thousand (31 December 2012: EUR 232,008 thousand). These payments relate mainly to machinery leased in the construction business, to plant and to buildings leased for use by the Group in all the activities carried on by it.

It is important to note the new lease in 2012 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 CPI.

Of the leases arranged in previous years, it is important to note the lease entered into by the FCC Group and Hewlett Packard Servicios España, S.L. on 19 November 2010, for a seven-year period, through which the IT Infrastructure Operation Services were outsourced in order to improve efficiency and enable the Group to be more flexible and competitive on an international scale. 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 CPI. The owner, 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 or the CPI-adjusted selling price.

At 2013 year-end, the non-cancellable future payment obligations relating to operating leases for buildings, structures and IT infrastructure operation services amounted to EUR 428,303 thousand (2012: EUR 794,940 thousand). The difference between the two years arose mainly as a result of the derecognition of the balances of the Alpine Group and the transfer of the street furniture and logistics businesses, which contributed EUR 162,263 thousand and EUR 170,059 thousand, respectively, in 2012, to discontinued operations. The detail, by maturity, of the non-cancellable future minimum payments at 31 December 2013 is as follows:

	2013
Within one year	41,443
Between one and five years	123,606
After five years	263,254
	428,303

As a lessor, the FCC Construcción 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 in various headings on the asset side of the accompanying consolidated balance sheet.

The following table includes the total amount of the assets held by the Group companies under service concession arrangements and recognised under "Intangible Assets", "Non-Current Financial Assets", "Current Financial Assets" and "Investments Accounted for Using the Equity Method" in the accompanying consolidated balance sheet at 31 December 2013 and 2012.

	Intangible assets	Financial assets	Jointly controlled entities	Associates	Total investment
2013					
Water services	1,320,531	28,507	44,497	80,527	1,474,062
Motorways and tunnels	248,987	—	8,466	33,153	290,606
Other	226,010	124,981	18,255	62,208	431,454
TOTAL	**1,795,528**	**153,488**	**71,218**	**175,888**	**2,196,122**
Accumulated amortisation	(508,735)	—	—	—	(508,735)
Impairment losses	(44,835)	—	—	—	(44,835)
	1,241,958	153,488	71,218	175,888	1,642,552
2012					
Water services	1,185,524	26,620	104,283	76,212	1,392,639
Motorways and tunnels	279,277	—	375,006	50,660	704,943
Other	138,773	73,901	21,762	51,928	286,364
TOTAL	**1,603,574**	**100,521**	**501,051**	**178,800**	**2,383,946**
Accumulated amortisation	(450,792)	—	—	—	(450,792)
Impairment losses	(8,550)	—	—	—	(8,550)
	1,144,232	100,521	501,051	178,800	1,924,604

In 2012 the amount of jointly controlled entities included EUR 368,386 thousand relating to the GlobalVía Group which was classified as a discontinued operation in 2013.

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 motorways and toll 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 104,386 thousand at 31 December 2013 (31 December 2012: EUR 120,990 thousand).

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

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

	2013	2012
Jointly controlled entities	132,877	645,671
Associates	235,832	289,368
	368,709	935,039

The balances in the foregoing table include the loans granted to companies accounted for using the equity method, notably EUR 10,186 thousand (2012: EUR 14,955 thousand) granted to the jointly controlled company Empresa Municipal de Aguas de Benalmádena, S.A. and to the associates Concessió Estacions Aeroport L9, S.A., in the amount of EUR 51,579 thousand (2012: same amount) and Aquos El Realito, S.A. in the amount of EUR 9,863 thousand (2012: EUR 2,875 thousand).

In 2013 impairment losses amounting to EUR 182 thousand were recognised at the ASA Group. As for 2012, the Group recognised impairment losses of EUR 1,181 thousand at Converty Service, S.A. (classified as a discontinued operation in 2013 since it forms part of the logistics activity) and at Costa Verde Habitat, S.L. amounting to EUR 1,852 thousand.

a) Jointly controlled entities

The detail, by company, of "Jointly Controlled Entities" is disclosed in Appendix II to these consolidated financial statements, which lists the jointly controlled entities, the detail of the main ones being as follows:

	2013	2012
Realia Business Group	—	56,609
Globalvía Group	—	368,386
Proactiva Group	—	54,858
Other	132,877	165,818
	132,877	645,671

The changes in 2013 and 2012 were as follows:

	Acquisitions and disbursements	Profit (loss) for the year	Dividends paid	Changes in fair value of financial instruments recognised in reserves	Sales	Translation differences and other changes	Value of the investment	Loans granted	Total
Balance at 31/12/11							**759,452**	**47,093**	**806,545**
Realia Business Group	—	—	—	4,787	—	(87,531)	(82,744)	—	(82,744)
Globalvía Group	—	—	—	(14,481)	—	(41,749)	(56,230)	—	(56,230)
Sdad. Concesionaria Tranvía de Murcia, S.A.	—	560	—	—	—	(1)	559	940	1,499
Proactiva Group	—	6,962	(1,500)	1,019	—	601	7,082	—	7,082
Ebesa	—	859	(1,225)	—	—	(485)	(851)	—	(851)
Ibisan Soc. Concesionaria, S.A.	—	1,090	—	(1,228)	—	—	(138)	—	(138)
ACE Caet XXI Construçoes	—	(3,657)	(4,539)	—	—	—	(8,196)	—	(8,196)
Mercia Waste Management Ltd.	—	2,959	—	—	—	109	3,068	—	3,068
Atlántica de Graneles y Moliendas, S.A.	—	(1,227)	—	—	—	—	(1,227)	—	(1,227)
Other	476	(6,737)	(6,085)	396	—	(3,814)	(15,764)	(7,373)	(23,137)
Total 2012	476	809	(13,349)	(9,507)	—	(132,870)	(154,441)	(6,433)	(160,874)
Balance at 31/12/12							**605,011**	**40,660**	**645,671**
Realia Business Group	—	—	—	—	—	(56,609)	(56,609)	—	(56,609)
Globalvía Group	—	—	—	—	—	(368,386)	(368,386)	—	(368,386)
Sdad. Concesionaria Tranvía de Murcia, S.A.	—	(1,686)	—	—	—	—	(1,686)	(8,084)	(9,770)
Proactiva Group	—	2,674	—	1,594	(58,050)	(1,076)	(54,858)	—	(54,858)
Ebesa	—	798	—	—	—	—	798	—	798
Ibisan Soc. Concesionaria, S.A.	—	568	—	1,278	—	—	1,846	—	1,846
ACE Caet XXI Construçoes	—	(2,825)	3,657	—	—	—	832	854	1,686
Mercia Waste Management Ltd.	—	1,745	(870)	—	—	(148)	727	—	727
Atlántica de Graneles y Moliendas, S.A.	435	(435)	—	—	—	—	—	—	—
Other	—	(15,692)	(6,771)	(1,471)	494	495	(22,945)	(5,283)	(28,228)
Total 2013	435	(14,853)	(3,984)	1,401	(57,556)	(425,724)	(500,281)	(12,513)	(512,794)
Balance at 31/12/13							**104,730**	**28,147**	**132,877**

The most significant changes in the foregoing table that occurred in 2013 were the reduction due to the transfer of the Realia Business and Globalvía Infraestructuras groups to discontinued operations (see Note 4), included in the "Translation Differences and Other Changes" column.

Following are the main aggregates in the financial statements of the jointly controlled entities, in proportion to the percentage of ownership held therein, at 31 December 2013 and 2012.

	2013	2012
Non-current assets	354,840	2,833,304
Current assets	349,454	983,347
Non-current liabilities	250,143	1,949,645
Current liabilities	353,085	1,004,951
Income statement		
Revenue	577,652	761,093
Profit (loss) from operations	20,591	30,602
Profit (loss) before tax	(4,020)	4,911
Profit (loss) attributable to the Parent	(14,853)	809

It is important to note that "Results of Companies Accounted for Using the Equity Method" also includes the gains and losses arising from the disposals, mainly the gain obtained from the sale of the Proactiva Group (see Notes 5 and 28) amounting to EUR 51,959 thousand. This amount includes a loss arising from the recognition of valuation adjustments for a negative amount of EUR 12,479 thousand in the consolidated income statement (which did not have an effect on equity).

The jointly controlled entities engage mainly in the operation of concessions, such as motorways, concessions relating to the integral water cycle, urban cleaning, tunnels and passenger transport.

Guarantees amounting to EUR 93,225 thousand (2012: EUR 232,426 thousand) were provided, mostly to Government Agencies and private customers, for businesses managed jointly with non-FCC Group third parties, as security for the performance of contracts in the Group's various business activities.

b) Associates

The detail, by company, of "Associates" is disclosed in Appendix III to these consolidated financial statements, which lists the associates, the detail of the main ones being as follows:

	2013	2012
Cedinsa Concessionària	38,432	35,859
Cleon, S.A.	25,649	25,610
Shariket Tahlya Miyah Mostaganem	24,841	20,091
Other	146,910	207,808
	235,832	289,368

The changes in 2013 and 2012 were as follows:

	Acquisitions and disbursements	Profit (loss) for the year	Dividends paid	Changes in fair value of financial instruments recognised in reserves	Sales	Translation differences and other changes	Value of the investment	Loans granted	Total
Balance at 31/12/11							174,443	134,731	309,174
Shariket Miyeh Ras Djinet, SpA	—	1,552	—	—	—	(571)	981	—	981
Shariket Tahlya Miyah Mostaganem, SpA	—	5,377	—	—	—	(1,304)	4,073	—	4,073
Time Group	—	1,381	(502)	—	—	(2)	877	—	877
Concessió Estacions Aeroport L9, S.A.	—	9,379	—	(17,456)	—	1	(8,076)	506	(7,570)
Nigh South West Health Partnership Ltd.	—	268	—	2,675	—	(613)	2,330	(1,142)	1,188
N6 (Construction) Limited	—	(8,341)	—	—	—	—	(8,341)	—	(8,341)
M50 (D&C) Limited	—	336	—	—	—	—	336	—	336
FCC Elliot Construction Limited	—	1,583	—	(7,329)	—	—	(5,746)	—	(5,746)
Urbs Iudex et Causidicus, S.A.	5,779	—	—	—	(7,705)	(1)	(1,927)	—	(1,927)
Cedinsa	14,791	1,235	—	(18,422)	(72)	10	(2,458)	—	(2,458)
Costa Verde Habitat, S.L.	7,000	(1,855)	—	—	—	—	5,145	—	5,145
Alpine Group companies	—	2,156	—	—	(791)	247	1,612	—	1,612
Nova Bocana Business, S.A.	—	258	—	—	—	—	258	—	258
Other	6,920	(86)	(4,918)	(1,411)	(134)	3,533	3,904	(12,138)	(8,234)
Total 2012	34,490	13,243	(5,420)	(41,943)	(8,702)	1,300	(7,032)	(12,774)	(19,806)
Balance at 31/12/12							167,411	121,957	289,368
Shariket Miyeh Ras Djinet, SpA	—	1,617	—	—	—	(302)	1,315	—	1,315
Shariket Tahlya Miyah Mostaganem, SpA	—	5,493	—	—	—	(743)	4,750	—	4,750
Time Group	—	1,044	(514)	—	—	2	532	—	532
Concessió Estacions Aeroport L9, S.A.	—	8,890	(1,942)	16,731	—	(1)	23,678	—	23,678
Nigh South West Health Partnership Ltd.	—	—	—	—	23,701	—	23,701	—	23,701
N6 (Construction) Limited	—	(1,393)	—	—	—	(1)	(1,394)	—	(1,394)
M50 (D&C) Limited	—	122	—	—	—	(1)	121	—	121
Urbs Iudex et Causidicus, S.A.	—	1,091	—	3,363	—	—	4,454	—	4,454
Urbs Iustitia Comodo Opera, S.A.	—	(17)	—	—	(2)	—	(19)	—	(19)
Cedinsa	3,995	(2,051)	(1,563)	(12,311)	—	(269)	(12,199)	—	(12,199)
Costa Verde Habitat, S.L.	—	(676)	—	—	—	(1)	(677)	—	(677)
Alpine Group	—	—	—	—	—	(13,517)	(13,517)	(28,477)	(41,994)
Nova Bocana Business, S.A.	—	(139)	—	—	—	—	(139)	—	(139)
Nova Bocana Barcelona, S.A.	—	—	—	—	(8,268)	—	(8,268)	—	(8,268)
Other	2,438	(7,128)	(10,093)	(1,524)	(23,037)	1,267	(38,077)	(9,320)	(47,397)
Total 2013	6,433	6,853	(14,112)	6,259	(7,606)	(13,566)	(15,739)	(37,797)	(53,536)
Balance at 31/12/13							151,672	84,160	235,832

Noteworthy in 2013 was the decrease caused by the derecognition through the de-consolidation of the Alpine Group as a result of its ongoing liquidation process (see Notes 2 and 4).

The detail of the assets, liabilities, revenue and profit or loss for 2013 and 2012 of the associates, in proportion to the percentage of ownership held in each associate, is as follows:

	2013	2012
Non-current assets	1,423,529	1,572,705
Current assets	385,602	355,592
Non-current liabilities	1,386,386	1,472,598
Current liabilities	310,821	362,295
Revenue	298,572	341,635
Profit (loss) from operations	62,253	87,480
Profit (loss) before tax	4,810	21,586
Profit (loss) attributable to the Parent	6,853	13,243

13. JOINTLY MANAGED CONTRACTS

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

Following are the main aggregates of the jointly operated contracts included in the various headings in the accompanying consolidated balance sheet and consolidated income statement, in proportion to the ownership interest held therein, at 31 December 2013 and 2012.

	2013	2012
Non-current assets	128,347	140,466
Current assets	1,299,069	1,087,755
Non-current liabilities	57,329	58,464
Current liabilities	1,271,046	925,704
Income statement		
Revenue	1,090,901	1,160,469
Gross profit (loss) from operations	150,931	63,631
Net profit (loss) from operations	128,892	49,146

At 2013 year-end, the property, plant and equipment purchase commitments entered into directly by the jointly managed contracts amounted to EUR 22,349 thousand (2012: EUR 21,689 thousand), calculated on the basis of the percentage interest held by the Group companies.

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

Guarantees amounting to EUR 1,836,993 thousand (2012: EUR 1,462,366 thousand) were provided, mostly to Government Agencies and private customers, for contracts managed jointly with non-Group third parties, as security for the performance of construction projects and urban cleaning contracts. The increase in 2013 was due mainly to the guarantee amounting to EUR 293,585 thousand provided for the Riyadh metro contract.

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 2013 and 2012 is as follows:

	Held-for-trading financial assets	Available-for-sale financial assets	Loans and receivables	Held-to-maturity investments	Hedging derivatives	Total
2013						
Equity instruments	—	44,037	—	—	—	44,037
Debt securities	—	—	—	404	—	404
Derivatives	—	—	—	—	—	—
Other financial assets	—	—	339,091	—	—	339,091
	—	44,037	339,091	404	—	383,532
2012						
Equity instruments	—	79,819	—	—	—	79,819
Debt securities	—	—	2,242	5,372	—	7,614
Derivatives	1,252		—	—	136	1,388
Other financial assets	—	—	323,333	476	—	323,809
	1,252	79,819	325,575	5,848	136	412,630

a.1) Available-for-sale financial assets

Breakdown of the balance at 31 December 2013 and 2012:

	Effective percentage of ownership	Fair value
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
Consorcio 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
2012		
Ownership interests of 5% or more:		
Equipamientos Urbanos de México, S.A. de C.V.	50.00%	12,234
World Trade Center Barcelona, S.A.	16.52%	11,422
Vertederos de Residuos, S.A.	16.03%	9,076
Consorcio Traza, S.A.	16.60%	11,654
Alpine Bau Group investees		16,201
Other		5,832
Ownership interests of less than 5%:		
Xfera Móviles, S.A.	3.44%	11,215
Other		2,185
		79,819

With regard to Xfera Móviles, S.A., it is important to note that at 31 December 2013, Fomento de Construcciones y Contratas, S.A., had granted loans to this company totalling EUR 24,114 thousand (2012: same amount) and had provided guarantees for it amounting to EUR 12,384 thousand (2012: same amount).

The changes in the available-for-sale financial assets in 2013 and 2012 were as follows:

	Investment cost	Impairment	Disposals and reductions	Changes in scope of consolidation, translation differences and other changes	Carrying amount	Changes in fair value	Fair value
Balance at 31/12/11					**78,054**	**(6,622)**	**71,432**
Xfera Móviles, S.A.	—	—	—	—	—	11,215	11,215
M. Capital	—	—	—	—	—	(350)	(350)
Other	1,987	—	(1,918)	(2,547)	(2,478)	—	(2,478)
Total 2012	*1,987*	—	*(1,918)*	*(2,547)*	*(2,478)*	*10,865*	*8,387*
Balance at 31/12/12					**75,576**	**4,243**	**79,819**
Vertedero de Residuos, S.A.	—	—	—	—	—	52	52
Consorcio Traza, S.A.	420	(3,450)	—	—	(3,030)	—	(3,030)
Other	429	(1,837)	(365)	(31,031)	(32,804)	—	(32,804)
Total 2013	*849*	*(5,287)*	*(365)*	*(31,031)*	*(35,834)*	*52*	*(35,782)*
Balance at 31/12/13					**39,742**	**4,295**	**44,037**

"Changes in Scope of Consolidation, Translation Differences and Other Changes" includes mainly the de-consolidation of the Alpine Group and transfers to non-current assets classified as held for sale (see Note 4).

a.2) Loans and receivables

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

	2015	2016	2017	2018	2019 and subsequent years	Total
Deposits and guarantees	3,368	3,557	145	331	39,198	46,599
Non-trade loans	22,417	9,410	7,577	7,935	106,736	154,075
Non-current collection rights - concession arrangement (Notes 3-a and 11)	5,450	14,344	5,450	5,450	107,723	138,417
	31,235	27,311	13,172	13,716	253,657	339,091

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 2013 there were no events that raised doubts concerning the recovery of these loans.

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

a.3) Other non-current financial assets

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

	2015	2016	2017	2018	2019 and subsequent years	Total
Held-to-maturity investments	8	2	1	8	385	404
	8	2	1	8	385	404

Noteworthy in 2012 was the balance of "Derivatives" amounting to EUR 1,064 thousand relating to the valuation of the call options and cash flow swaps arranged by the Parent in the framework of the share option plan for Executives and Executive Directors (see Notes 19 and 24).

b) Other current financial assets

The detail of "Other Current Financial Assets" at 31 December 2013 and 2012 is as follows:

	Held-for-trading financial assets	Loans and receivables	Held-to-maturity investments	Hedging derivatives	Total
2013					
Equity instruments	743	—	—	—	743
Debt securities	—	—	238	—	238
Derivatives	—	—	—	—	—
Deposits and guarantees given	—	46,581	—	—	46,581
Other financial assets	—	347,989	6,291	—	354,280
	743	394,570	6,529	—	401,842
2012					
Equity instruments	745	—	—	—	745
Debt securities	—	—	720	—	720
Derivatives	4,226	—	—	7	4,233
Deposits and guarantees given	—	64,216	—	—	64,216
Other financial assets	9	362,132	5,157	—	367,298
	4,980	426,348	5,877	7	437,212

This heading in the accompanying consolidated balance sheet includes current financial investments maturing at more than three months in order to cater for certain specific cash situations and 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 include mainly loans granted to jointly controlled entities and associates amounting to EUR 143,060 thousand, loans amounting to EUR 117,649 thousand, deposits at banks amounting to EUR 53,172 thousand and receivables for concession services (financial model) amounting to EUR 15,071 thousand.

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

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

15. INVENTORIES

The detail of "Inventories" at 31 December 2013 and 2012 is as follows:

	2013		2012	
Property assets		353,222		494,550
Raw materials and other supplies		309,533		462,546
Construction	189,358		306,731	
Cement	82,770		94,077	
Integral water management	12,582		13,354	
Environmental services	24,823		48,384	
Finished goods		23,568		32,307
Advances		111,706		139,265
		798,029		1,128,668

"Property Assets" includes building plots earmarked for sale that were acquired by the FCC Construcción group mainly in exchange for outstanding or completed construction work. This heading also includes properties in the course of construction, on which there are sale commitments representing a final value on delivery to customers of EUR 24,345 thousand (2012: EUR 6,763 thousand). The advances paid by certain customers for the aforementioned "Property Assets" are secured by insurance contracts or bank guarantees, pursuant to the requirements of Law 57/68, of 27 July, as amended by Law 38/99, of 5 November. The detail of the main unsold real estate products is as follows:

	2013	2012
Properties at Badalona (Barcelona)	13,236	26,236
Properties at Ensanche Vallecas (Madrid)	6,006	13,206
Properties at Sant Joan Despí (Barcelona)	48,030	53,003
Properties at Tres Cantos (Madrid)	103,650	99,214
Residential development - Pino Montano (Sevilla)	16,006	19,401
Land plots - Atlético de Madrid (Madrid)	36,658	20,204
Residential development - Terrenos Gran Vía - Hospitalet (Barcelona)	—	25,136
Residential development - Vitoria (Álava)	8,727	20,725
Building - Calle Barquillo (Madrid)	11,500	16,600
Other properties and developments	87,554	172,661
	331,367	466,386

Property inventories were valued mainly on the basis of end-market references, through the calculation of the residual value of the land as a percentage of the market value in their location; where appropriate, when offers have been received, the bid prices were used for the measurement; and lastly, when it was not possible to use this methodology, the reference used was the reserve price in the auctions held by Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria, S.A. (SAREB). As a result of these valuations, impairment losses amounting to EUR 63,256 thousand were recognised on property inventories in 2013. At 31 December 2013, the total accumulated balance of impairment losses amounted to EUR 193,303 thousand.

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

At 2013 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 2013, there were no material differences between the fair value and the carrying amount of the assets recognised.

16. TRADE AND OTHER RECEIVABLES

a) Trade receivables for sales and services

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

The detail of the balance of accounts receivable from non-Group debtors at 31 December 2013 and 2012 is as follows:

	2013	2012
Progress billings receivable and trade receivables for sales	1,344,741	3,119,011
Amounts to be billed for work performed	775,828	872,612
Retentions	64,890	61,867
Production billed to associates and jointly controlled entities	97,009	188,046
Trade receivables for sales and services	2,282,468	4,241,536
Advances received on orders (Note 23)	(762,602)	(1,071,126)
Total net balance of trade receivables for sales and services	1,519,866	3,170,410

The change in the year in "Progress Billings Receivable and Trade Receivables for Sales" is due mainly to the fact that in 2012 the contribution of the Alpine Group, amounting to EUR 1,375,624 thousand, was included, while in 2013 the Alpine Group was de-consolidated (see Notes 2 and 4).

The foregoing total is the net balance of trade receivables after considering the adjustments for the risk of doubtful debts amounting to EUR 351,446 thousand (31 December 2012: EUR 301,521 thousand) and after deducting the balance of "Trade and Other Payables" on the liability side of the accompanying consolidated balance sheet. This item also includes the amounts of progress billings in various connections, irrespective of whether or not they have been collected.

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

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

At 2013 year-end, trade receivables amounting to EUR 290,473 thousand had been factored to financial institutions without recourse against the Group companies in the event of default (31 December 2012: EUR 310,312 thousand). This amount was deducted from the balance of "Progress Billings Receivable and Trade Receivables for Sales". Also, the Group sold EUR 163,739 thousand of future collection rights arising from construction project contracts awarded under the lump-sum payment method (31 December 2012: EUR 186,624 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 regulations took effect in 2013. This gave rise to collections by the FCC Group of approximately EUR 225 million in outstanding invoices. In 2012 the first plan gave rise to collections by the FCC Group amounting to EUR 1,236,000 thousand.

b) Other receivables

The detail of "Other Receivables" at 31 December 2013 and 2012 is as follows:

	2013	2012
Public Administrations - VAT refundable (Note 25)	133,649	200,683
Public Administrations - Other tax receivables (Note 25)	38,891	54,119
Other receivables	238,974	309,588
Advances and loans to employees	5,531	5,502
Total other receivables	417,045	569,892

17. CASH AND CASH EQUIVALENTS

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

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

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

In both 2013 and 2012 these balances earned interest at market rates.

The detail, by currency, of cash and cash equivalents for 2013 and 2012 is as follows:

	2013	2012
Euro	534,596	711,704
US dollar	139,460	147,569
Pound sterling	111,734	104,063
Czech koruna	13,817	23,411
Europe (other currencies)	18,598	45,916
Latin America (various currencies)	39,130	59,647
Other	120,415	73,934
Total	977,750	1,166,244

18. EQUITY

The accompanying consolidated statements of changes in equity for the years ended 31 December 2013 and 2012 show the changes in equity attributable to the shareholders of the Parent and to the non-controlling interests in those years.

I. Equity attributable to the Parent

a) Share capital

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

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

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

The only investment of 10% or more owned directly or indirectly (through subsidiaries) by other companies, according to the information provided pursuant to current legislation, is that held by B-1998, S.L., which has a direct and indirect ownership interest of 50.029% in the share capital.

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

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

b) Retained earnings and other reserves

The breakdown of "Retained Earnings and Other Reserves" in the accompanying consolidated balance sheet at 31 December 2013 and 2012 is as follows:

	2013	2012
Reserves of the Parent	448,567	1,205,133
Consolidation reserves	1,231,577	1,679,064
	1,680,144	2,884,197

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 2013 and 2012 is as follows:

	2013	2012
Share premium	242,133	242,133
Legal reserve	26,113	26,113
Reserve for retired capital	6,034	6,034
Voluntary reserves	174,287	930,853
	448,567	1,205,133

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.

At 31 December 2013, the Parent's legal reserve had reached the stipulated level.

Reserve for retired capital

This reserve includes the par value of the treasury shares retired in 2002 and 2008 with a charge to unrestricted reserves, in accordance with Article 335-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 "Consolidated and Separate Financial Statements", it also includes those arising from changes in the ownership interests in Group companies, where control is maintained, at the difference between the amount of the further acquisition or sale and the carrying amount of the ownership interest. The detail of the amounts included under "Consolidation Reserves" at 31 December 2013 and 2012 is as follows:

	2013	2012
Environmental services	245,184	145,829
Water	371,811	257,351
Construction	100,790	532,701
Cement	184,484	337,385
Energy	57,394	(26,238)
Corporate	271,914	432,036
	1,231,577	1,679,064

In 2013 the FCC Group sold 49% of the Water business it owns in the Czech Republic. This transaction had a positive impact on consolidation reserves of EUR 60,729 thousand.

Furthermore, the Cementos Portland Valderrivas Group carried out a share exchange with the CRH Group, whereby it delivered its ownership interest in the Cementos Lemona Group in exchange for 26.34% of the shares of Corporación Uniland. This transaction, which did not have any impact on cash, gave rise to a EUR 105,697 thousand reduction in the FCC Group's consolidation reserves.

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 given authorisation by the shareholders at the Annual General Meeting of Fomento de Construcciones y Contratas, S.A. for the derivative acquisition of treasury shares within the limits and subject to the requirements set forth in articles 144 et seq. of the Spanish Limited Liability Companies Law.

The changes in treasury shares in 2013 and 2012 were as follows:

Balance at 31 December 2011	**(347,479)**
Sales	73,206
Acquisitions	(70,746)
Balance at 31 December 2012	**(345,019)**
Sales	457,522
Acquisitions	(118,606)
Balance at 31 December 2013	**(6,103)**

The detail of treasury shares at 31 December 2013 and 2012 is as follows:

	2013		2012	
	Number of shares	Amount	Number of shares	Amount
Fomento de Construcciones y Contratas, S.A.	280,670	(6,103)	3,292,520	(91,323)
Asesoría Financiera y de Gestión, S.A.	—	—	9,379,138	(253,696)
TOTAL	**280,670**	**(6,103)**	**12,671,658**	**(345,019)**

At 31 December 2013, the shares of the Parent owned by it or by its subsidiaries represented 0.22% of the share capital (31 December 2012: 9.95%).

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, the main characteristics of which were as follows:

- The amount of the issue was EUR 450,000,000 with a maturity date of 30 October 2014.
- The bonds were issued at par and with a face value of EUR 50,000.
- The bonds accrue interest at a fixed annual rate of 6.50% payable every six months.
- The exchange price of the bonds for shares of the Company is EUR 37.85 per share, which means that each bond would be convertible into 1,321 ordinary shares.

- The bonds are convertible or redeemable at the option of the holder or at the option of Fomento de Construcciones y Contratas, S.A., and the terms and conditions for the exercise of the option are included in the "Issue Agreement". Both newly issued shares and old shares held by the Parent may be delivered.
- This issue is backed by the Company's equity and there are no other special third-party guarantees.
- The issue is underwritten by financial institutions and is intended for qualified international investors.

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

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

In relation to the treasury share buy back programme carried out by the Company in prior years with the intention of avoiding possible dilutive effects arising in the event of the conversion or exchange of the bonds equal to 9.11% of the share capital, it should be noted that, in view of the current share price and the expiration date of the convertibility option, it is considered that no shares will be delivered. Accordingly, in 2013 the Company decided to reduce to zero the number of loaned securities, which at 31 December 2012 amounted to 1,144,605 shares.

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

e) Valuation adjustments

The detail of "Valuation Adjustments" in the accompanying consolidated balance sheet at 31 December 2013 and 2012 is as follows:

	2013	2012
Changes in fair value of financial instruments	(204,156)	(346,237)
Translation differences	(123,613)	(81,289)
	(327,769)	(427,526)

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 2013 and 2012 is as follows:

	2013		2012	
Available-for-sale financial assets		9,315		12,326
World Trade Center Barcelona, S.A.	433		3,363	
Vertederos de Residuos, S.A.	8,020		7,968	
SCL Terminal Aéreo de Santiago, S.A.	1,165		1,165	
Other	(303)		(170)	
Financial derivatives		(213,471)		(358,563)
Fomento de Construcciones y Contratas, S.A.	(4,234)		(29,468)	
Azincourt Investment, S.L.	—		(10,950)	
Urbs Iudex et Causidicus, S.A.	(30,169)		(33,532)	
Realia Business Group	(2,135)		(12,061)	
Nigh South West Health Partnership	—		(23,898)	
Globalvía Group	(41,465)		(68,729)	
FCC Environment (UK) Group	(15,803)		(26,791)	
Cedinsa Group	(36,465)		(23,884)	
Cementos Portland Valderrivas Group	774		690	
Concesió Estacions Aeroport L.9, S.A.	(35,523)		(52,254)	
Energy Group	(39,201)		(57,648)	
Other	(9,250)		(20,038)	
		(204,156)		(346,237)

e.2) Translation differences

The detail of the amounts included under "Translation Differences" for each of the most significant companies at 31 December 2013 and 2012 is as follows:

	2013		2012	
European Union:				
FCC Environment (UK) Group	(106,531)		(92,271)	
Dragon Alfa Cement Limited	(2,156)		(2,036)	
Other	(9,879)	(118,566)	18	(94,289)
USA:				
Giant Cement Holding, Inc.	(10,635)		(5,925)	
Cemusa Group	(3,881)		(4,458)	
Other	(4,012)	(18,528)	(1,181)	(11,564)
Latin America:				
Globalvía Group	21,999		45,252	
FCC Construcción de Centroamérica, S.A.	(6,320)		(2,854)	
Proactiva Group	—		(7,694)	
Cemusa Group	2,838		2,004	
Other	(377)	18,140	167	36,875
Alpine Bau Group companies		—		(8,061)
Other currencies		(4,659)		(4,250)
		(123,613)		(81,289)

The changes in 2013 were due mainly to the depreciation of the pound sterling, the US dollar and various Latin American currencies against the euro.

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:

	2013	2012
United Kingdom	523,706	791,497
USA	226,942	279,532
Latin America	84,222	232,104
Czech Republic	72,307	131,982
Other	152,088	152,228
	1,059,265	1,587,343

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 2013, resulting in a loss per share of EUR 12.73 in 2013 (2012: loss per share of EUR 8.97).

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 2013 and 2012 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 2013 and 2012 in relation to the main companies is as follows:

	Equity			
	Share capital	Reserves	Profit or loss	Total
2013				
Cementos Portland Valderrivas Group	15,774	184,599	(21,716)	178,657
Aqualia Czech	33,958	9,212	(4,467)	38,703
Other	15,949	4,197	2,066	22,212
	65,681	198,008	(24,117)	239,572
2012				
Cementos Portland Valderrivas Group	15,774	469,443	(60,959)	424,258
Other	18,167	10,929	(3,270)	25,826
	33,941	480,372	(64,229)	450,084

The main change in the year in the amount of the non-controlling interests of the Cementos Portland Valderrivas Group arose from the exchange of shares for which it received the non-controlling interests of Corporación Uniland. This transaction gave rise to a reduction of EUR 216,190 thousand in the FCC Group's non-controlling interests.

Furthermore, the sale of 49% of the Water business in the Czech Republic gave rise to an addition to non-controlling interests, notably EUR 38,703 thousand in relation to Aqualia Czech.

19. EQUITY INSTRUMENT-BASED PAYMENT TRANSACTIONS

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

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

First tranche

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

Second tranche

- Commencement date: 6 February 2009.
- Exercise period: from 6 February 2013 to 5 February 2014.
- Number of shares: 1,500,000 shares, of which 147,500 correspond to Executive Directors and Senior Executives (12 persons) and the remaining 1,352,500 to other Executives (approximately 225 persons).
- The option exercise price is EUR 24.71 per share.

The first plan expired on 1 October 2013 and the value of the share during the exercise period did not at any time exceed the exercise price set. Accordingly, no options were exercised and no cash outflow took place.

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

At 31 December 2013, EUR 2,002 thousand in staff costs (2012: EUR 2,323 thousand) (see Note 28-c), net of the hedges indicated in the following paragraph, had accrued in relation to the obligations to employees.

Initially, the Group 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. The derivatives corresponding to the first plan expired on the same date as the plan, i.e. 1 October 2013, although an agreement was reached with the banks to partially postpone expiry until 15 January 2014 (see Note 24).

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

The change in the fair value of the financial derivatives that do not qualify for hedge accounting represented a gain in 2013 of EUR 20,974 thousand (2012: a loss of EUR 30,644 thousand). For information on the fair value of the financial derivatives see Notes 24 and 28-g to these consolidated financial statements.

Lastly, it should be noted in relation to the second tranche that, at the date of preparation of the consolidated financial statements, the tranche had expired but no options had been exercised.

20. LONG-TERM AND SHORT-TERM PROVISIONS

The detail of the provisions at 31 December 2013 and 2012 is as follows:

	2013		2012	
Long-term		**1,091,981**		**1,154,967**
Long-term employee benefit obligations	56,644		138,751	
Dismantling, removal and restoration of non-current	130,385		136,852	
Environmental activities	198,409		223,985	
Litigation	123,802		241,631	
Contractual and legal guarantees and obligations	111,103		56,963	
Other long-term provisions	471,638		356,785	
Short-term		**340,087**		**303,575**
Construction contract settlement and project losses	328,444		291,563	
Other short-term provisions	11,643		12,012	

The changes in "Long-Term Provisions" and "Short-Term Provisions" in 2013 and 2012 were as follows:

	Long-term provisions	Short-term provisions
Balance at 31/12/11	**1,083,109**	**178,887**
Environmental expenses for the removal or dismantling of assets	19,536	—
Measures to improve or expand concession capacity	20,698	
Provisions recognised/(reversed)	69,703	124,717
Amounts used	(77,021)	(764)
Transfer to "Liabilities Associated with Non-Current Assets Classified as Held for Sale"	14,161	—
Changes in the scope of consolidation, translation differences and other changes	24,781	735
Balance at 31/12/12	**1,154,967**	**303,575**
Environmental expenses for the removal or dismantling of assets	16,226	—
Measures to improve or expand concession capacity	20,130	—
Provisions recognised/(reversed)	251,676	190,032
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 changes	(24,536)	1,676
Balance at 31/12/13	**1,091,981**	**340,087**

"Provisions Recognised/(Reversed)" includes notably a portion of the contribution of the Construction business, which includes short-term provisions of EUR 134,405 thousand relating to construction contract settlement and project losses at 31 December 2013 (31 December 2012: EUR 122,778 thousand) and provisions of EUR 121,882 thousand for risks relating to Alpine Holding. In addition, at 31 December 2013, long-term provisions of EUR 49,708 thousand were recognised for expenses arising from the second workforce restructuring in the Construction business (31 December 2012: EUR 60,000 thousand for the first restructuring) and of EUR 46,672 thousand for restructuring costs in the Cement Area. At 31 December 2013, the Environmental Services business contributed provisions of EUR 16,910 thousand (31 December 2012: EUR 15,917 thousand) for environmental activities and provisions of EUR 13,017 thousand (31 December 2012: reversal of EUR 23,857 thousand) for contractual and legal guarantees and obligations. In addition, provisions recognised in 2013 include EUR 17,815 thousand (2012: EUR 15,765 thousand) relating to the discounting of the provisions to their present value.

"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 Improve 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 improve and expand 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. In 2012 the Giant Cement Holding Group was reclassified as a continuing operation and provisions were increased by EUR 25,934 thousand; the Cementos Lemona Group was classified as held for sale and provisions were decreased by EUR 11,773 thousand.

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 2013 arising from the obligations covered by long-term provisions is as follows:

	Within five years	After five years	Total
Long-term employee benefit obligations	2,748	53,896	56,644
Dismantling, removal and restoration of non-current assets	84,793	45,592	130,385
Environmental activities	39,326	159,083	198,409
Litigation	66,200	57,602	123,802
Contractual and legal guarantees and obligations	60,909	50,194	111,103
Other provisions	265,986	205,652	471,638
	519,962	572,019	1,091,981

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 2013 would not have a significant impact on the accompanying consolidated financial statements, which include provisions to cover any probable environmental risks that might arise.

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

Provisions for litigation

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

Contractual and legal guarantees and obligations

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

Provisions for construction contract settlements and project losses

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

Provisions for other contingencies and charges

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

This heading also includes the Group's obligations relating to share-based payments. The features of these obligations are detailed in Note 19, "Equity Instrument-Based Payment Transactions".

21. NON-CURRENT AND CURRENT FINANCIAL LIABILITIES

The FCC Group's general policy is to provide all the Group companies with the financing that is best suited to the normal conduct of their business activities. In this connection, the Group companies are furnished with the credit facilities required to cater for their budgetary plans, which are monitored on a monthly basis. Also, risk is generally spread over various financial institutions and the Group companies currently have credit facilities with more than 70 financial institutions.

Should the financial transaction so require, following a hedging policy for accounting purposes, the Group arranges interest-rate risk 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 2013 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. The repayments of these debt 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. The amount recognised at 31 December 2013 relates to principal of EUR 323,619 thousand (31 December 2012: EUR 325,627 thousand) and accrued interest payable of EUR 6,066 thousand (31 December 2012: 1,890 thousand).

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 are convertible and subordinate to the corporate loans arranged by the Parent, and to diversify the Group's financing base, by supplementing the bank financing.

In accordance with applicable accounting regulations, in addition to their financial component, the convertible bonds have another component that is recognised in equity as described in Note 18-d to these consolidated financial statements. Note 18-d also describes the terms of the convertible bond issue. The balance recognised in this connection at 31 December 2013 under "Debt Instruments and Other Marketable Securities" in the accompanying consolidated balance sheet amounted to EUR 448,012 thousand. These bonds traded at 99.99% of par at 31 December 2013 according to Bloomberg.

Also, in 2005 Severomoravské Vodovody a Kanalizace Ostrava, A.S. (SmVaK) issued non-convertible bonds amounting to CZK 2,000,000 thousand (EUR 73,000 thousand at 31 December 2013). These bonds, which were traded on the Prague Stock Exchange, mature in 2015 and bear nominal interest of 5%. As security for this issue, the Czech company is obliged not to grant additional pledges on its assets to third parties, not to sell assets above a certain cumulative value and not to incur indebtedness over a certain amount.

b) Non-current and current bank borrowings

The detail at 31 December 2013 and 2012 is as follows:

		Non-current		Current		Total
2013						
Credit facilities and loans		73,589		4,250,802		4,324,391
Borrowings without recourse to the Parent		2,171		966,536		968,707
Limited recourse project financing loans		442,266		491,743		934,009
FCC Environment Group	218,919		476,809		695,728	
Other	223,347		14,934		238,281	
		518,026		5,709,081		6,227,107
2012						
Credit facilities and loans		1,902,999		2,831,344		4,734,343
Borrowings without recourse to the Parent		963,766		680,051		1,643,817
Limited recourse project financing loans		353,308		515,535		868,843
FCC Environment Group	171,286		494,769		666,055	
Other	182,022		20,766		202,788	
		3,220,073		4,026,930		7,247,003

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

- **Credit facilities and loans** that include bilateral and syndicated loans granted to Fomento de Construcciones y Contratas, S.A. or any of its investees which, in any event, would be guaranteed ultimately by the Parent of the FCC Group, Fomento de Construcciones y Contratas, S.A.

  In 2013 FCC decided to commence an overall refinancing of most of the Group's borrowings in order to obtain a sustainable financial structure tailored to the cash inflows projected for the various businesses, which would enable it to focus on the profitability-improvement and debt-reduction objectives envisaged in the current strategic plan. Accordingly, at the commencement of the process and with a view to facilitating the negotiation of the terms and conditions of the refinancing and the funding, inter alia, the Group's general cash needs in this period, on 15 April FCC entered into loan agreement with the financial institutions coordinating the restructuring for EUR 198,214 thousand, which was successively increased up to a maximum of EUR 500,000 thousand on 16 May.

  At 2013 year-end, the unpaid amount drawn down against the new liquidity facility amounted to EUR 437,360 thousand. This facility forms a part of the refinancing together with the Group's other debt.

  The refinancing rests, inter alia, on the following main principles:

  a) The bolstering of the Group's viability under the Business Plan and the sustainability of the total borrowings considered through the proper adaptation of the repayment schedule to its ability to generate cash.

  b) The rationalisation of the financial and operating structure of the scope of the refinancing, i.e. the companies included in the agreement as borrowers and guarantors, through the legal and effective isolation of the business areas not included in the scope, with certain exceptions provided for.

  c) The gradual reduction of debt levels by fulfilling, inter alia, the Divestments Plan and Operational and Cost Reduction Plan that form part of the Business Plan.

  Main milestones reached:

- In April 2013 an agreement, which currently extends until 31 March 2014, was reached to defer debt maturities during the negotiation period, i.e. Standstill agreements in respect of the syndicated transactions and extension agreements to the bilateral loans included among the borrowings to be refinanced.

- A terms and conditions document was subsequently prepared which lays down the refinancing structure and which in December 2013 received a favourable response to the terms and conditions of the proposed refinancing from the banks holding more than 95% of the total volume of the borrowings.

- Also, in accordance with Article 71.6 and, if necessary, Additional Provision Four of Insolvency Law 22/2003, of 9 July, an independent expert was appointed to report on the refinancing agreement and on the reasonableness and feasibility of the Group's business plan.

- At the date of preparation of these notes to the consolidated financial statements, lenders holding 99.4% of the total volume of the borrowings affected by the refinancing had approved it; certain conditions precedent must be complied with in order for the refinancing contract to become definitively legally binding.

Refinancing structure:

1. The total amount is EUR 4,512,414 thousand, which replaces the debt existing in various syndicated and bilateral structures for the same amount.
2. Tranches:
   (a) Tranche A: EUR 3,162,414 thousand to be treated as a commercial loan; and

   (b) Tranche B: EUR 1,350,000 thousand and of the same guaranteed nature as Tranche A, which includes, under certain circumstances, a right to convert into shares at market price without a discount for the outstanding balance at maturity (PIK component).
3. Maturity at four years from the agreement date.
4. Repayment schedule: as regards Tranche A, EUR 150,000 thousand at 24 months and EUR 175,000 thousand at 36 months, and the remainder on maturity.
5. The refinancing agreement establishes that, in the event of a capital increase at FCC, the funds obtained from the increase may be earmarked for the acquisition of Tranche B debt through a Dutch auction process.

As a supplement to the main refinancing agreement, a financial stability framework agreement was entered into that regulates the products necessary for daily activity: guarantees, leases, full-service leases, reverse factoring, factoring and German models. This agreement includes the grant of a new international guarantee facility amounting to EUR 250,000 thousand extendible to EUR 450,000 thousand.

The Group reclassified all the credit facilities and loans affected by this refinancing process and formally maturing in more than 12 months as current and, accordingly, substantially all bank borrowings are recognised as current in the accompanying consolidated balance sheet.

As regards the financial ratios of the syndicated corporate agreements in force, the Group and the financial institutions have reached a de facto agreement that the ratios contained in these agreements shall not be calculated, since they will be replaced, as soon as the refinancing enters into force, by new ratios agreed upon in the contract.

In addition, since the terms of the syndicated corporate agreements require the Company to submit the certificate of achievement of the financial ratios within the 180 days following year-end, the Company would not be required to submit the certificate of achievement of the financial ratios relating to 2013 until 30 June 2014, at which date it is expected that the refinancing will have entered into force (rendering void the previous ratios).

Lastly, it should be noted that, even if a (presumably dissenting) bank were in theory to cite a failure to achieve the financial ratios under the former agreements, the early repayment of the loan agreements requires the approval of the majority of the banks (between 50.1% and 66.66%, depending on the agreement). Therefore, a request for early repayment could be rejected by a blocking minority (between 33.33% and 49.9%, depending on the agreement), which, given the degree of adherence to the agreement, it is reasonable to assume will be easily obtained.

- **Borrowings without recourse to the Parent** includes the financing relating to the Cementos Portland Group, since there is a limited guarantee on the part of the Parent of the FCC Group, Fomento de Construcciones y Contratas, S.A. As regards the Cementos Portland Valderrivas Group, following the refinancing carried out in July 2012, it was established that this would be without recourse to the shareholder Fomento de Construcciones y Contratas, S.A. The only guarantee was the latter's commitment to provide financial support, established under contract, which amounted to EUR 100,000 thousand in 2012. A contingent guarantee amounting to EUR 200,000 thousand was also established for a future year (2014) in the event that the EBITDA of the Cementos Portland Valderrivas Group did not exceed certain parameters in June 2014.

  This financing requires the achievement of a series of ratios from 31 December 2013 onwards, and failure to achieve them constitutes grounds for the early repayment of the loan, unless equity is contributed to remedy this situation. Because of the possibility that it will not achieve the ratios, Cementos Portland classified the full amount of the syndicated debt, totalling EUR 955,825 thousand, net of arrangement expenses, as current and initiated discussions with the financial institutions to renegotiate the terms of the debt. In this connection, on 30 January 2014 the Cementos Portland Group obtained the approval of the majority of the financial institutions not to invoke the clause envisaging the early maturity of the debt in the event of a failure to achieve the ratios at 31 December 2013.

  In the context of the process of refinancing most of its borrowings and, therefore, the contingent commitments, which include the aforementioned contribution of EUR 200,000 thousand, the Group obtained from the creditor banks of Cementos Portland Valderrivas, S.A. a deferral of the contribution pursuant to the schedule established in the Group's refinancing.

  Cementos Portland Valderrivas, S.A. also obtained a waiver from its financing institutions whereby they will not consider the deferral requested by FCC discussed in the preceding paragraph as grounds for the early repayment of the financing agreement.

- **Limited-recourse project finance debt** 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 Aqualia Gestión Integral del Agua, S.A. and, in turn, holder of 98.7% of the shares of SmVak) arranged a syndicated loan of CZK 3,300 million with ING, Komercni 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 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. of CZK 1,400 million maturing in May 2015.

    The new loan matures on 15 September 2015 and has the following repayment schedule, in millions of Czech koruna: 130 in 2013, 150 in 2014 and 90 plus the portion pending repayment in 2015. Aqualia Czech retains liability with limited recourse to Aqualia Gestión Integral del Agua, S.A.

- On 20 December 2013, Azincourt Investment, S.L. (a wholly owned investee of FCC, S.A. and, in turn, holder of 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 matured on 31 December 2013. The refinancing is structured as a new syndicated loan with the same banks of GBP 381 million without recourse to FCC, S.A. and matures on 31 December 2017, with the possibility to extend it for one year if a series of conditions are met. The new loan is structured as a bullet, with a single payment due at maturity, although early repayment mechanisms are envisaged in the event that cash is available (cash sweep).

  The new loan is structured in two tranches:

  Tranche A: GBP 100 million, which is divided in turn into two subtranches 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 interest costs of this tranche will be: 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 interest costs of LIBOR + 105 bps until 2016 (inclusive), LIBOR + 180 bps in 2017 and LIBOR + 255 bps in 2018, if appropriate.

  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 refinancing agreement reached with the banks included the contribution of GBP 80 million by FCC, S.A. to Azincourt as a capital increase through a monetary contribution, which had already been paid at the date of preparation of these consolidated financial statements.

  Additionally, FCC Environment UK arranged a new working capital facility of GBP 30 million with most of the banks in the syndicate lending to Azincourt and also entered into a factoring arrangement to discount customer invoices for the same amount as the working capital facility.

  This new financing enables FCC Environment UK to focus on the achievement and compliance with its business plan, which is centred on the transition from the landfill business to a business based on recycling, recovering and adding value to waste. Achieving this plan will enable the sustained generation of cash and EBITDA at the company.

Following are the most significant credits and loans arranged by the Group in prior years, highlighting those refinanced, always on the understanding that the list is based on the abovementioned refinancing agreement:

<u>Main refinanced loans and credits</u>

The most noteworthy refinanced loans and credits are as follows:

- On 26 March 2012, Fomento de Construcciones y Contratas, S.A. completed the refinancing of a syndicated credit of EUR 451 million that matured on 29 April 2012. The twelve banks that were involved in the original transaction participated in the refinancing. The transaction matures in three years (on 30 April 2015), with a 10% repayment in April 2014 and a 10% repayment in October 2014. It consists of a single tranche loan of EUR 438.5 million.

- On 17 July 2012, Fomento de Construcciones y Contratas, S.A. completed the refinancing of a long-term financing line of EUR 800 million, which matures on 19 July 2012. In December 2011, EUR 140 million were repaid and, accordingly, the outstanding loan amount was EUR 660 million. Sixteen entities took part in the refinancing. The operation matures in three years (19 July 2015), with a 10% repayment in July 2014 and a 10% repayment in January 2015. It consists of two tranches, a loan of EUR 178.1 million and a credit of EUR 330.8 million.

- On 30 July 2010, Fomento de Construcciones y Contratas, S.A. refinanced the syndicated loan of EUR 1,225 million that matured on 8 May 2011 under a Forward Start arrangement. This loan matures in three years (8 May 2014) with repayment of 50% in 2013. It consists of three tranches: the first, a EUR 735 million loan, the second, a EUR 490 million credit facility and the third, a new money tranche of EUR 62 million available from 1 January 2011. Therefore, the amount of the new transaction totals EUR 1,287 million.

- On 11 August 2011, Fomento de Construcciones y Contratas, S.A. entered into a syndicated loan to finance part of the 2011 investment plan for EUR 120,000 thousand, maturing in three years (11 August 2014). The participating banks are ICO, BBVA and Santander. The first repayment of 20% fell due in 2013 and the rest is repayable upon maturity.

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

<u>Main loans and credits not refinanced</u>

The most noteworthy loans and credits not refinanced are as follows:

- On 31 July 2012, the Cementos Portland Valderrivas Group 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 refinancing matures in four years, with a possibility of extending it a further year in the event of achieving a Net Financial Debt/EBITDA Ratio for the reporting period ended 31 December 2015 of 4.75 or less. The spread to be applied to this financing is 4% in the first two years and 4.5% in subsequent years. In accordance with the provisions of the contract, this financing is without recourse to the shareholder Fomento de Construcciones y Contratas, S.A.

- On 17 October 2012, Fomento de Construcciones y Contratas, S.A. again renewed the transaction with Société Générale carried out in order to optimise its treasury share position (the initial transaction was executed on 15 April 2011). In this renewal, 685,000 treasury shares were released. The transaction was on 5,480,000 shares and liquidity amounting to EUR 43 million was obtained. The transaction, which fell due on 18 January 2013, was renewed until it was definitively repaid on 10 July 2013.

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

a) The first, a long-term loan of USD 40,000 thousand granted to Fomento de Construcciones y Contratas, S.A. USD 12,000 thousand and USD 8,000 thousand were repaid on 10 October 2012 and 2011, respectively.
b) The second, a long-term credit facility of USD 58,900 thousand granted to Dédalo Patrimonial, S.L., of which USD 17,670 thousand and USD 11,780 thousand were repaid on 10 October 2012 and 2011, respectively.
c) The third, a long-term credit facility of USD 88,000 thousand granted to Dédalo Patrimonial, S.L., of which USD 26,400 thousand and USD 17,600 thousand were repaid on 10 October 2012 and 2011, respectively.

The established price comprises the reference rate (Libor) plus a spread based on the variation in the Consolidated Net Debt/Consolidated EBITDA Ratio.

In 2013 an agreement was reached to defer until 31 March 2014 the maturities falling in 2013 of the loan from FCC, S.A. to Dédalo Patrimonial, S.L., the Forward Start facility, the EUR 120 million loan with ICO, BBVA and Santander, the syndicated loan relating to the acquisition of FCC Environment and the new liquidity facility arranged on 15 April 2013 were.

The detail of the bank borrowings, by currency and amounts drawn down at 31 December 2013 and 2012, is as follows:

	Euros	US dollar	Pound sterling	Czech koruna	Brazilian real	Other	Total
2013							
Credit facilities and loans	4,096,744	86,638	115,299	1,913	—	23,797	4,324,391
Borrowings without recourse to the Parent	967,304	—	—	—	—	1,403	968,707
Limited recourse project financing loans	108,990	—	695,729	111,897	—	17,393	934,009
	5,173,038	86,638	811,028	113,810	—	42,593	6,227,107
2012							
Credit facilities and loans	4,359,304	147,541	165,367	22,715	13,035	26,381	4,734,343
Borrowings without recourse to the Parent	1,627,898	8	7	574	—	15,330	1,643,817
Limited recourse project financing loans	126,703	—	666,055	55,349	—	20,736	868,843
	6,113,905	147,549	831,429	78,638	13,035	62,447	7,247,003

The credit facilities and loans denominated in US dollars are being used mainly to finance assets in the Services Area, such as the purchase of FCC Environmental LLC in 2008, and companies in Central America in the Construction Area; those arranged in pounds sterling fund assets of the FCC Environment, UK Group (formerly Waste Recycling Group Ltd - currently the FCC Environment Group) in the United Kingdom; and those arranged in Czech koruna are being used to finance the operations of SmVaK (Severomoravské Vodovody a Kanalizace Ostrava, A.S.) in the Czech Republic.

c) Other non-current financial liabilities

	2013	2012
Non-current		
Obligations under finance leases	35,504	44,431
Financial borrowings - non-Group third parties	107,056	79,225
Liabilities relating to financial derivatives	34,150	106,317
Guarantees and deposits received	28,026	27,338

Street furniture contract financing	—	483,513
Other	11,734	14,668
	216,470	755,492

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

"Street Furniture Contract Financing" included at 31 December 2012 the payment obligations acquired by the FCC Group due to the operating rights under the street furniture operating contracts (see Note 7-c). This activity was classified as a discontinued operation at 31 December 2013 (see Note 4).

d) Other current financial liabilities

	2013	2012
Current		
Obligations under finance leases	12,750	26,450
Interim dividend payable	492	539
Financial borrowings - non-Group third parties	55,196	32,725
Payable to non-current asset suppliers and notes payable	95,911	43,287
Payable to associates and joint ventures	19,337	28,431
Liabilities relating to financial derivatives	53,508	92,904
Guarantees and deposits received	2,311	2,224
Street furniture contract financing	—	55,202
Other	1,197	1,578
	240,702	283,340

As regards "Liabilities Relating to Financial Derivatives", the detail of which is provided in Note 24 "Derivative Financial Instruments", the following is noteworthy: on the one hand, the EUR 38,969 thousand (2012: EUR 69,230 thousand) relating to the market value of the put option associated with the share option plan for Executives and Executive Directors indicated in Note 19 and, on the other hand, the financial derivatives designated as hedging instruments, mainly interest rate swaps.

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:

	2015	2016	2017	2018	2019 and subsequent years	Total
<u>2013</u>						
Debt instruments and other marketable securities	72,729	—	—	329,682	—	402,411
Non-current bank borrowings	155,678	90,901	31,479	37,078	202,890	518,026
Other financial liabilities	51,253	22,330	11,888	8,022	122.977	216,470
	279,660	113,231	43,367	45,100	655,549	1,136,907

22. OTHER NON-CURRENT LIABILITIES

The detail at 31 December 2013 and 2012 is as follows:

	2013	2012
Payable to Public Authorities - long-term deferrals	188,655	173,258
Other non-current liabilities	25,756	25,535
	214,411	198,793

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. The deferred amount is payable monthly up to a maximum of four years at an interest rate of 5%.

23. TRADE AND OTHER PAYABLES

The detail of "Trade and Other Payables" in the consolidated balance sheet at 31 December 2013 and 2012 is as follows:

	2013	2012
Payable to suppliers	1,486,538	2,410,701
Current tax liabilities	25,147	37,248
Deferred payables to Public Authorities	143,550	85,329
Other accounts payable to Public Authorities	423,624	533,708
Customer advances (Note 16)	762,602	1,071,126
Remuneration payable	90,800	186,843
Other payables	481,556	507,452
	3,413,817	4,832,407

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 2013 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. The resulting effects can be seen under "Changes in Working Capital" in the accompanying consolidated statement of cash flows.

It is also important to note that in 2013, 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 2013, 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	2013	%	2012	%
Within the maximum payment period	872,286	54	1,131,861	61
Other	737,849	46	714,203	39
Total payments made in the year	**1,610,135**	**100**	**1,846,064**	**100**
Weighted average period of late payment (days)	**103**		**89**	
Deferred payments that at year-end exceed the maximum payment period	**188,577**		**188,107**	

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 2013, the FCC Group had arranged interest rate hedging transactions totalling EUR 3,170,016 thousand (31 December 2012: EUR 5,176,539 thousand) mainly in the form of IRSs in which the Group companies, associates and joint ventures pay fixed rates and receive floating rates.

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

	Type of derivative	Type of hedge	% hedged	Notional amount at 31/12/12	Notional amount at 31/12/13	Value at 31/12/12	Value at 31/12/13	Expiry
Fully consolidated companies								
Fomento de Construcciones y Contratas, S.A.	IRS	CF	100%	108,545	—	(4,965)	—	30/12/13
	IRS	CF	2%	9,847	—	(374)	—	30/12/13
	IRS	CF	20%	82,469	—	(3,276)	—	30/12/13
	IRS	CF	31%	125,549	—	(5,089)	—	30/12/13
	IRS	CF	17%	70,160	—	(2,776)	—	30/12/13
	IRS	CF	100%	15,076	—	(20)	—	10/10/13
	IRS	CF	95%	1,225,000	612,502	(21,413)	(4,219)	08/05/14
	IRS	CF	38%	9,761	9,364	(1,316)	(824)	02/04/24
	IRS	CF	19%	4,880	4,682	(658)	(412)	02/04/24
	IRS	CF	12%	3,127	3,000	(422)	(267)	02/04/24
	IRS	CF	12%	2,755	2,643	(371)	(240)	02/04/24
	BASIS SWAP	CF	37%	150,000	—	362	—	30/12/13
	BASIS SWAP	CF	28%	111,027	—	251	—	30/12/13
	BASIS SWAP	CF	6.69%	26,998	—	28	—	28/06/13
Azincourt Investment, S.L.	IRS	CF	15%	86,046	—	(4,034)	—	31/12/13
	IRS	CF	15%	86,046	—	(4,034)	—	31/12/13
	IRS	CF	15%	86,046	—	(4,034)	—	31/12/13
	IRS	CF	14%	75,519	—	(3,540)	—	31/12/13
RE3 Ltd.	IRS	CF	100%	34,434	32,317	(8,830)	(5,160)	30/09/29
Kent	IRS	CF	80%	49,300	45,258	(12,384)	(7,511)	31/03/27
	IRS	CF	80%	21,129	19,396	(5,307)	(3,219)	31/03/27
	IRS	CF	80%	35,214	32,327	(8,846)	(5,365)	31/03/27
FCC Environment Ltd. Lincolnshire	Currency forward	CF	100%	27,384	4,437	(1,463)	(171)	21/03/14
FCC WREXHAM PFI Ltd.	IRS	CF	100%	27,075	26,701	(9,095)	(5,642)	30/09/32
FCC WREXHAM PFI (Phase II) Ltd.	IRS	CF	100%	—	8,397	—	445	30/09/32
	IRS	CF	100%	—	8,397	—	445	30/09/32
FCC Recycling (UK) Ltd.	Currency forward	CF	100%	—	4,841	—	(104)	01/07/14
FCC Buckinghamshire PFI Ltd.	IRS	CF	100%	—	13,003	—	(102)	29/04/16
	IRS	CF	100%	—	13,003	—	(102)	29/04/16
	IRS	CF	100%	—	13,003	—	(102)	29/04/16
	IRS	CF	100%	—	13,003	—	(102)	29/04/16
	IRS	CF	100%	—	13,003	—	(102)	29/04/16
FCC Buckinghamshire PFI Ltd.	Currency forward	CF	100%	—	46,896	—	(1,374)	28/08/15
	Currency forward	CF	100%	—	46,896	—	(1,374)	28/08/15
Depurplan 11, S.A.	IRS	CF	65%	7,279	6,733	(1,639)	(1,128)	01/12/25
Ecodeal-Gestao Integral de Residuos Industriais, S.A.	IRS	CF	80%	8,152	6,713	(867)	(544)	15/12/17
Aqualia Czech, S.L.	Forward IRS	CF	17%	8,834	—	(375)	—	15/05/15
	Forward IRS	CF	12%	5,889	—	(250)	—	15/05/15
	Forward IRS	CF	11%	5,521	—	(234)	—	15/05/15
	Forward IRS	CF	7%	3,681	—	(156)	—	15/05/15
	Forward IRS	CF	3%	126	—	(5)	—	15/05/15
	Forward IRS	CF		3,382	—	(152)	—	15/05/15
	Forward IRS	CF	75%	—	36,995	—	(406)	15/09/15
	Forward IRS	CF	75%	—	36,995	—	(406)	15/09/15
	Forward IRS	CF	75%	—	12,332	—	(135)	15/09/15

	Type of derivative	Type of hedge	% hedged	Notional amount at 31/12/12	Notional amount at 31/12/13	Value at 31/12/12	Value at 31/12/13	Expiry
Alpine	IRS	CF	43%	85,714	—	(1,541)	—	31/12/14
	IRS	CF	40%	28,571	—	(233)	—	31/05/13
	IRS	CF	13%	20,000	—	(333)	—	29/11/13
	IRS	CF	25%	40,000	—	(644)	—	29/11/13
	IRS	CF	25%	40,000		(632)		29/11/13
	IRS	CF	38%	60,000	—	(1,238)	—	29/11/13
	IRS	CF	50%	25,000	—	(171)	—	30/01/14
	Currency forward	CF	100%	1,341	—	(8)	—	11/01/13
	Currency forward	CF	100%	4,150	—	(8)	—	07/01/13
	Currency forward	CF	100%	30,162	—	(73)	—	21/01/13
	Currency forward	CF	100%	17,130	—	(149)	—	04/01/13
	Currency forward	CF	100%	3,495	—	4	—	21/01/13
	Currency forward	CF	100%	9,116	—	(16)	—	11/01/13
	Currency forward	CF	100%	1,117	—	2	—	11/01/13
	Currency forward	CF	100%	413	—	(1)	—	11/01/13
Sociedad Concesionaria del Túnel de Coatzacoalcos, S.A. de C.V.	IRS	CF	100%	38,703	36,350	(1,995)	(1,317)	10/06/14
Integraciones Ambientales de Cantabria, S.A.	IRS	CF	75%	13,512	13,017	(1,814)	(1,199)	31/12/22
Dédalo Patrimonial	IRS	CF	60%	33,167	—	(45)	—	10/10/13
Total fully consolidated companies				**2,967,842**	**1,122,204**	**(114,179)**	**(40,637)**	
Companies accounted for using the equity method								
Tramvia Metropolità, S.A.	IRS	CF		7,587	—	(2,301)	—	31/10/23
	IRS	CF		3,252	—	(984)	—	31/10/23
Tramvia Metropolità del Besòs, S.A.	IRS	CF		9,468	—	(2,356)	—	30/06/23
	IRS	CF		2,367	—	(589)	—	30/06/23
Cedinsa Eix del Llobregat, S.A.	IRS	CF	70%	49,521	48,539	(12,394)	(12,534)	01/05/33
Urbs Iudex et Causidicus, S.A.	IRS	CF	100%	72,961	70,345	(49,252)	(43,099)	30/12/33
Cedinsa d'Aro, S.A.	IRS	CF	100%	9,893	9,635	(3,110)	(3,293)	03/01/33
Ibisan Sociedad Concesionaria, S.A.	IRS	CF	70%	26,687	25,816	(6,023)	(4,335)	31/12/27

	Type of derivative	Type of hedge	% hedged	Notional amount at 31/12/12	Notional amount at 31/12/13	Value at 31/12/12	Value at 31/12/13	Expiry
Nova Bocana Barcelona, S.A.	IRS	CF	17%	5,133	—	(1,283)	—	30/06/25
	IRS	CF	33%	10,266	—	(2,572)	—	30/06/25
Betearte, S.A.U.	IRS	CF	33%	1,405	1,178	(174)	(107)	06/02/18
NIHG South West Health Partnership Limited	IRS	CF	33%	24,730	—	(6,697)	—	19/05/39
	IRS	CF	33%	24,730	—	(6,697)	—	19/05/39
	IRS	CF	33%	24,730	—	(6,697)	—	19/05/39
	CAP	CF	18%	21,325	—	—	—	31/03/14
	CAP	CF	18%	21,325	—	—	—	31/03/14
	Inflation swap	CF	50%	1,359	—	(2,609)	—	31/03/39
	Inflation swap	CF	50%	1,359	—	(2,609)	—	31/03/39
Cedinsa Ter Concessionaria de la Generalitat, S.A.	IRS	CF	32%	28,267	28,267	(1,600)	(1,707)	31/12/14
	IRS	CF	7%	6,183	6,183	(350)	(407)	31/12/14
	IRS	CF	14%	12,013	12,013	(680)	(555)	31/12/14
	IRS	CF	7%	6,183	6,183	(350)	(407)	31/12/14
	IRS	CF	14%	12,402	12,402	(702)	(637)	31/12/14
Concessió Estacions Aeroport L9	IRS	CF	36%	169,899	169,395	(36,763)	(26,601)	23/12/33
	IRS	CF	12%	54,083	53,922	(11,702)	(6,307)	23/12/33
	IRS	CF	13%	58,696	58,521	(12,701)	(7,017)	23/12/33
	IRS	CF	12%	54,983	54,819	(11,897)	(6,412)	23/12/33
	IRS	CF	12%	23,028	22,960	(4,983)	(2,685)	23/12/33
	IRS	CF	13%	14,365	14,322	(3,108)	(1,729)	23/12/33
Concesionaria Atención Primaria, S.A.	IRS	CF	75%	3,327	2,801	(230)	(140)	20/12/18
Aquos El Realito, S.A. de C.V.	IRS	CF	75%	22,240	27,066	(3,954)	(2,254)	22/01/25
Autopista Central Galega Sociedad Concesionaria Española, S.A., Sole-Shareholder Company	IRS	CF		42,188	—	(1,660)	—	31/07/13
	IRS	CF		25,312	—	(996)	—	31/07/13
	IRS	CF		—	—	—	—	30/06/16
	IRS	CF		—	—	—	—	30/06/16
Hospital del Sureste, S.A. (Phunciona Gestión Hospitalaria)	IRS	CF		13,465	—	(2,968)	—	31/12/32
	IRS	CF		1,697	—	(419)	—	31/12/32
Túnel d'Envalira, S.A. Concesionaria del Principat d'Andorra	COLLAR	CF		6,436	—	(1,464)	—	20/07/22
Tranvía de Parla, S.A.	IRS	CF		22,783	—	(5,442)	—	30/12/22
Concesiones de Madrid, S.A.	IRS	CF		31,050	—	(1,158)	—	15/12/13
Terminal Polivalente de Castellón, S.A.	IRS	CF		6,301	—	(1,090)	—	15/01/18
	IRS	CF		3,125	—	(545)	—	15/01/18
Compañía Concesionaria del Túnel de Sóller, S.A.	IRS	CF		4,308	—	(389)	—	30/06/18
	IRS	CF		4,308	—	(389)	—	30/06/18

	Type of derivative	Type of hedge	% hedged	Notional amount at 31/12/12	Notional amount at 31/12/13	Value at 31/12/12	Value at 31/12/13	Expiry
Metro Barajas Sociedad Concesionaria, S.A.	IRS	CF		7,333	—	(1,171)	—	24/06/24
Madrid 407 Sociedad Concesionaria, S.A.	IRS	CF		11,571	—	(4,303)	—	10/07/33
N6 (Concession) Limited	IRS	CF		1,133	—	(22)	—	30/06/13
	IRS	CF		3,640	—	(721)	—	30/06/34
	IRS	CF		319	—	(64)	—	30/06/34
	IRS	CF		850	—	(18)	—	28/06/13
	IRS	CF		2,731	—	(539)	—	30/06/34
	IRS	CF		239	—	(48)	—	30/06/34
	IRS	CF		1,133	—	(23)	—	28/06/13
	IRS	CF		3,642	—	(719)	—	30/06/34
	IRS	CF		319	—	(63)	—	30/06/34
	IRS	CF		1,133	—	(22)	—	28/06/13
	IRS	CF		3,642	—	(715)	—	30/06/34
	IRS	CF		319	—	(63)	—	30/06/34
Ruta de los Pantanos, S.A.	IRS	CF		15,745	—	(2,977)	—	02/01/18
M50 (Concession) Limited	IRS	CF		6,070	—	(2,662)	—	28/03/40
	IRS	CF		6,070	—	(2,729)	—	28/03/40
	IRS	CF		6,070	—	(2,727)	—	28/03/40
	IRS	CF		6,070	—	(2,727)	—	28/03/40
Autopistas del Sol, S.A.	IRS	CF		32,992	—	(8,213)	—	30/11/23
Concesionaria Hospital Son Dureta, S.A.	IRS	CF		15,907	—	(5,659)	—	25/07/29
	IRS	CF		15,907	—	(5,659)	—	25/07/29
Autovía Necaxa - Tihuatlan, S.A. De C.V.	IRS	CF		23,108	—	(6,023)	—	06/12/27
	IRS	CF		22,428	—	(5,846)	—	06/12/27
	IRS	CF		22,428	—	(5,846)	—	06/12/27
Scutvias-Autoestradas da Beira Interior, S.A.	IRS	CF		9,727	—	(1,861)	—	04/10/18
	IRS	CF		6,080	—	(1,162)	—	04/10/18
	IRS	CF		6,080	—	(1,162)	—	04/10/18
	IRS	CF		2,432	—	(466)	—	04/10/18
Aeropuerto de Castellón	IRS	CF		5,511	—	(1,005)	—	30/09/19
Auto-Estradas XXI - Subconcessionaria Transmontana S.A.	IRS	CF		22,652	—	(5,083)	—	31/12/29
	IRS	CF		8,248	—	(1,851)	—	31/12/29
	IRS	CF		14,619	—	(3,281)	—	31/12/29
	IRS	CF		22,652	—	(5,083)	—	31/12/29
	IRS	CF		22,652	—	(5,083)	—	31/12/29
	IRS	CF		21,539	—	(4,833)	—	31/12/29
	IRS	CF		12,270	—	(2,753)	—	31/12/29

	Type of derivative	Type of hedge	% hedged	Notional amount at 31/12/12	Notional amount at 31/12/13	Value at 31/12/12	Value at 31/12/13	Expiry
CIRALSA Sociedad Anónima Concesionaria del Estado	IRS	CF		7,078	—	(1,698)	—	30/12/24
	IRS	CF		7,078	—	(1,698)	—	30/12/24
	IRS	CF		7,078	—	(1,699)	—	30/12/24
Metros Ligeros de Madrid	IRS	CF		17,830	—	(6,268)	—	30/06/34
	IRS	CF		18,454	—	(5,709)	—	31/12/26
	IRS	CF		2,664	—	(936)	—	30/06/34
Realia Patrimonio, S.L.U.	IRS	CF		15,485	—	(998)	—	30/06/14
	IRS	CF		15,485	—	(998)	—	30/06/14
	IRS	CF		15,485	—	(1,038)	—	30/06/14
	IRS	CF		15,485	—	(1,038)	—	30/06/14
	IRS	CF		15,485	—	(1,038)	—	30/06/14
	IRS	CF		15,485	—	(1,038)	—	30/06/14
	IRS	CF		15,485	—	(1,024)	—	30/06/14
	IRS	CF		15,485	—	(1,024)	—	30/06/14
	IRS	CF		7,742	—	(519)	—	30/06/14
	IRS	CF		7,742	—	(519)	—	30/06/14
	IRS	CF		7,742	—	(513)	—	30/06/14
	IRS	CF		7,742	—	(513)	—	30/06/14
	IRS	CF		7,742	—	(513)	—	30/06/14
	IRS	CF		7,742	—	(513)	—	30/06/14
	IRS	CF		7,742	—	(512)	—	30/06/14
	IRS	CF		7,742	—	(512)	—	30/06/14
Societe d'Investissements Inmobiliers Cotee de Paris	IRS	CF		14,838	—	(958)	—	30/06/14
	IRS	CF		14,838	—	(958)	—	30/06/14
	IRS	CF		14,838	—	(996)	—	30/06/14
	IRS	CF		14,838	—	(996)	—	30/06/14
	IRS	CF		7,419	—	(498)	—	30/06/14
	IRS	CF		7,419	—	(498)	—	30/06/14
	IRS	CF		7,419	—	(492)	—	30/06/14
	IRS	CF		7,419	—	(492)	—	30/06/14
	IRS	CF		3,022	—	3	—	30/05/14
	IRS	CF		3,022	—	1	—	30/05/14
Total equity method				**1,651,071**	**624,367**	**(341,271)**	**(120,226)**	
Discontinued operations								
Olivento	IRS	CF	7%	28,290	26,214	(3,988)	(2,704)	31/12/24
	IRS	CF	9%	34,921	32,359	(4,923)	(3,341)	31/12/24
	IRS	CF	16%	61,096	56,613	(8,630)	(5,853)	31/12/24
	IRS	CF	6%	24,311	22,528	(3,434)	(2,338)	31/12/24
	IRS	CF	7%	28,290	26,214	(3,996)	(2,711)	31/12/24
	IRS	CF	9%	32,806	30,399	(4,634)	(3,159)	31/12/24
	IRS	CF	6%	22,750	21,081	(3,207)	(2,168)	31/12/24
	IRS	CF	7%	28,290	26,214	(3,996)	(2,710)	31/12/24
	IRS	CF	9%	32,806	30,399	(4,625)	(3,132)	31/12/24
Helios Patrimonial 1, S.L. and Helios Patrimonial 2, S.L.	IRS	CF	13%	13,801	13,190	(1,497)	(937)	22/12/23
	IRS	CF	13%	13,801	13,190	(1,470)	(915)	22/12/23
	IRS	CF	27%	27,632	26,407	(2,970)	(1,859)	22/12/23
	IRS	CF	27%	27,632	26,407	(2,970)	(1,834)	22/12/23

	Type of derivative	Type of hedge	% hedged	Notional amount at 31/12/12	Notional amount at 31/12/13	Value at 31/12/12	Value at 31/12/13	Expiry
Guzmán Energía, S.L.	IRS	CF	80%	54,360	53,562	(13,748)	(9,646)	01/04/31
	IRS	CF	80%	90,600	89,270	(22,837)	(15,936)	31/03/31
	IRS	CF	80%	36,240	35,708	(9,165)	(6,391)	01/04/31
Tramvia Metropolità, S.A.	IRS	CF		—	3,615	—	(894)	31/10/23
	IRS	CF		—	1,549	—	(383)	31/10/23
Tramvia Metropolità del Besòs, S.A.	IRS	CF		—	4,433	—	(855)	30/06/23
	IRS	CF		—	1,108	—	(214)	30/06/23
Autopista Central Galega Sociedad Concesionaria Española, S.A., Sole-Shareholder Company	IRS	CF		—	—	—	—	31/07/13
	IRS	CF		—	—	—	—	31/07/13
	IRS	CF		—	62,858	—	18	30/06/16
	IRS	CF		—	20,953	—	5	30/06/16
Hospital del Sureste, S.A. (Phunciona Gestión Hospitalaria)	IRS	CF		—	13,128	—	(1,940)	31/12/32
	IRS	CF		—	1,503	—	(279)	31/12/32
Túnel d'Envalira, S.A. Concesionaria del Principat d'Andorra	COLLAR	CF		—	6,343	—	(1,086)	20/07/22
Tranvía de Parla, S.A.	IRS	CF		—	16,184	—	(2,896)	30/12/22
Concesiones de Madrid, S.A.	IRS	CF		—	—	—	—	15/12/13
Terminal Polivalente de Castellón, S.A.	IRS	CF		—	5,968	—	(791)	15/01/18
	IRS	CF		—	2,984	—	(395)	15/01/18
Compañía Concesionaria del Túnel de Sóller, S.A.	IRS	CF		—	3,757	—	(243)	30/06/18
	IRS	CF		—	3,757	—	(243)	30/06/18
Metro Barajas Sociedad Concesionaria, S.A.	IRS	CF		—	7,126	—	(766)	24/06/24
Madrid 407 Sociedad Concesionaria, S.A.	IRS	CF		—	11,530	—	(3,053)	10/07/33
N6 (Concession) Limited	IRS	CF		—	—	—	—	30/06/13
	IRS	CF		—	3,283	—	(451)	30/06/34
	IRS	CF		—	287	—	(40)	30/06/34
	IRS	CF		—	—	—	—	28/06/13
	IRS	CF		—	2,463	—	(343)	30/06/34
	IRS	CF		—	216	—	(30)	30/06/34
	IRS	CF		—	—	—	—	28/06/13
	IRS	CF		—	3,284	—	(456)	30/06/34
	IRS	CF		—	288	—	(40)	30/06/34
	IRS	CF		—	—	—	—	28/06/13
	IRS	CF		—	3,284	—	(457)	30/06/34
	IRS	CF		—	288	—	(40)	30/06/34
Ruta de los Pantanos, S.A.	IRS	CF		—	14,882	—	(2,132)	02/01/18

	Type of derivative	Type of hedge	% hedged	Notional amount at 31/12/12	Notional amount at 31/12/13	Value at 31/12/12	Value at 31/12/13	Expiry
M50 (Concession) Limited	IRS	CF		—	6,015	—	(1,839)	28/03/40
	IRS	CF		—	6,015	—	(1,889)	28/03/40
	IRS	CF		—	6,015	—	(1,889)	28/03/40
	IRS	CF		—	6,015	—	(1,895)	28/03/40
Autopistas del Sol, S.A.	IRS	CF		—	64,610	—	(9,005)	30/11/23
Concesionaria Hospital Son Dureta, S.A.	IRS	CF		—	15,625	—	(4,117)	25/07/29
	IRS	CF		—	15,625	—	(4,116)	25/07/29
Autovía Necaxa - Tihuatlán, S.A. De C.V.	IRS	CF		—	22,073	—	(2,768)	06/12/27
	IRS	CF		—	21,424	—	(2,686)	06/12/27
	IRS	CF		—	21,424	—	(2,686)	06/12/27
Scutvias-Autoestradas da Beira Interior, S.A.	IRS	CF		—	8,384	—	(1,268)	04/10/18
	IRS	CF		—	5,240	—	(792)	04/10/18
	IRS	CF		—	5,240	—	(792)	04/10/18
	IRS	CF		—	2,096	—	(318)	04/10/18
Aeropuerto de Castellón	IRS	CF		—	5,183	—	(747)	30/09/19
Auto-Estradas XXI-Subconcessionaria Transmontana, S.A.	IRS	CF		—	16,955	—	(3,120)	31/12/29
	IRS	CF		—	6,174	—	(1,147)	31/12/29
	IRS	CF		—	10,943	—	(2,015)	31/12/29
	IRS	CF		—	16,955	—	(3,121)	31/12/29
	IRS	CF		—	16,955	—	(3,156)	31/12/29
	IRS	CF		—	16,122	—	(3,015)	31/12/29
	IRS	CF		—	9,184		(1,690)	31/12/29
CIRALSA Sociedad Anónima Concesionaria del Estado	IRS	CF		—	7,069	—	(1,204)	30/12/24
	IRS	CF		—	7,069	—	(1,204)	30/12/24
	IRS	CF		—	7,069	—	(1,204)	30/12/24
Metros Ligeros de Madrid	IRS	CF		—	17,830	—	(4,363)	30/06/34
	IRS	CF		—	18,454	—	(4,050)	31/12/26
	IRS	CF		—	2,664	—	(649)	30/06/34
Realia Patrimonio, S.L.U.	IRS	CF		—	18,398	—	(403)	30/06/14
	IRS	CF		—	18,398	—	(403)	30/06/14
	IRS	CF		—	18,398	—	(419)	30/06/14
	IRS	CF		—	18,398	—	(419)	30/06/14
	IRS	CF		—	18,398	—	(419)	30/06/14
	IRS	CF		—	18,398	—	(419)	30/06/14
	IRS	CF		—	18,398	—	(414)	30/06/14
	IRS	CF		—	18,398	—	(414)	30/06/14
	IRS	CF		—	9,199	—	(210)	30/06/14
	IRS	CF		—	9,199	—	(210)	30/06/14
	IRS	CF		—	9,199	—	(207)	30/06/14
	IRS	CF		—	9,199	—	(207)	30/06/14
	IRS	CF		—	9,199	—	(207)	30/06/14
	IRS	CF		—	9,199	—	(207)	30/06/14
	IRS	CF		—	9,199	—	(207)	30/06/14
	IRS	CF		—	9,199	—	(207)	30/06/14

	Type of derivative	Type of hedge	% hedged	Notional amount at 31/12/12	Notional amount at 31/12/13	Value at 31/12/12	Value at 31/12/13	Expiry
Societe d'Investissements Inmobiliers Cotee de Paris	IRS	CF		—	17,668	—	(387)	30/06/14
	IRS	CF		—	17,668	—	(387)	30/06/14
	IRS	CF		—	17,668	—	(403)	30/06/14
	IRS	CF		—	17,668	—	(403)	30/06/14
	IRS	CF		—	8,834	—	(201)	30/06/14
	IRS	CF		—	8,834	—	(201)	30/06/14
	IRS	CF		—	8,834	—	(199)	30/06/14
	IRS	CF		—	8,834	—	(199)	30/06/14
	IRS	CF		—	3,704	—	—	30/05/14
	IRS	CF		—	3,704	—	—	30/05/14
Total discontinued operations				557,626	1,423,445	(96,090)	(157,745)	

The detail, by expiry date, of the notional amount of the hedging transactions arranged at 31 December 2013 is as follows:

	Notional maturity				
	2014	**2015**	**2016**	**2017**	**2018 and subsequent years**
Fully consolidated companies	711,140	146,534	92,714	15,250	156,566
Companies accounted for using the equity method	71,623	6,872	6,996	10,033	528,843
Discontinued operations	387,091	55,847	141,192	78,675	760,640

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

	Type of derivative	Type of hedge	Notional amount at 31/12/12	Notional amount at 31/12/13	Value at 31/12/12	Value at 31/12/13	Expiry
Fully consolidated companies							
.A.S.A. Abfall Service Zistersdorf GmbH	COLLAR	SP	61,333	56,000	(10,440)	(7,588)	28/03/24
Cementos Portland Valderrivas	IRS	CF	63,000	45,000	(1,106)	(123)	22/02/14
	IRS	CF	21,000	15,000	(255)	(29)	24/02/14
	IRS	CF	2,756	1,969	(135)	(68)	15/04/16
Total fully consolidated companies			148,089	117,969	(11,936)	(7,808)	
Companies accounted for using the equity method							
Zabalgarbi, S.A.	COLLAR	SP	3,000	3,000	(238)	10	26/01/14
	BARRIER SWAP	SP	3,000	4,500	(153)	18	27/01/14
NIHG South West Health Partnership Limited	CAP	SP	21,325	—	—	—	31/03/14
	CAP	SP	21,325	—	—	—	31/03/14
Total equity method			48,650	7,500	(391)	28	

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

	Notional expiry				
	2014	2015	2016	2017	2018 and subsequent years
Fully consolidated companies	66,121	6,121	5,727	5,333	34,667
Companies accounted for using the equity method	7,500	—	—	—	—

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:

Type of derivative	Classification	Amount arranged	Expiry	2012 Market Value		2013 Market Value	
				Assets	Liabilities	Assets	Liabilities
First tranche							
CALL	Hedge	1,800	15/01/14	1	—	—	—
PUT	Non-hedging instruments	1,800	15/01/14	—	45,217	—	25,558
Swap	Non-hedging instruments	53,838	15/01/14	538	—	—	234
				539	**45,217**	**—**	**25,792**
Second tranche							
CALL	Hedge	1,500	10/02/14	136	—	—	—
PUT	Non-hedging instruments	1,500	10/02/14	—	24,013	—	13,410
Swap	Non-hedging instruments	37,065	10/02/14	928	—	—	13
				1,064	**24,013**	**—**	**13,423**

As regards the Call option of the first tranche, it should be noted that it was treated as a hedging derivative until its expiry on 1 October 2013. However, it was agreed to postpone expiry of the call, the put and the exchange of interest and dividends to 15 January 2014 and, therefore, no cash flow took place upon settlement and it was thenceforth considered to be a derivative not qualifying for hedge accounting.

25. TAX MATTERS

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

Under authorisation 18/89, the Parent of the FCC Group files consolidated income tax returns with all the other Group companies that meet the requirements established by tax legislation. The subsidiary Corporación Uniland, S.A. also files consolidated income tax returns and makes up its own consolidated tax group.

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 against the income tax assessments for 1991 to 1994. The sentence was enforced in 2013 and did not affect equity since provisions had been recognised for the aforementioned assessments.

a) Deferred tax assets and liabilities

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

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 131,199 thousand (31 December 2012: EUR 113,018 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 19,759 thousand (31 December 2012: an increase of EUR 17,040 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 taxes.

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

	2014	2015	2016	2017	2018 and subsequent years	Total
Assets	390,666	62,257	56,507	34,806	537,753	**1,081,989**
Liabilities	104,000	21,724	14,442	14,095	648,406	**802,757**

b) Public Authorities

The detail at 31 December 2013 and 2012 of "Current Tax Assets" and "Current Tax Liabilities" is as follows:

Current assets

	2013	2012
VAT refundable (Note 16)	133,649	200,683
Current tax	34,163	25,813
Other taxes, etc. (Note 16)	38,891	54,119
	206,703	280,615

Current liabilities

	2013	2012
VAT payable (Note 23)	128,432	211,284
Current tax	25,147	37,248
Accrued social security and other taxes payable (Note 23)	295,191	322,424
	448,770	570,956

c) Income tax expense

The income tax benefit accrued in 2013 amounted to EUR 135,502 thousand (2012: EUR 37,956 thousand), as shown in the accompanying consolidated income statement. Following is the reconciliation of the expense to the tax charge accrued:

	2013			2012		
Consolidated profit (loss) before tax from continuing operations			(760,766)			(260,683)
	Increase	**Decrease**		**Increase**	**Decrease**	
Consolidation adjustments and eliminations	280,588		280,588	239,321		239,321
Permanent differences	140,255	(77,806)	62,449	92,524	(66,752)	26,772
Adjusted consolidated profit (loss) from continuing operations			(417,729)			5,410
Permanent differences with an impact on reserves (*)						(2,984)
Temporary differences						
-Arising in the year	901,272	(226,175)	675,097	336,914	(151,021)	185,893
-Arising in prior years	279,255	(183,074)	96,181	275,977	(301,231)	74,746
Changes in the scope of consolidation (Note 5)						(5,272)
Consolidated taxable result from continuing operations			353,549			257,793

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

With respect to the table above, in light of the magnitude 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 2014 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. In 2013 and 2012 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).

	2013	2012
Adjusted consolidated profit (loss) from continuing operations	(417,729)	5,410
Income tax charge	133,031	(1,623)
Tax credits and tax relief	15,221	6,356
Adjustments due to change in tax rate (*)	12,559	14,754
Other adjustments	(25,309)	18,469
Income tax	**135,502**	**37,956**

(*) Due mainly to the reduction of the tax rate in the United Kingdom, mainly in the FCC Environment (UK) Group (formerly the WRG Group).

26. PENSION PLANS AND SIMILAR OBLIGATIONS

In general, the Spanish Group companies have not established any pension plans to supplement the social security pension benefits. However, pursuant to the Consolidated Text of the Regulatory 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:

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

The accompanying consolidated income statement includes premium payments in 2013 amounting to EUR 800 thousand in relation to this insurance policy. In addition, income from rebates on the premiums paid previously amounted to EUR 3,259 thousand. At 31 December 2013, the fair value of the contributed premiums covers all of the actuarial obligations assumed.

The liability side of the accompanying consolidated balance sheet for 2013 includes the present value, totalling EUR 2,852 thousand (2012: EUR 2,930 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 2013 and 2012 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 at 31 December 2013 includes the employee benefit obligations of the companies of the FCC Environment (UK) Group, resident in the United Kingdom. These obligations are represented by certain assets assigned to the plans funding the benefits, the fair value of which amounted to EUR 44,180 thousand (31 December 2012: EUR 40,829 thousand), and the actuarial value of the accrued obligations amounted to EUR 46,722 thousand (31 December 2012: EUR 46,770 thousand). The net difference, representing a liability of EUR 2,542 thousand (31 December 2012: EUR 5,941 thousand), was recognised under "Long-Term Provisions" in the accompanying consolidated balance sheet. "Staff Costs" in the accompanying consolidated income statement includes a cost of EUR 695 thousand (31 December 2012: EUR 740 thousand) relating to the net difference between the service cost and the return on the plan assets. The average actuarial rate applied was 4.6% (2012: 4.5%).

- 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 4.5% (3.75% in 2012). At 31 December 2013, the fair value of the plan assets amounted to EUR 40,978 thousand (2012: EUR 41,266 thousand), and the actuarial value of the obligations for benefits earned amounted to EUR 53,166 thousand (2012: EUR 62,847 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 29,349 thousand (2012: EUR 35,401 thousand).

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

The detail of the changes in 2013 in the obligations and assets associated with the pension plans and similar obligations is as follows:

2013

Actual evolution of the present value of the obligation

	FCC Environment (UK) Group	Giant
Balance of obligations at beginning of year	**46,770**	**98,875**
Current service cost	367	2,002
Interest cost	2,029	3,362
Contributions by participants	23	80
Actuarial gains/losses	(460)	(7,744)
Changes due to exchange rate	(985)	(4,279)
Benefits paid in 2013	(1,022)	(4,793)
Past service cost	—	(4,448)
Balance of obligations at end of year	**46,722**	**83,055**

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**	**41,266**
Expected return on assets	1,800	1,479
Actuarial gains/losses	2,007	(869)
Changes due to exchange rate	(860)	(1,786)
Contributions by the employer	1,501	1,990
Contributions by participants	23	(137)
Benefits paid	(1,022)	(965)
Settlements	(98)	—
Balance of plan assets at end of year	**44,180**	**40,978**

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**	**42,077**

2012

Actual evolution of the present value of the obligation

	FCC Environment (UK) Group	Alpine (*)	Giant
Balance of obligations at beginning of year	**43,880**	**82,518**	**102,217**
Current service cost	532	6,467	1,402
Interest cost	2,096	3,197	3,885
Contributions by participants	23	1,544	4,902
Actuarial gains/losses	477	13,039	—
Changes due to exchange rate	1,030	552	(1,984)
Benefits paid in 2013	(1,489)	(8,429)	(7,085)
Past service cost	221	—	(4,462)
Balance of obligations at end of year	**46,770**	**98,888**	**98,875**

Actual evolution of the fair value of the plan assets

	FCC Environment (UK) Group	Alpine (*)	Giant
Balance of plan assets at beginning of year	**36,658**	**19,592**	**40,163**
Expected return on assets	2,109	484	3,265
Actuarial gains/losses	990	344	—
Changes due to exchange rate	861	134	(779)
Contributions by the employer	1,677	1,148	4,984
Contributions by participants	23	1,543	—
Benefits paid	(1,489)	(1,912)	(6,367)
Balance of plan assets at end of year	**40,829**	**21,333**	**41,266**

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	Alpine (*)	Giant	(*) The
Net balance of obligations less plan assets at end of year	**5,941**	**77,555**	**57,609**	
Actuarial gains/losses not recognised in the balance sheet (within the 10% corridor)	—	(13,058)	—	
Actuarial gains/losses not recognised in the balance sheet to be recognised in subsequent years	—	—	(40,204)	
Net balance (liabilities-assets) recognised at end of year	**5,941**	**64,497**	**17,405**	

Alpine Group was de-consolidated in 2013.

27. GUARANTEE COMMITMENTS TO THIRD PARTIES AND OTHER CONTINGENT LIABILITIES

At 31 December 2013, the Group had provided EUR 4,581,832 thousand (31 December 2012: EUR 5,728,988 thousand) of guarantees to third parties, mostly consisting of completion bonds provided to Government Agencies and private-sector customers as security for the performance of construction projects and urban cleaning contracts. Noteworthy among the guarantees are those granted to the Energy Area amounting to EUR 29,658 thousand, which will remain in place after the sale process is complete.

The main change in 2013 is due to the fact that the Alpine Group contributed EUR 1,259,075 thousand in 2012, while in 2013 it was de-consolidated (see Note 4).

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

In relation to the Group companies' interests in businesses managed jointly through unincorporated joint ventures, joint property entities, silent participation agreements and other entities of a similar nature, the venturers share joint and several 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 2013 and 2012 is as follows:

	2013	2012
Income from sundry services	133,971	136,695
CO_2 emission allowances (Note 30)	2,584	33,641
Compensation received from insurance companies	6,295	4,886
Grants related to income	12,427	16,260
Other income	71,096	136,047
	226,373	327,529

b) Procurements

The detail of the balance of "Procurements" at 31 December 2013 and 2012 is as follows:

	2013	2012
Work performed by subcontractors and other companies	1,531,830	1,533,264
Purchases and procurements	1,072,857	1,158,006
	2,604,687	2,691,270

c) Staff costs

The detail of "Staff Costs" in 2013 and 2012 is as follows:

	2013	2012
Wages and salaries	1,534,912	1,658,316
Social security costs	418,370	446,371
Other staff costs	42,311	50,241
	1,995,593	2,154,928

"Staff Costs" at 31 December 2013 includes EUR 2,002 thousand (2012: EUR 2,323 thousand) relating to the share option plan (see Note 19).

The average number of employees at the Group, by professional category, in 2013 and 2012 was as follows:

	2013	2012
Managers and university graduates	3,334	3,780
Professionals with qualifications	8,852	8,570
Clerical and similar staff	8,666	8,756
Other salaried employees	58,716	64,853
	79,568	85,959

The number of employees included in the foregoing table who discharged duties at companies that were classified as discontinued operations in 2013 amounted to 19,470 (2012: 21,017 employees).

The average number of employees at the Group, by gender, in 2013 and 2012 was as follows:

	2013	2012
Men	63,712	68,820
Women	15,856	17,139
	79,568	85,959

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 2013 and 2012 is as follows:

	2013	2012
Gain on disposal of: (Note 5)		
Flightcare Group	—	45,049
Cementos Lemona Swap	89,802	—
Southern Cement Limited	15,158	—
Gains or losses on disposals of other items of property, plant and equipment and intangible assets	2,913	2,732
Impairment of goodwill (Note 7)	(262,690)	(213,024)
Impairment of other items of property, plant and equipment and intangible assets:		
(Recognition) Reversal (Notes 7 and 8)	(83,644)	(36,876)
Other	(278)	1,143
	(238,739)	(200,976)

e) Other gains or losses

"Other Gains or Losses" in the accompanying consolidated income statement includes notably the items relating to the provisions for restructuring costs and non-recurring losses, primarily in the Construction Area, amounting to EUR 75,580 thousand (2012: EUR 126,753 thousand); the Cement Area, amounting to EUR 58,566 thousand (2012: EUR 46,948 thousand); and the Central Services Area, amounting to EUR 14,710 thousand.

f) Finance income and costs

The detail of the finance income in 2013 and 2012, based on the assets giving rise thereto, is as follows:

	2013	2012
Held-for-trading financial assets	1,402	1,402
Available-for-sale financial assets	49	53
Held-to-maturity investments	3,134	6,407
Non-current and current credits	44,205	57,723
"Lump-sum payment" construction projects	6,952	8,280
Cash and cash equivalents and other	15,515	14,811
	71,257	88,676

The detail of the finance costs in 2013 and 2012 is as follows:

	2013	2012
Credit facilities and loans	417,504	343,767
Limited recourse project financing loans	34,735	39,366
Obligations under finance leases	2,625	2,977
Other payables to third parties	22,854	28,312
Assignment of accounts receivable and "lump-sum payment" construction projects	14,651	30,484
Other finance costs	17,672	16,961
	510,041	461,867

g) Changes in fair value of financial instruments

"Changes in Fair Value of Financial Instruments" notably includes the gain of EUR 18,344 thousand (2012: loss of EUR 30,644 thousand) in fair value of the derivatives that do not qualify for hedge accounting associated with the share option plan and of 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 2013 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:

		2013		2012
Profit (loss) for the year		(8,000)		14,052
Joint ventures	(14,550)		937	
Associates	6,550		13,115	
Gains or losses on disposals and other		66,956		9
		58,956		14,061

"Gains or Losses on Disposals and Other" notably includes the gain of EUR 51,959 thousand arising from the disposal of Proactiva (see Note 5), which includes a loss of EUR 12,479 thousand (which did not have any impact on equity) arising from the recognition in the income statement of negative valuation adjustments contributed by the sale.

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 business that is classified as a discontinued operation and the elimination of inter-segment transactions.

Income statement by segment

In particular, the information shown in the following tables includes the following items as the segment result for 2013 and 2012:

- 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".

	Total Group	Environmental Services	Integral water management	Construction	Cement	Corporate
2013						
Revenue	6,726,488	2,770,384	929,990	2,589,202	540,878	(103,966)
Other income	325,981	47,104	36,506	154,490	19,102	68,779
Operating expenses	(6,542,363)	(2,392,105)	(774,756)	(2,841,651)	(509,627)	(24,224)
Depreciation and amortisation charge	(423,531)	(227,759)	(79,595)	(32,645)	(79,368)	(4,164)
Other gains or losses	(389,709)	(264,188)	2,749	(117,064)	4,796	(16,002)
Profit (loss) from operations	(303,134)	(66,564)	114,894	(247,668)	(24,219)	(79,577)
Percentage of revenue	(4.51%)	(2.40%)	12.35%	(9.57%)	(4.48%)	76.54%
Finance income and costs	(438,784)	(128,897)	(70,810)	(80,823)	(102,798)	(55,456)
Other financial profit (loss)	(77,804)	4,595	(1,728)	(84,311)	298	3,342
Result of companies accounted for using the equity method	58,956	56,748	10,710	390	(3,084)	(5,808)
Profit (loss) before tax from continuing operations	**(760,766)**	**(134,118)**	**53,066**	**(412,412)**	**(129,803)**	**(137,499)**
Income tax	135,502	(48,116)	(18,667)	103,874	56,602	41,809
Profit (loss) for the year from continuing operations	**(625,264)**	**(182,234)**	**34,399**	**(308,538)**	**(73,201)**	**(95,690)**
Profit (loss) for the year from discontinued operations, net of tax	(905,158)	(114,257)	—	(423,868)	—	(367,033)
Consolidated profit (loss) for the year	**(1,530,422)**	**(296,491)**	**34,399**	**(732,406)**	**(73,201)**	**(462,723)**
Profit (loss) attributable to non-controlling interests	24,117	(1,603)	(1,918)	2,088	1,276	24,274
Profit (loss) attributable to the Parent	**(1,506,305)**	**(298,094)**	**32,481**	**(730,318)**	**(71,925)**	**(438,449)**
Contribution to FCC Group profit (loss)	**(1,506,305)**	**(298,094)**	**32,481**	**(730,318)**	**(51,486)**	**(458,888)**

	Total Group	Environmental Services	Integral water management	Construction	Cement	Corporate
2012						

Revenue	7,429,349	2,979,450	901,404	2,935,578	653,739	(40,822)
Other income	388,128	81,192	42,110	129,936	58,241	76,649
Operating expenses	(6,809,531)	(2,552,816)	(754,597)	(2,856,161)	(642,168)	(3,789)
Depreciation and amortisation charge	(487,224)	(244,687)	(75,590)	(35,788)	(127,364)	(3,795)
Other gains or losses	(373,353)	(164,134)	828	(129,916)	(75,826)	(4,305)
Profit (loss) from operations	147,369	99,005	114,155	43,649	(133,378)	23,938
Percentage of revenue	1.98%	3.32%	12.66%	1.49%	(20.40%)	(58.64%)
Finance income and costs	(373,191)	(183,972)	(63,485)	(61,053)	(79,782)	15,101
Other financial profit (loss)	(48,922)	(5,081)	(3,334)	(12,777)	(3,821)	(23,909)
Result of companies accounted for using the equity method	14,061	17,684	13,441	(14,037)	(3,033)	6
Profit (loss) before tax from continuing operations	**(260,683)**	**(72,364)**	**60,777**	**(44,218)**	**(220,014)**	**15,136**
Income tax	37,956	(10,959)	(13,311)	10,456	53,735	(1,965)
Profit (loss) for the year from continuing operations	**(222,727)**	**(83,323)**	**47,466**	**(33,762)**	**(166,279)**	**13,171**
Profit (loss) for the year from discontinued operations, net of tax	(869,465)	(111,423)	—	(400,803)	—	(357,239)
Consolidated profit (loss) for the year	**(1,092,192)**	**(194,746)**	**47,466**	**(434,565)**	**(166,279)**	**(344,068)**
Profit (loss) attributable to non-controlling interests	64,229	(3,469)	398	5,333	19,144	42,823
Profit (loss) attributable to the Parent	**(1,027,963)**	**(198,215)**	**47,864**	**(429,232)**	**(147,135)**	**(301,245)**
Contribution to FCC Group profit	**(1,027,963)**	**(198,215)**	**47,864**	**(429,232)**	**(105,320)**	**(343,060)**

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

Contribution to FCC Group profit (Net of tax)

	2013	2012
Profit (loss) from discontinued operations	(367,033)	(357,239)
Stock option derivatives	12,841	(24,253)
Sundry provisions	—	57,820
Non-recurring staff costs	(9,073)	(10,687)
Other	(95,623)	(8,701)
	(458,888)	(343,060)

Balance sheet by segment

2013	Total Group	Environmental services	Integral water-cycle management	Construction	Cement	Corporate
ASSETS						
Non-current assets	**8,442,388**	**3,233,063**	**1,583,624**	**1,239,499**	**2,114,999**	**271,203**
Intangible assets	2,857,263	672,792	945,412	407,297	751,160	80,602
Property, plant and equipment	3,734,068	2,188,098	320,622	129,153	1,112,816	(16,621)
Investment property	16,827	—	—	16,827	—	—
Investments accounted for using the equity method	368,709	100,236	126,677	96,686	27,267	17,843
Non-current financial assets	383,532	142,534	153,047	44,125	22,783	21,043
Deferred tax assets	1,081,989	129,403	37,866	545,411	200,973	168,336
Current assets	**7,159,560**	**2,305,420**	**497,022**	**3,000,235**	**257,643**	**1,098,240**
Non-current assets classified as held for sale	2,172,503	874,657	—	—	—	1,297,846
Inventories	798,029	52,992	24,451	616,818	103,723	45
Trade and other receivables	2,733,676	840,853	282,135	1,508,452	98,219	4,017
Other current financial assets	401,842	311,277	107,863	309,882	3,699	(330,879)
Other current assets	75,760	32,673	935	34,219	4,132	3,801
Cash and cash equivalents	977,750	192,968	81,638	531,864	47,870	123,410
Total assets	**15,601,948**	**5,538,483**	**2,080,646**	**4,240,734**	**2,372,642**	**1,369,443**
EQUITY AND LIABILITIES						
Equity	**242,756**	**483,888**	**713,707**	**528,259**	**557,292**	**(2,040,390)**
Non-current liabilities	**3,472,310**	**1,239,995**	**615,809**	**741,805**	**728,661**	**146,040**
Grants	226,254	5,530	26,818	190,593	3,313	—
Long-term provisions	1,091,981	416,733	105,817	330,593	61,695	177,143
Non-current financial liabilities	1,136,907	415,738	416,788	97,585	449,128	(242,332)
Deferred tax liabilities	802,757	377,777	54,079	81,590	214,525	74,786
Other non-current liabilities	214,411	24,217	12,307	41,444	—	136,443
Current liabilities	**11,886,882**	**3,814,600**	**751,130**	**2,970,670**	**1,086,689**	**3,263,793**
Liabilities associated with non-current assets classified as held for sale	1,729,203	810,526	—	—	—	918,677
Short-term provisions	340,087	1,354	19,436	293,207	24,863	1,227
Current financial liabilities	6,398,483	951,762	263,082	541,652	975,174	3,666,813
Trade and other payables	3,413,817	640,231	446,022	2,135,810	85,395	106,359
Other current liabilities	5,292	3,549	485	1	1,257	—
Intra-Group transactions	—	1,407,178	22,105	—	—	(1,429,283)
Total liabilities	**15,601,948**	**5,538,483**	**2,080,646**	**4,240,734**	**2,372,642**	**1,369,443**

2012	Total Group	Environmental services	Integral water-cycle management	Construction	Cement	Corporate
ASSETS						
Non-current assets	**10,593,513**	**4,475,607**	**1,548,626**	**1,742,426**	**2,223,339**	**603,515**
Intangible assets	3,821,713	1,550,516	873,119	561,219	763,728	73,131
Property, plant and equipment	4,620,674	2,481,964	350,769	552,138	1,254,549	(18,746)
Investment property	70,668	6,461	—	70,668	—	(6,461)
Investments accounted for using the equity method	935,039	162,651	129,385	168,584	31,867	442,552
Non-current financial assets	412,630	119,824	161,691	91,716	17,051	22,348
Deferred tax assets	732,789	154,191	33,662	298,101	156,144	90,691
Current assets	**9,129,536**	**1,918,901**	**491,548**	**5,280,008**	**705,512**	**733,567**
Non-current assets classified as held for sale	1,476,190	—	—	—	337,246	1,138,944
Inventories	1,128,668	81,172	20,301	903,582	117,108	6,505
Trade and other receivables	4,837,241	1,114,730	305,331	3,304,172	137,544	(24,536)
Other current financial assets	437,212	509,376	77,896	292,017	16,545	(458,622)
Other current assets	83,981	31,374	1,553	46,317	3,057	1,680
Cash and cash equivalents	1,166,244	182,249	86,467	733,920	94,012	69,596
Total assets	19,723,049	6,394,508	2,040,174	7,022,434	2,928,851	1,337,082
EQUITY AND LIABILITIES						
Equity	**1,696,990**	**880,249**	**584,920**	**809,441**	**958,741**	**(1,536,361)**
Non-current liabilities	**7,587,157**	**1,802,165**	**538,316**	**1,499,918**	**1,643,497**	**2,103,261**
Grants	220,239	5,410	26,783	185,131	2,915	—
Long-term provisions	1,154,967	428,726	88,818	322,931	77,469	237,023
Non-current financial liabilities	5,105,892	908,561	346,044	856,455	1,324,873	1,669,959
Deferred tax liabilities	907,266	430,303	59,387	90,287	238,240	89,049
Other non-current liabilities	198,793	29,165	17,284	45,114	—	107,230
Current liabilities	**10,438,902**	**3,712,094**	**916,938**	**4,713,075**	**326,613**	**770,782**
Liabilities associated with non-current assets classified as held for sale	970,355	—	—	—	105,203	865,152
Short-term provisions	303,575	2,794	12,136	288,636	—	9
Current financial liabilities	4,324,620	1,198,033	420,578	871,533	109,354	1,725,122
Trade and other payables	4,832,407	706,680	444,612	3,486,542	110,171	84,402
Other current liabilities	7,945	191	438	5,431	1,885	—
Intra-Group transactions	—	1,804,396	39,174	60,933	—	(1,904,503)
Total liabilities	19,723,049	6,394,508	2,040,174	7,022,434	2,928,851	1,337,082

Cash flows by segment

	Total Group	Environmental services	Integral water-cycle management	Construction	Cement	Corporate
2013						
From operating activities	765,075	580,855	196,447	28,956	25,357	(66,540)
From investing activities	(442,498)	85,898	(149,979)	(154,342)	26,818	(250,893)
From financing activities	(333,355)	(641,670)	(51,874)	87,557	(98,617)	371,249
Other cash flows	(177,716)	(14,363)	576	(164,227)	299	(1)
Cash flows for the year	**(188,494)**	**10,720**	**(4,830)**	**(202,056)**	**(46,143)**	**53,815**
2012						
From operating activities	1,158,993	688,122	193,843	329,713	38,306	(90,991)
From investing activities	(426,531)	(235,783)	(62,547)	(328,964)	(23,415)	224,178
From financing activities	(1,608,651)	(476,072)	(114,772)	(93,001)	(128,051)	(796,755)
Other cash flows	(260,208)	3,278	(7)	(266,038)	(44,950)	47,509
Cash flows for the year	**(1,136,397)**	**(20,455)**	**16,517**	**(358,290)**	**(158,110)**	**(616,059)**

b) Activities and investments by geographical market

Approximately 42% of the Group's business is conducted abroad (2012: 38%).

The breakdown, by market, of the revenue earned abroad by the Group companies in 2013 and 2012 is as follows:

	Total	Environmental services	Integral water-cycle management	Construction	Cement
2013					
European Union	1,501,919	1,181,131	138,621	156,068	26,099
USA	202,642	—	—	15,989	186,653
Latin America	900,360	—	32,574	867,118	668
Other	211,956	18,023	11,374	86,654	95,905
	2,816,877	1,199,154	182,569	1,125,829	309,325
2012					
European Union	1,745,117	1,310,336	136,726	261,831	36,224
USA	170,154	—	—	4,753	165,401
Latin America	700,666	—	34,453	666,213	—
Other	191,538	18,270	6,625	53,013	113,630
	2,807,475	1,328,606	177,804	985,810	315,255

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	United Kingdom	Czech Republic	Other European Union countries	USA	Latin America	Other
2013								
ASSETS								
Intangible assets	2,857,263	1,972,468	343,037	1,055	245,994	36,146	258,555	8
Property, plant and equipment	3,734,068	1,342,019	1,402,746	275,634	255,602	397,638	13,428	47,001
Investment property	16,827	398	—	—	5,882	—	—	10,547
Deferred tax assets	1,081,989	853,919	86,001	2,012	9,633	126,907	1,545	1,972
2012								
ASSETS								
Intangible assets	3,821,713	2,078,765	566,636	1,064	457,444	524,470	193,301	33
Property, plant and equipment	4,620,674	1,525,339	1,455,522	301,623	704,521	543,954	25,948	63,767
Investment property	70,668	36,558	—	—	26,643	—	—	7,467
Deferred tax assets	732,789	455,082	116,943	2,071	20,346	132,288	5,197	862

c) Headcount

The average number of employees in 2013 and 2012, by business area, was as follows:

	2013	2012
Environmental Services	43,662	44,483
Integral Water Management	7,257	7,118
Construction	25,903	28,018
Cement	2,177	3,011
Corporate	569	567
	79,568	83,197

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 interest groups and its desire to generate wealth and social wellbeing.

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

On-going improvement

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

Control and monitoring

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

Climate change and prevention of pollution

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

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

Observation of the environment and innovation

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

Life cycle of the products and services

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

Everyone's participation is needed

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

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

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

a) Compliance with the applicable regulations and achievement of environmental objectives that go beyond external requirements.
b) Decrease in environmental impact through adequate planning.
c) On-going 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 business line are geared towards environmental protection and conservation, not only through the production activity itself (waste collection, operation and control of landfills, sewer cleaning, treatment and elimination of industrial waste, 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 2013, the acquisition cost of the non-current assets assigned to production in the Services Area, net of depreciation and amortisation, totalled EUR 2,956,782 thousand (31 December 2012: EUR 3,358,787 thousand). The environmental provisions, mainly for landfill sealing and shutdown expenses, totalled EUR 322,353 thousand (31 December 2012: EUR 324,805 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-hours-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 impacts 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 2013, the Cementos Portland Valderrivas Group had made environmental investments amounting to EUR 158,991 thousand (2012: EUR 160,502 thousand), which were recognised under "Intangible Assets" and "Property, Plant and Equipment". The related accumulated depreciation and amortisation charge amounted to EUR 76,087 thousand (2012: EUR 71,772 thousand).

Due to the cement business, the Group receives CO2 emission allowances for no consideration in accordance with the corresponding national allocation plans. In this connection, it should be noted that in 2013 emission allowances equivalent to 5,947 thousand tonnes per annum were received (2012: 7,763 thousand tonnes) relating to Cementos Portland Valderrivas, S.A., Cementos Alfa, S.A. and Uniland Cementera, S.A.

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

"Other Operating Income" in the accompanying consolidated income statement includes the income of EUR 2,584 thousand (2012: EUR 33,641 thousand) from sales of greenhouse gas emission allowances in 2013 (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 their 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 2013 that might have a material impact on the accompanying consolidated financial statements.

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

31. FINANCIAL RISK MANAGEMENT POLICIES

The concept of financial risk refers to the changes in the financial instruments arranged by the Group as a result of political, market and other factors and the repercussion thereof on the maximisation of the available financial resources, the obtainment of the necessary financing at a reasonable cost and the impact thereof on the consolidated financial statements.

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

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

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

Capital management

The Group manages its capital to ensure that the Group companies are capable of continuing as profitable and solvent businesses.

In line with the Strategic Plan approved in 2013, the whole Group's strategy is based on:

- the concentration of strategic businesses (engineering and performance of large infrastructure projects, urban waste management and water management and treatment);
- selective profitable international presence;
- generation of recurring cash flows; and
- debt adapted to cash-flow generation.

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

One of the objectives of this investment analysis, in addition to the habitual objectives (profitability, return period, risk assumed, strategic and market assessment), is to ensure levels of debt comply with the obligations assumed with the banks. In the investment analysis, the project's self-sufficiency from a cash-flow point of view shall take precedence over all of these.

Financial Management, which is responsible for the management of financial risks, periodically reviews the financial debt and compliance with the financing obligations and the capital structure of the subsidiaries.

Interest rate risk

The Group's interest rate risk arises from changes in cash flows relating to borrowings bearing interest at floating rates as a result of fluctuations in market interest rates, which in turn change the future cash flows generated by assets and liabilities tied to floating interest rates.

In order to ensure a position that is in the FCC Group's best interest, and to optimise the cost of financing and income statement volatility, 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.

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

The Group proactively manages its debt at floating interest rates by constantly monitoring changes in market rates, analysing whether it is appropriate to arrange interest rate hedges to minimise this risk. Stable rates in 2013 gave rise to very stable levels of interest rate risk in 2013.

The reference interest rate for the bank borrowings arranged in euros is mainly Euribor, which represents 77% of the FCC Group's bank borrowings.

Furthermore, as part of the FCC Group's risk management policy, interest rate hedging transactions were performed in 2013, ending the year with various hedging instruments of varying maturities on 64.12% of the Group's total net debt, including project structured financing hedges.

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

	Construction	Services	Cement	Aqualia	FCC	Consolidated
Total gross external	305,904	1,197,887	1,307,009	414,120	4,130,165	7,355,085
Fixed rate hedges and	(397,664)	(417,945)	(390,812)	(254,274)	(1,178,553)	(2,639,248)
Total floating-rate debt	(91,760)	779,942	916,197	159,846	2,951,612	4,715,837
Ratio: Floating-rate debt / Net debt at 31/12/13	N/A	65.1%	70.1%	38.6%	71.5%	64.12%

Complying with the policy of classifying original instruments as hedges, the FCC Group has arranged interest rate hedges, mainly swaps (IRSs) in which the Group companies ensure fixed interest rates.

Sensitivity analyses are conducted periodically with a view to monitoring the effect of possible changes in interest rates on the Group's accounts.

Accordingly, a simulation was performed using, on the one hand, three rising basic yield curve scenarios around 0.45% at 31 December 2013, assuming increases in the curve of 25 bp, 50 bp and 100 bp and, on the other hand, a falling yield curve scenario, assuming a fall of 25 bp at year-end. The amounts obtained in relation to the derivatives in force at 2013 year-end with an impact on equity and on the income statement after applying, where applicable, the related percentage of ownership, are shown below (in thousands of euros):

	Hedging derivatives			
	-25 bp	+25 bp	+50 bp	+100 bp
Impact on equity:				
Full consolidation	(3,875)	3,979	7,888	15,488
Equity method	(12,562)	12,073	23,726	45,822
Discontinued operations	(13,480)	13,253	26,166	51,016

Changes in the value of financial derivatives arranged by the Group (see Note 24, Derivative Financial Instruments) are recognised mainly in reserves in the case of those qualifying for hedge accounting.

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

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 income statement:

	Net debt			
	-25 bp	+25 bp	+50 bp	+100 bp
Impact on the income statement	(9,425)	9,425	18,850	37,701

Foreign currency risk

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

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

The foreign currency risk mainly arises 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 2013 84% 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 2012.

	CONSOLIDATED							
	Euro	US dollar	Pound sterling	Czech koruna	European countries not using the euro	Latin America	Other	TOTAL
Total consolidated net debt	4,993,240	311,228	661,417	158,906	5,683	(28,089)	(126,880)	5,975,505
Net debt as a percentage	84%	5%	11%	3%	0%	0%	(2%)	100%

The breakdown, by currency, of cash and cash equivalents is detailed in Note 17, which indicates that 55% was denominated in euros at 31 December 2013 (31 December 2012: 61%).

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

To mitigate this risk, the Group also arranged currency derivatives to hedge transactions in pounds sterling.

Foreign currency risk is expressed as the portion of the Group's equity denominated in currencies other than the euro, as indicated in Note 18-e, "Equity", the most noteworthy currency being the pound sterling. At 31 December 2013, translation differences recognised under "Valuation Adjustments" totalled a negative amount of EUR 123,613 thousand (31 December 2012: EUR 81,289 thousand).

Solvency risk

At 31 December 2013, the FCC Group's net financial debt presented on the accompanying consolidated balance sheet amounted to EUR 5,975,505 thousand, as shown in the following table:

	2013	2012
Bank borrowings	6,227,107	7,247,003
Debt instruments and other marketable securities	851,111	1,144,677
Other interest-bearing financial debt	276,867	299,439
Current financial assets	(401,830)	(437,212)
Cash and cash equivalents	(977,750)	(1,166,244)
Net financial debt	5,975,505	7,087,663
Net limited recourse debt	(2,082,070)	(2,824,805)
Net borrowings with recourse	3,893,435	4,262,858

It is important to note with regard to "Solvency Risk" that, although the Group's consolidated financial statements present losses of EUR 1,506,305 thousand, these relate mostly to accounting losses, or, where applicable, non-recurring losses, as a result of asset write-downs, the impairment of goodwill and adjustments to various investments at the FCC Environment (UK) Group (formerly the WRG Group), and at the Alpine, FCC Logística, Energy, FCC Environmental (USA), Realia Business and Globalvía Infraestructuras groups. These are operating losses that have no effect on cash and that will not affect the FCC Group's borrowings in the future (and, therefore, will not affect its solvency risk either).

Liquidity risk

This risk results from the timing mismatches between the funds generated by bank financing activities and divestments, and the funds needed for the payment of debts, working capital requirements, business investment commitments, etc.

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

The adverse performance of certain markets and businesses in which the Group has been carrying on its activity gave rise to recognition of considerable losses in 2013, as a result mainly of the need to recognise significant write-downs and to implement actions aimed at laying the foundations of a strategic refocus, involving the withdrawal from certain Construction and Cement markets, restructuring costs of certain activities and the write-down of goodwill of various investees, associates and discontinued operations.

Noteworthy among the liquidity risks arising in 2013 was, firstly, the involvement of the Central and Eastern European construction subsidiary Alpine in insolvency proceedings and its subsequent entry into a liquidation process. These events took place in June 2013 following a noticeable deterioration in its activity, especially from the second quarter of the year, and its resulting inability to meet the obligations under the refinancing agreements entered into in March 2013. Accordingly, all of Alpine's assets were reduced to zero in the consolidated financial statements of FCC, EUR 423.9 million of which relate to the write-off of the investment therein, together with the results of the company until the date it ceased to be consolidated and the provisions recognised for the possible risks associated with the on-going liquidation process. The net financial debt associated with Alpine, without recourse to the Parent of the FCC Group, was EUR 741.2 million at 2012 year-end.

At 31 December 2013, the Group had a working capital deficiency of EUR 4,727 million and current bank borrowings amounting to EUR 6,399 million. Despite the above, the Parent's directors prepared these consolidated financial statements in accordance with the going-concern principle of accounting, since they have no doubts regarding the Group's capacity to refinance or restructure its financial debt, or to generate resources from its operations and through the disposal of non-strategic assets to enable it to adapt the Group's financial structure to the situation of the businesses and the cash flows forecast in the

2013-2015 Business Plan. This period is also covered by the Strategic Plan undertaken by the Group, which includes the following main objectives:

- To substantially improve the profitability of the activities carried on by the Group, particularly its international operations, which provide the Group's main source of growth.

- To reduce the net financial debt through the disposal of non-strategic businesses.

- To focus investment on businesses offering higher returns and development possibilities, either directly or through financial partners.

- To adapt the organisational structure and the management systems to this new scenario.

Furthermore, in the preparation of the accompanying consolidated financial statements, the following mitigating factors were taken into consideration with regard to any possible uncertainty as to the applicability of the going-concern principle:

- The detail of the main refinancing processes initiated in 2013 is shown in Note 21, "Non-Current and Current Financial Liabilities".

- The Group also had cash and current financial assets amounting to EUR 1,380 million (see Notes 14 and 17).

- At 31 December 2013, the Group had drawable credit amounting to EUR 601 million in various working capital credit facilities, as shown in the table at the end of this section.

- A significant portion of the current bank borrowings, amounting to EUR 1,458 million, is without recourse to the Parent. The following items are worthy of note in these borrowings without recourse:

  - Limited recourse project financing loans: EUR 492 million. These relate mainly to the debt associated with the acquisition of the FCC Environment (UK) Group (formerly the WRG Group).

  - The Cementos Portland Valderrivas Group's financial debt without recourse to the Parent, amounting to EUR 967 million.

- During the implementation of the Disposals Plan in 2013, as part of the Strategic Plan, sales of assets for an estimated EUR 917.1 million were agreed upon.

- The second Supplier Payment Plan approved in July 2013 structured receivables from the Spanish Public Authorities into two tranches, the fourth quarter of 2013 and the first quarter of 2014.

  At 31 December 2013, the FCC Group had past-due collection rights of over EUR 600 million from various Public Authorities.

- Against the current macroeconomic backdrop, in December 2013 new measures were approved that will give rise to an improved collection period for balances with Public Authorities. On the one hand, an Organic Law was approved to control commercial debt in the public sector, the objective of which is to reduce the average payment period to public sector suppliers to 30 days.

  On the other hand, on 28 December 2013, a new Law was published that encourages the use of electronic invoicing and establishes an accounting register for invoices in the public sector, which should be operational from 1 January 2015. All this will enable procedures regarding payment to suppliers to be sped up and will give unpaid invoices a greater level of assurance.

- In 2013 the Group's Management, Budget and Planning Control Department was strengthened. The Department discharges, among others, the following functions:

    - The review and validation of whether the projects in the Group's portfolio fulfil the contractual objectives entered into and validated at the bidding stage, i.e. whether they achieve the desired quality, delivery dates and economic results;
    - The review and validation of whether the definitive versions of the bids delivered to external customers fulfil the requirements established by the Company in terms of margin, cash-flow generation, return on investment and risk;
    - The analysis of the FCC Group's economic and financial performance.

All of these factors, together with the strategic guidelines mentioned above that have already been launched, should contribute to a significant improvement in the Group's gross profit from operations, enhanced management of working capital and of the risks associated with international expansion, and a reduction in net financial debt. The objective established in the Strategic Plan is to increase gross profit from operations and to reduce the net financial debt to levels considered appropriate to the characteristics and recurrent nature of most of the Group's businesses.

At 31 December 2013, the Group had the following repayment schedule for gross external debt, amounting to EUR 6,284 million in 2014. The borrowings associated with the refinancing process initiated by the Group in 2013 were recognised in full as current borrowings at 2013 year-end (see Note 21).

2014 Total Jan-Dec	2015 Total Jan-Dec	2016 Total Jan-Dec	2017 Total Jan-Dec	2018 and subsequent years	TOTAL
6,284,293	285,800	101,885	48,723	634,383	7,355,085

For the same reason as explained in the previous section with reference to "Solvency Risk", the losses recognised at 2013 year-end will not significantly affect the Group's future liquidity as they are mainly accounting or non-recurring losses.

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. 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 balance sheet, and the credit and financing facilities detailed in Note 21.

With a view to improving its liquidity position, the Group actively manages collection from its customers to ensure they meet their payment obligations.

The detail of the credit lines granted at consolidated level at 31 December 2013, taking into account only current and non-current bank borrowings and excluding the items accounted for as non-recourse borrowings, amounts payable under finance leases and accrued interest payable, is as follows:

	Amount granted	Undrawn balance	Balance drawn down
Consolidated	5,855,556	601,100	5,254,456

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 following financial assets are exposed to credit risk:

- Current and non-current financial assets.
- Hedging financial instruments.
- Trade and other receivables.
- Financial assets included in cash and cash equivalents.

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. Furthermore, late payment is monitored on an ongoing basis by specific bodies, including the risk committees.

In 2013 and with the entry into force of IFRS 13, the measurement of derivative financial instruments includes the counterparty credit risk. 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.

Concentration risk

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

- Sources of financing: the FCC Group obtains financing from over 70 Spanish and international financial institutions.

- Markets/geographical area (Spanish, foreign): the FCC Group operates in a wide variety of Spanish and international markets and 84% of the Group's debt is concentrated in euros and 16% in various currencies in several international markets.

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

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

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 2013 and 2012 and payable to them by the Company or by any of the Group companies, joint ventures or associates is as follows:

	2013	2012
Fixed remuneration	2,950	3,445
Other remuneration	914	1,279
	3,864 (*)	4,724

(*) 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 4,192 thousand in 2013 (2012: EUR 6,015 thousand).

2013	
Agustín García Gila	Chairman of FCC Medio Ambiente
Eduardo González Gómez	Chairman of FCC Energía and Chairman of Aqualia
Fernando Moreno García	Chairman of FCC Construcción, S.A.
Antonio Gómez Ciria	General Administration Manager
Miguel Hernanz Sanjuán	General Internal Audit Manager
Victor Pastor Fernández	General Finance Manager
José Luís Sáenz de Miera	Chairman and CEO of Cementos Portland Valderrivas
José Manuel Velasco Guardado	General Communication and Corporate Responsibility Manager
Ana Villacañas Beades	General Organisation Manager

2012

José Luís de la Torre Sánchez	Chairman of FCC Servicios
Miguel Hernanz Sanjuán	General Internal Audit Manager
Juan Béjar Ochoa	Chairman and CEO of Cementos Portland Valderrivas.
José Mayor Oreja	Chairman of FCC Construcción, S.A.
Victor Pastor Fernández	General Finance Manager
Antonio Gómez Ciria	General Administration and Information Technologies Manager
Eduardo González Gómez	General Energy and Sustainability Manager
José Manuel Velasco Guardado	General Communication and Corporate Responsibility Manager
Francisco Martín Monteagudo	General Human Resources 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 foregoing does not include the Director Henri Proglio, who is Chairman and CEO of Électricité de France (EDF).

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

Name or company name of director	Group company name	Position
CARTERA DEVA, S.A.	CEMENTOS PORTLAND VALDERRIVAS, S.A.	DIRECTOR
EAC INVERSIONES CORPORATIVAS, S.L.	CEMENTOS PORTLAND VALDERRIVAS, S.A.	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	ETHERN ELECTRIC POWER, S.A. (Sole-Shareholder Company)	DIRECTOR-SECRETARY
	FCC ENVIRONMENTAL LLC.	DIRECTOR
	FCC POWER GENERATION, S.L. (Sole-Shareholder Company)	DIRECTOR-SECRETARY
	FCC CONSTRUCCION, S.A.	DIRECTOR-SECRETARY
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.

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

Name or company name of the directors or executives	Name or company name of the Group company or entity	Type of transaction	Type of relationship	Amount
B-1998, S.L.	Servicios Especiales de Limpieza, S.A.	Contractual	Rendering of services	1
B-1998, S.L.	FCC Medio Ambiente, S.A.	Contractual	Rendering of services	2

b) Transactions between Group companies or entities

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

The revenue recognised in the accompanying consolidated income statement includes EUR 130,967 thousand (2012: EUR 234,988 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 113,912 thousand (2012: EUR 132,934 thousand).

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

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

33. FEES PAID TO AUDITORS

The 2013 and 2012 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:

	2013		2012	
Fees for financial audit services		**4,333**		**7,272**
Principal auditor	2,606		4,812	
Other auditors	1,727		2,460	
Fees for other services		**6,502**		**8,023**
Principal auditor	179		447	
Other auditors	6,323		7,576	
		10,834		15,295

34. EVENTS AFTER THE REPORTING PERIOD

As indicated in these notes to the consolidated financial statements (see Note 21), the FCC Group managed to include 99.4% of its total debt in the refinancing agreement, which will be formalised upon fulfilment of certain conditions precedent. This situation will enable a sustainable financial structure to be achieved that is adapted to the projected cash generation of the various businesses, which will enable the objectives established in the FCC Group's Strategic Plan of improving profitability and reducing debt to be focused on.

With regard to the Energy Area, as indicated in Note 1, an agreement was reached to sell 51% of ownership interest to Plenium FMGP, S.L. Since the agreement is conditional on the fulfilment of the habitual conditions precedent in agreements of this kind, the assets and liabilities have been recognised under "Non-Current Assets Classified as Held for Sale" and "Liabilities Associated with Non-Current Assets Classified as Held for Sale", and are measured at the sale price agreed upon in the aforementioned agreement (see Note 4). On 31 January 2014, the Spanish Ministry of Industry, Energy and Tourism submitted to the Spanish National Markets and Competition Commission, for its mandatory report, its draft order approving the standard facility remuneration parameters applicable to certain electricity production facilities using renewable energy sources, cogeneration and waste. Since, as indicated above, the ownership interest was measured at sale price, the implementation of the draft order will not have any impact on the financial statements of the FCC Group.

On 27 February 2014, an agreement was reached with CCF Logistics Holding, S.à.r.l. for the sale of the Logistics business, which is recognised as a discontinued operation in these consolidated financial statements (see Note 4). The sale proceeds amounted to EUR 32 million. The completion of this transaction is subject to the habitual conditions precedent in transactions of this kind.

On 17 March 2014, an agreement was reached with JCDecaux for the sale of the Cemusa Group for EUR 80 million. The Cemusa Group is recognised as a discontinued operation in these consolidated financial statements (see Note 4). The completion of this transaction is subject to the habitual conditions precedent in transactions of this kind.

35. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group (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	PriceWaterhouseCoopers
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
Baltecma, Gestión de Residuos Industriales, S.L.	Conradors, parcela 34 P.I. Marratxi - Marratxi (Balearic Islands)	70.00	
Beta de Administración, S.A.	Av. Camino de Santiago, 40 - Madrid	100.00	
C.G.T. Corporación General de Transportes, S.A.	Av. Camino de Santiago, 40 - Madrid	100.00	
Camusa Corporación Americana de Mobiliario Urbano, S.A.	Argentina	100.00	
Castellana de Servicios, S.A.	Federico Salmón, 13 - Madrid	100.00	PriceWaterhouseCoopers
Cemusa Amazonia, S.A.	Brazil	100.00	PriceWaterhouseCoopers
Cemusa Boston, LLC	USA	100.00	
Cemusa Brasilia, S.A.	Brazil	100.00	PriceWaterhouseCoopers
Cemusa do Brasil, Ltda.	Brazil	100.00	PriceWaterhouseCoopers
Cemusa, Corporación Europea de Mobiliario Urbano, S.A.	Francisco Sancha, 24 - Madrid	100.00	PriceWaterhouseCoopers
Cemusa, Inc.	USA	100.00	
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 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	

Company	Registered office	Effective percentage of ownership	Auditor
Ecodeal-Gestao Integral de Resíduos Industriais, S.A.	Portugal	53.62	PriceWaterhouseCoopers
Ecogenesis Société Anonime Rendering of Cleansing and Waste Management Services	Greece	51.00	
Ecoparque Mancomunidad del Este, S.A.	Federico Salmón, 13 - Madrid	100.00	Audinfor
Egypt Environmental Services, S.A.E.	Egypt	100.00	PriceWaterhouseCoopers
Ekostone Áridos Siderúrgicos, S.L.	Las Mercedes, 25 - Las Arenas (Vizcaya)	51.00	
Empresa Comarcal de Serveis Mediambientals del Baix Penedés – ECOBP, S.L.	Plaza del Centre, 3 - El Vendrell (Tarragona)	66.60	Audinfor
Empresa Municipal de Desarrollo Sostenible Ambiental de Úbeda, S.L.	Plaza Vázquez de Molina, s/n - Úbeda (Jaén)	90.00	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. (1)	Federico Salmón, 13 - Madrid	100.00	
FCC Ámbito, S.A., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	PriceWaterhouseCoopers
FCC Environmental, Llc.	USA	100.00	
FCC Environment Services (UK) Limited	United Kingdom	100.00	Deloitte
FCC Logística, S.A., Sole-Shareholder Company	Buenos Aires, 10 P.I. Camporroso - Alcalá de Henares (Madrid)	100.00	PriceWaterhouseCoopers
FCC Logística Portugal, S.A.	Portugal	99.90	PriceWaterhouseCoopers
FCC Lubricants Llc.	USA	51.00	
FCC Medio Ambiente, S.A.	Federico Salmón, 13 - Madrid	100.00	PriceWaterhouseCoopers
FCC Versia, S.A.	Av. Camino de Santiago, 40 - Madrid	100.00	PriceWaterhouseCoopers
Focsa Serviços de Saneamento Urbano de Portugal, S.A.	Portugal	100.00	PriceWaterhouseCoopers
Gamasur Campo de Gibraltar, S.L.	Antigua Ctra. de Jimena de la Frontera, s/n - Los Barrios (Cádiz)	85.00	PriceWaterhouseCoopers
Gandia Serveis Urbans, S.A.	Llanterners, 6 - Gandia (Valencia)	65.00	Centium
Geneus Canarias, S.L., Sole-Shareholder Company	Electricista, 2. U. I. de Salinetas - Telde (Las Palmas)	100.00	
GERAL I.S.V. Brasil, Lda.	Brazil	100.00	
Gestió i Recuperació de Terrenys, S.A., Sole-Shareholder Company	Rambla de Catalunya, 2-4 - Barcelona	80.00	Audinfor

(1) Change of name. Formerly Tratamiento y Reciclado Integral de Ocaña, S.A.

Company	Registered office	Effective percentage of ownership	Auditor
A.S.A. Group	Austria		
1. Polabská S.R.O.	Czech Republic	100.00	
.A.S.A. Abfall Service AG	Austria	100.00	PriceWaterhouseCoopers
.A.S.A. Abfall Service Betriebs, GmbH	Austria	100.00	
.A.S.A. Abfall Service Freistadt, GmbH (2)	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 (3)	Austria	100.00	
.A.S.A. Abfall Service Neunkirchen, GmbH	Austria	100.00	
.A.S.A. Abfall Service Zistersdorf, GmbH	Austria	100.00	PriceWaterhouseCoopers
.A.S.A. AbfallService Halbenrain, GmbH & Co Nfg KG	Austria	100.00	
.A.S.A. AbfallService Industrieviertel, GmbH & Co Nfg KG	Austria	100.00	
.A.S.A. AbfallService Wiener Neustadt, GmbH	Austria	100.00	
.A.S.A. Bulgaria E.O.O.D.	Bulgaria	100.00	PriceWaterhouseCoopers
.A.S.A. Ceske Budějovice, s.r.o	Czech Republic	75.00	PriceWaterhouseCoopers
.A.S.A. Dacice, s.r.o	Czech Republic	60.00	
.A.S.A. EKO, d.o.o	Serbia	100.00	PriceWaterhouseCoopers
.A.S.A. EKO Polska, sp. z o.o.	Poland	100.00	PriceWaterhouseCoopers
.A.S.A. EKO Znojmo, s.r.o	Czech Republic	49.72	PriceWaterhouseCoopers
.A.S.A. Es Únanov, s.r.o.	Czech Republic	66.00	
.A.S.A. Finanzdienstleistungen, GmbH	Austria	100.00	
.A.S.A. Hódmezővásárhely Köztisztasági Kft	Hungary	61.83	PriceWaterhouseCoopers
.A.S.A. Hp spol., s.r.o.	Czech Republic	100.00	PriceWaterhouseCoopers
.A.S.A. International Environmental Services, GmbH	Austria	100.00	
.A.S.A. Kikinda d.o.o.	Serbia	80.00	PriceWaterhouseCoopers
.A.S.A. Liberec, s.r.o.	Czech Republic	55.00	PriceWaterhouseCoopers
.A.S.A. Lubliniec, sp. z o.o.	Poland	61.97	

(2) Change of name. Formerly Kreindl GmbH
(3) Change of name. Formerly Abfallwirtschaftzentrum Mostviertel GmbH

Company	Registered office	Effective percentage of ownership	Auditor
.A.S.A. Magyarország Környezetvédelemi És HKft	Hungary	100.00	PriceWaterhouseCoopers
.A.S.A. Mazedonia dooel	Macedonia	100.00	
.A.S.A. Odpady Litovel, s.r.o.	Czech Republic	49.00	
.A.S.A. Olsava spol., s.r.o.	Slovakia	100.00	
.A.S.A. Servicii Ecologice, s.r.l.	Romania	100.00	PriceWaterhouseCoopers
.A.S.A. Slovensko spol., s.r.o.	Slovakia	100.00	PriceWaterhouseCoopers
.A.S.A. Sluzby Zabovresky, s.r.o.	Czech Republic	89.00	
.A.S.A. spol., s.r.o.	Czech Republic	100.00	PriceWaterhouseCoopers
.A.S.A. Tarnobrzeg, sp. zo.o.	Poland	60.00	
.A.S.A. TRNAVA spol., s.r.o.	Slovakia	50.00	PriceWaterhouseCoopers
.A.S.A. TS Prostejov, s.r.o.	Czech Republic	49.00	PriceWaterhouseCoopers
.A.S.A. Vrbak d.o.o.	Serbia	51.02	
.A.S.A. Zabcice spol., s.r.o.	Czech Republic	80.00	PriceWaterhouseCoopers
.A.S.A. Zohor spol., s.r.o.	Slovakia	85.00	PriceWaterhouseCoopers
Bec Odpady, s.r.o.	Czech Republic	100.00	PriceWaterhouseCoopers
EKO-Radomsko, sp. z o.o.	Poland	100.00	
Entsorga Entsorgungs, GmbH Nfg KG	Austria	100.00	
Erd-Kom Érdi Kommunális Hulladékkezelö	Hungary	90.00	PriceWaterhouseCoopers
Inerta Abfallbehandlungs, GmbH	Austria	100.00	
Miejskie Przedsiebiorstwo Gospodarki Komunalnej, sp. z o.o. Zabrze	Poland	80.00	PriceWaterhouseCoopers
Obsed A.S.	Czech Republic	100.00	
Quail spol., s.r.o.	Czech Republic	100.00	PriceWaterhouseCoopers
Regios A.S.	Czech Republic	99.99	PriceWaterhouseCoopers
Siewierskie Przedsiebiorstwo Gospodarki Komunalnej, sp. z o.o.	Poland	60.00	
Skládka Uhy spol., s.r.o.	Czech Republic	100.00	PriceWaterhouseCoopers
Technické Sluzby - A S A, s.r.o.	Slovakia	100.00	PriceWaterhouseCoopers
Textil Verwertung, GmbH	Austria	100.00	
Valmax Impex, S.R.L	Romania	60.00	

APPENDIX I/5

Company	Registered office	Effective percentage of ownership	Auditor
FCC Environment Group:	UK		
3C Holding Limited	UK	100.00	Deloitte
3C Waste Limited	UK	100.00	Deloitte
Allington O & M Services Limited	UK	100.00	Deloitte
Allington Waste Company Limited	UK	100.00	Deloitte
Anti-Waste (Restoration) Limited	UK	100.00	Deloitte
Anti-Waste Limited	UK	100.00	Deloitte
Arnold Waste Disposal Limited	UK	100.00	Deloitte
BDR Property Limited	UK	80.02	Deloitte
BDR Waste Disposal Limited	UK	100.00	Deloitte
Darrington Quarries Limited	UK	100.00	Deloitte
Derbyshire Waste Limited	UK	100.00	Deloitte
East Waste Limited	UK	100.00	Deloitte
FCC Buckinghamshire Holdings Limited	UK	100.00	Deloitte
FCC Buckinghamshire Limited	UK	100.00	Deloitte
FCC Buckinghamshire (Support Services) Limited	UK	100.00	Deloitte
FCC Environmental Services UK Limited	UK	100.00	
FCC Environment (UK) Limited	UK	100.00	Deloitte
FCC Environment (Lincolnshire), Ltd.	UK	100.00	Deloitte
FCC Environment (Berkshire), Ltd.	UK	100.00	Deloitte
FCC Environment Limited (4)	UK	100.00	
FCC PFI Holdings Limited	UK	100.00	Deloitte
FCC Recycling (UK) Limited	UK	100.00	Deloitte
FCC Waste Services (UK) Limited	UK	100.00	Deloitte
FCC Wrexham PFI (Phase II Holding), Ltd.	UK	100.00	Deloitte
FCC Wrexham PFI (Phase II), Ltd.	UK	100.00	Deloitte
FCC Wrexham PFI Limited	UK	100.00	Deloitte
FCC Wrexham PFI Holdings Limited	UK	100.00	Deloitte

(4) Change of name. Formerly Herrington Limited

Company	Registered office	Effective percentage of ownership	Auditor
Finstop Limited	UK	100.00	
Focsa Services (UK) Limited	UK	100.00	
Hykeham O&M Services Limited	UK	100.00	
Integrated Waste Management Limited	UK	100.00	Deloitte
Kent Conservation & Management Limited	UK	100.00	
Kent Energy Limited	UK	100.00	Deloitte
Kent Enviropower Limited	UK	100.00	Deloitte
Landfill Management Limited	UK	100.00	Deloitte
Lincwaste Limited	UK	100.00	Deloitte
Norfolk Waste Limited	UK	100.00	Deloitte
Pennine Waste Management Limited	UK	100.00	Deloitte
RE3 Holding Limited	UK	100.00	Deloitte
RE3 Limited	UK	100.00	Deloitte
T Shooter Limited	UK	100.00	Deloitte
Waste Recovery Limited	UK	100.00	Deloitte
Waste Recycling Group (Central) Limited	UK	100.00	Deloitte
Waste Recycling Group (UK) Limited	UK	100.00	Deloitte
Waste Recycling Group (Scotland) Limited	UK	100.00	Deloitte
Waste Recycling Group (Yorkshire) Limited	UK	100.00	Deloitte
Wastenotts (Reclamation) Limited	UK	100.00	Deloitte
Wastenotts O & M Services Limited	UK	100.00	Deloitte
Welbeck Waste Management Limited	UK	100.00	Deloitte
WRG (Midlands) Limited	UK	100.00	Deloitte
WRG (Northern) Limited	UK	100.00	Deloitte
WRG Acquisitions 2 Limited	UK	100.00	Deloitte
WRG Environmental Limited	UK	100.00	Deloitte
WRG Waste Services Limited	UK	100.00	

Company	Registered office	Effective percentage of ownership	Auditor
Integraciones Ambientales de Cantabria, S.A.	Monte de Carceña Cr CA-924 Pk 3,280 - Castañeda (Cantabria)	90.00	PriceWaterhouseCoopers
International Petroleum Corp. of Delaware	USA	100.00	
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. Garrigues, 15 - Bellpuig (Lleida)	100.00	
Limpieza e Higiene de Cartagena, S.A.	Luis Pasteur, 6 - Cartagena (Murcia)	90.00	PriceWaterhouseCoopers
Limpiezas Urbanas de Mallorca, S.A.	Ctra. Santa Margalida-Can Picafort - Santa Margalida (Balearic Islands)	100.00	Audinfor
Manipulación y Recuperación MAREPA, S.A.	Av. San Martín de Valdeiglesias, 22 - Alcorcón (Madrid)	100.00	PriceWaterhouseCoopers
Municipal de Serveis, S.A. - being dissolved -	Joan Torró i Cabratosa, 7 - Girona	80.00	Cataudit Auditors Associats
Newlog Logística, S.A., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	
Recuperació de Pedreres, S.L.	Rambla de Catalunya, 2 - Barcelona	80.00	PriceWaterhouseCoopers
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	
Servicios de Levante, S.A.	Camino Pla Museros, s/n - Almazora (Castellón)	100.00	PriceWaterhouseCoopers
Servicios Especiales de Limpieza, S.A.	Federico Salmón, 13 - Madrid	100.00	PriceWaterhouseCoopers
Serveis Municipals de Neteja de Girona, S.A.	Pl. del Vi, 1 - Girona	75.00	Cataudit Auditors Associats
Sistemas y Vehículos de Alta Tecnología, S.A.	Acanto, 22 - Madrid	100.00	PriceWaterhouseCoopers
Societat Municipal Medioambiental d'Igualada, S.L.	Pl. de l'Ajuntament, 1 - Igualada (Barcelona)	65.91	Audinfor
Telford & Wrekin Services, Ltd.	UK	100.00	Deloitte
Tratamientos y Recuperaciones Industriales, S.A.	Rambla de Catalunya, 2-4, P.5 - Barcelona	75.00	PriceWaterhouseCoopers
Valoración y Tratamiento de Residuos Urbanos, S.A.	Riu Magre, 6 - P.I. Patada del Cid - Quart de Poblet (Valencia)	80.00	
Valorización y Tratamiento de Residuos, S.A.	Alameda de Mazarredo, 15-4° A - Bilbao (Vizcaya)	100.00	
Zona Verde – Promoçao e Marketing Limitada	Portugal	100.00	PriceWaterhouseCoopers

Company	Registered office	Effective percentage of ownership	Auditor
AQUALIA			
Abastecimientos y Saneamientos del Norte, S.A., Sole-Shareholder Company	Uruguay, 11 - Vigo (Pontevedra)	100.00	
Abrantaqua – Serviço de Aguas Residuais Urbanas de Municipio de Abrantes, S.A.	Portugal	60.00	Oliveira, Reis & Asociados, SROC, Lda.
Acque di Caltanissetta, S.P.A.	Italy	98.48	Ernst & Young
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.	Avda. Blas Infante, 6 - Écija (Sevilla)	90.00	Audinfor
Aquacartaya, S.L.	Av. San Francisco Javier, 27 2ª - Sevilla	100.00	
Aquaelvas - Aguas de Elvas, S.A.	Portugal	100.00	Ernst & Young
Aquafundalia - Agua Do Fundão, S.A.	Portugal	100.00	Ernst & Young
Aquajerez, S.L.	Cristalería, 27. 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 Gestión Integral del Agua, S.A.	Federico Salmón, 13 - Madrid	100.00	Ernst & Young
Aqualia Industrial Solutions, S.A., Sole-Shareholder Company (5)	Federico Salmón, 13 - Madrid	100.00	Ernst & Young
Aqualia Infraestructuras Inzenyring, S.R.O.	Czech Republic	51.00	Ing. Ladislav Balaz
Aqualia Infraestructuras de México, S.A. de C.V.	Mexico	100.00	Ernst & Young
Aqualia Infraestructuras, S.A.	Av. Camino de Santiago, 40 - Madrid	100.00	Ernst & Young
Aqualia Infraestructuras Montenegro (AIM) D.O.O. Niksic	Montenegro	100.00	
Aqualia New Europe, B.V.	The Netherlands	51.00	Ernst & Young
Aqua Management Solutions, B.V.	The Netherlands	30.60	Ernst & Young
Aquamaior – Aguas de Campo Maior, S.A.	Portugal	99.92	Ernst & Young
Cartagua, Aguas do Cartaxo, S.A.	Portugal	60.00	Oliveira, Reis & Asociados, SROC, Lda.
Colaboración, Gestión y Asistencia, S.A.	Federico Salmón, 13 - Madrid	100.00	
Compañía Onubense de Aguas, S.A.	Avda. Martín Alonso Pinzón, 8 - Huelva	60.00	
Conservación y Sistemas, S.A.	Federico Salmón, 13 - Madrid	100.00	PriceWaterhouseCoopers
Depurlan, 11	San Miguel, 4. 3° B - Zaragoza	100.00	Audinfor
Depurtebo, S.A.	San Pedro, 57 - Zuera (Zaragoza)	100.00	

(5) Change of name. Formerly Graver Española, S.A., Sole-Shareholder Company

Company	Registered office	Effective percentage of ownership	Auditor
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	Ernst & Young
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. San Francisco Javier, 15 - Sevilla	100.00	
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	Ing. Ladislav Balaz
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	Ernst & Young
Sociedad Ibérica del Agua, S.I.A., 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	Audinfor

CONSTRUCTION

Company	Registered office	Effective percentage of ownership	Auditor
ACE Scutmadeira Sistemas de Gestao e Controlo de Tràfego	Portugal	100.00	
Alpetrol, S.A.	Av. Camino de Santiago, 40 - Madrid	100.00	
Alpine Consulting d.o.o.	Slovenia	100.00	
Áridos de Melo, S.L.	Finca la Barca y el Ballestar, s/n - Barajas de Melo (Cuenca)	100.00	
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	Centium
Binatec Al Maghreb, S.A.	Morocco	100.00	
Concesionaria Túnel de Coatzacoalcos, S.A. de C.V.	Mexico	85.59	Deloitte
Concesiones Viales de Costa Rica, S.A.	Costa Rica	100.00	
Concesiones Viales S. de R.L. de C.V.	Mexico	99.97	Deloitte
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, 3-1° - Oviedo (Asturias)	100.00	Deloitte
Desarrollo y Construcción DEYCO CRCA, S.A.	Costa Rica	100.00	
Dezvoltare Infraestructura, S.A.	Romania	51.03	
Dizara Inversión, S.L.	Av. Camino de Santiago, 40 - Madrid	100.00	
EHST - European High-Speed Trains SGPS, S.A.	Portugal	85.71	Deloitte

Company	Registered office	Effective percentage of ownership	Auditor
FCC Colombia, S.A.S.	Colombia	100.00	
FCC Construcción, S.A.	Balmes, 36 - Barcelona	100.00	Deloitte
FCC Construcción de Centroamérica, S.A.	Costa Rica	100.00	Deloitte
FCC Construcción Chile, SPA	Chile	100.00	
FCC Construcción Perú, S.A.C.	Peru	100.00	
FCC Construcción Polska, SP Z.o.o.	Poland	100.00	
FCC Constructii Romania, S.A.	Romania	100.00	
FCC Construction Hungary Kft	Hungary	100.00	Deloitte
FCC Construction I-95, Llc.	USA	100.00	
FCC Construction, Inc.	USA	100.00	Deloitte
FCC Construction International, B.V.	The Netherlands	100.00	
FCC Construction Northern Ireland Limited	UK	100.00	Deloitte
FCC Construçoes do Brasil, Ltda.	Brazil	100.00	
FCC Elliot UK Limited	UK	50.10	
FCC Industrial Colombia, S.A.S.	Colombia	100.00	
FCC Industrial de Panamá, S.A.	Panama	100.00	
FCC Industrial e Infraestructuras Energéticas, S.A., Sole-Shareholder Company	Av. Camino de Santiago, 40 - Madrid	100.00	Deloitte
FCC Industrial Perú, S.A.	Peru	100.00	
FCC Industrial UK Limited	UK	100.00	
FCC Industriale, SRL	Italy	100.00	
FCC Saudi Company	Saudi Arabia	100.00	
FCC Servicios Industriales y Energéticos México, S.A.C.V.	Mexico	100.00	
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	

Company	Registered office	Effective percentage of ownership	Auditor
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	
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 Infraestructure Investments, B.V.	Netherlands	100.00	
Participaciones Teide, S.A.	Av. Camino de Santiago, 40 - Madrid	100.00	
Pedrera Les Gavarres, S.L.	Bonastruc de Porta, 20 - Girona	100.00	
Pinturas Jaque, S.L.	Acanto, 22 - Madrid	100.00	
Prefabricados Delta, S.A.	Acanto, 22 - Madrid	100.00	Deloitte
Proyectos y Servicios, S.A.	Acanto, 22 - Madrid	100.00	Centium
Ramalho Rosa Cobetar Sociedade de Construçoes, S.A.	Portugal	100.00	Deloitte
Servià Cantó, S.A.	Bonastruc de Porta, 20 - Girona	100.00	Deloitte
Servicios Dos Reis, S.A. de CV	Mexico	100.00	
Sincler, S.A., Sole-Shareholder Company	Av. Camino de Santiago, 40 - Madrid	100.00	
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	

Company	Registered office	Effective percentage of ownership	Auditor
CEMENT			
Áridos de Navarra, S.A.	Estella, 6 - Pamplona (Navarra)	47.24	
Áridos Uniland, S.A., Sole-Shareholder Company	Córcega, 299 - Barcelona	71.43	Deloitte
Áridos y Premezclados, S.A., Sole-Shareholder Company	José Abascal, 59 - Madrid	71.58	Deloitte
Atracem, S.A., Sole-Shareholder Company	José Abascal, 59 - Madrid	71.58	Deloitte
Canteras de Aláiz, S.A.	Estella, 6 - Pamplona (Navarra)	50.12	Deloitte
Cementos Alfa, S.A.	Josefina de la Maza, 4 P.E. Piasca - Santander (Cantabria)	63.03	Deloitte
Cementos Portland Valderrivas, S.A.	Estella, 6 - Pamplona (Navarra)	71.58	Deloitte
Cementos Villaverde, S.L., Sole-Shareholder Company	Almagro, 26 - Madrid	71.58	Deloitte
Coastal Cement Corporation	USA	71.58	
Compañía Auxiliar de Bombeo de Hormigón, S.A., Sole-Shareholder Company	José Abascal, 59 - Madrid	71.58	
Dragon Alfa Cement Limited	UK	63.03	Deloitte
Dragon Energy, Llc.	USA	71.58	
Dragon Products Company, Inc.	USA	71.58	
Giant Cement Company	USA	71.58	
Giant Cement Holding, Inc.	USA	71.58	Deloitte
Giant Cement NC, Inc.	USA	71.58	
Giant Cement Virgina, Inc.	USA	71.58	
Giant Resource Recovery, Inc.	USA	71.58	
Giant Resource Recovery - Arvonia, Inc.	USA	71.58	
Giant Resource Recovery - Attalla, Inc.	USA	71.58	
Giant Resource Recovery - Harleyville, Inc.	USA	71.58	
Giant Resource Recovery - Sumter, Inc.	USA	71.58	
Hormigones de la Jacetania, S.A.	Llano de la Victoria - Jaca (Huesca)	44.74	KPMG

Company	Registered office	Effective percentage of ownership	Auditor
Hormigones Reinosa, S.A., Sole-Shareholder Company	Josefina de la Maza, 4 P.E. Piasca - Santander (Cantabria)	63.03	
Hormigones Uniland, S.L., Sole-Shareholder Company	Córcega, 299 - Barcelona	71.43	Deloitte
Hormigones y Morteros Preparados, S.A., Sole-Shareholder Company	José Abascal, 59 - Madrid	71.58	Deloitte
Horminal, S.L., Sole-Shareholder Company	José Abascal, 59 - Madrid	71.58	
Keystone Cement Company	USA	71.58	
Morteros Valderrivas, S.L., Sole-Shareholder Company	José Abascal, 59 - Madrid	71.58	Deloitte
Participaciones Estella 6, S.L., Sole-Shareholder Company	Estella, 6 - Pamplona (Navarra)	71.58	
Portland, S.L., Sole-Shareholder Company	José Abascal, 59 - Madrid	71.58	Deloitte
Prebesec Mallorca, S.A.	Conradors, 6 - Marratxi - Palma de Mallorca (Balearic Islands)	48.90	
Prebesec, S.A., Sole-Shareholder Company	Córcega, 299 - Barcelona	71.43	Deloitte
Sechem, Inc.	USA	71.58	
Select Beton, S.A.	Tunisia	62.87	Consulting Management & Governance
Société des Ciments d'Enfidha	Tunisia	62.89	Consulting Management & Governance/Cabinet Deloitte
Tratamiento Escombros Almoguera, S.L.	José Abascal, 59 - Madrid	36.53	
Uniland Acquisition Corporation	USA	71.58	
Uniland Cementera, S.A.	Córcega, 299 - Barcelona	71.43	Deloitte
Uniland International, B.V.	Netherlands	71.58	
Uniland Trading, B.V.	Netherlands	71.58	
ENERGY			
Enefi Energía, S.A., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	
Enerstar Villena, S.A.	Maestro Chanzá, 3 - Alicante	57.80	Deloitte
Eolica Calvent, S.L. (6)	Balmes, 36 - Barcelona	80.05	
Ethern Electric Power (7)	Federico Salmón, 13 - Madrid	100.00	Deloitte
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	
FM Green Power Investments, S.L.	Federico Salmón, 13 - Madrid	100.00	Deloitte
Fomento Internacional Focsa, S.A., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	
Olivento, S.L., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	Deloitte
Guzmán Energía, S.L.	Portada, 11 - Palma del Río (Córdoba)	70.00	Deloitte

(6) Change of name. Formerly FCC Energía Catalunya, S.L.
(7) Change of name. Formerly FCC Energía, S.A.

Company	Registered office	Effective percentage of ownership	Auditor
Guzmán Energy O&M, S.L.	Federico Salmón, 13 - Madrid	70.00	
Helios Patrimonial 1, S.L., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	Deloitte
Helios Patrimonial 2, S.L., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	Deloitte
OTHER ACTIVITIES			
Asesoría Financiera y de Gestión, S.A.	Federico Salmón, 13 - Madrid	100.00	Deloitte
Bvefdomintaena Beteiligungsverwaltung, GmbH	Austria	100.00	
Compañía General de Servicios Empresariales, S.A., Sole-Shareholder Company	Federico Salmón, 13 - Madrid	100.00	
Corporación Española de Servicios, S.A.	Federico Salmón, 13 - Madrid	100.00	
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	
Fedemes, S.L.	Federico Salmón, 13 - Madrid	100.00	
Per Gestora Inmobiliaria, S.L.	Federico Salmón, 13 - Madrid	100.00	Centium

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

Company	Registered office	Carrying amount of the investment 2013	2012	Effective percentage of ownership	Auditor
ENVIRONMENTAL SERVICES					
Atlas Gestión Medioambiental, S.A.	Viriato, 47 - Barcelona	13,015	13,219	50.00	Deloitte
Beacon Waste Limited	UK	1,490	1,559	50.00	Deloitte
Converty Service, S.A.	Camino de los Afligidos P.I. La Esgaravita, 1 - Alcalá de Henares (Madrid)	—	2,027	50.00	
Corporación Jerezana de Transportes Urbanos, S.A., Sole-Shareholder Company	P.I. Portal - Jerez de la Frontera (Cádiz)	2,116	3,537	50.00	
Detren Compañía General de Servicios Ferroviarios, S.L.	Av. Camino de Santiago, 40 - Madrid	3,908	1,793	50.00	KPMG
Ecoparc del Besòs, S.A.	Rambla Cataluña, 91-93 - Barcelona	5,282	4,484	49.00	Castellà Auditors Consultors
Ecoserveis Urbans de Figueres, S.L.	Av. de les Alegries, s/n - Lloret de Mar (Girona)	269	213	50.00	
Electrorecycling, S.A.	Ctra. BV - 1224 Km. 6,750 - El Pont de Vilomara i Rocafort (Barcelona)	1,350	1,445	33.33	KPMG
Empresa Mixta de Limpieza de la Villa de Torrox, S.A.	Plaza de la Constitución, 1 - Torrox (Málaga)	415	429	50.00	Audinfor
Empresa Mixta de Medio Ambiente de Rincón de la Victoria, S.A.	Av. Zorreras, 8 - Rincón de la Victoria (Málaga)	423	425	50.00	Audinfor
FCC Connex Corporación, S.L.	Av. Camino de Santiago, 40 - Madrid	12,464	14,104	50.00	
Fisersa Ecoserveis, S.A.	Alemanya, 5 - Figueres (Girona)	247	252	36.36	Auditoria i Control Auditors SLP
FTS 2010 Societa Consortile a Resp. Lim	Italy	1	6	60.00	
Gestión y Valoración integral del Centro, S.L.	De la Tecnología, 2. P.I. Los Olivos - Getafe (Madrid)	76	(105)	50.00	
Proactiva Group	Cardenal Marcelo Espinola, 8 - Madrid	—	54,858	50.00	Deloitte
Hades Soluciones Medioambientales, S.L.	Mayor, 3 - Cartagena (Murcia)	60	60	50.00	
Ingeniería Urbana, S.A.	Calle 1 esquina calle 3, P.I. Pla de la Vallonga - Alicante	4,622	4,957	35.00	Deloitte
Mediaciones Comerciales Ambientales, S.L.	Av. Roma, 25 - Barcelona	183	185	50.00	
Mercia Waste Management, Ltd.	UK	9,556	8,829	50.00	Deloitte
Palacio de Exposiciones y Congresos de Granada	Ps del Violón, s/n - Granada	(319)	91	50.00	Hispano Belgas Economistas & Auditores SLP
Pilagest, S.L.	Ctra. BV - 1224 Km. 6,750 - El Pont de Vilomara i Rocafort (Barcelona)	209	713	50.00	
Reciclado de Componentes Electrónicos, S.A.	E Pol. Actividades Medioambientales - Aznalcóllar (Sevilla)	2,578	2,648	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	1,894	26.01	PriceWaterhouseCoopers
Servicios Urbanos de Málaga, S.A.	Ulises, 18 - Madrid	665	570	51.00	

Company	Registered office	Carrying amount of the investment 2013	2012	Effective percentage of ownership	Auditor
Severn Waste Services Limited	UK	206	188	50.00	Deloitte
Tratamiento Industrial de Residuos Sólidos, S.A.	Rambla Cataluña, 91 - Barcelona	108	712	33.33	Castellà Auditors Consultors
Tranvía de Parla, S.A.	Camino de la Cantueña, 12 - Parla (Madrid)	—	6	5.00	
Versia Holding, GmbH in liquidation.	Austria	—	5	100.00	
Zabalgarbi, S.A.	Camino de Artigas, 10 – Bilbao (Vizcaya)	12,902	14,581	30.00	KPMG
AQUALIA					
Aguas de Langreo, S.L.	Alonso del Riesgo, 3 - Sama de Langreo (Asturias)	749	639	49.00	Audinfor
Aguas de Narixa, S.A.	Málaga, 11 - Nerja (Málaga)	345	281	50.00	Audinfor
Aguas y Servicios de la Costa Tropical de Granada, A.I.E.	Pz. de la Aurora - Motril (Granada)	828	803	51.00	Attest Servicios Empresariales
Aigües de Girona, Salt i Sarrià del Ter, S.A.	Ciutadans, 11 - Girona	215	182	26.89	Cataudit Auditors Associats, S.L.
Aquagest Medioambiente Aqualia, A.I.E.	Condado de Jaruco, s/n - Lloret de Mar (Barcelona)	32	41	37.50	
Augas Municipais de Arteixo, S.A.	Pz. Alcalde Ramón Dopico Arteixo - La Coruña	7	—	51.00	
Compañía de Servicios Medioambientales Do Atlántico, S.A.	Ctra. De Cedeira Km. 1 - Narón (La Coruña)	308	305	49.00	Audinfor
Constructora de Infraestructura de Agua de Queretaro, S.A. de C.V.	Mexico	(719)	(406)	24.50	Deloitte
Empresa Mixta d'Aigües de la Costa Brava	Pz. Josep Pla Casadevall, 4 - Girona	203	188	25.00	Ernst & Young
Empresa Mixta de Aguas y Servicios	Elisa Cendreros, 14 - Ciudad Real	85	68	41.25	Centium
Empresa Municipal de Aguas de Benalmádena EMABESA, S.A.	Av. Juan Luis Peralta, s/n - Benalmádena (Málaga)	1,981	2,175	50.00	Audinfor
Gestión de Servicios Hidráulicos de Ciudad Real, A.I.E.	Ramirez de Arellano, 15 - Madrid	(56)	(56)	75.00	
Girona, S.A.	Travessera del Carril, 2 - Girona	1,621	1,577	33.61	Cataudit Auditors Associats, S.L.
Orasqualia Construction, S.A.E.	Egypt	1,294	1,688	50.00	KPMG
Orasqualia for the Development of the Waste Water Treatment Plant S.A.E.	Egypt	16,813	16,714	50.01	Deloitte
Orasqualia Operation and Maintenance, S.A.E.	Egypt	486	436	50.00	KPMG
PB El Caracol S del RL de CV	Mexico	327	698	50.00	Grant Thornton, SC
CONSTRUCTION					
ACE CAET XXI Construçoes	Portugal	(2,825)	(3,657)	50.00	Horwath & Associados SROC, Ltda.
ACE Edifer Construçoes Ramalho R.C. E.C.	Portugal	2	2	33.33	
ACE Ribeiradio-Ermida	Portugal	(2,463)	(1,698)	55.00	Horwath & Associados SROC, Ltda.
ACE Túnel Rua de Ceuta, Construçao e Obras Publicas	Portugal	—	(10)	49.50	

APPENDIX II/3

Company	Registered office	Carrying amount of the investment 2013	2012	Effective percentage of ownership	Auditor
Administración y Servicios Grupo Zapotillo, S.A. de C.V.	Mexico	44	8	50.00	Grant Thornton
Ctra. Cabo San Lucas San José, S.A. de C.V.	Mexico	(402)	(124)	50.00	Deloitte
Constructores del Zapotillo, S.A. de C.V.	Mexico	1,575	1,052	50.00	Grant Thornton
Construcciones Olabarri, S.L.	Ripa, 1 - Bilbao (Vizcaya)	4,941	4,930	49.00	Charman Auditores, S.A.
Constructora de Infraestructura de Agua de Queretaro, S.A. de C.V.	Mexico	(719)	(406)	24.50	Deloitte
Constructora Durango-Mazatlan, S.A. de C.V.	Mexico	608	1,582	51.00	Deloitte
Constructora Nuevo Necaxa Tihuatlan, S.A. de C.V.	Mexico	910	4,768	40.00	Deloitte
Dragados FCC, Canada, Inc.	Canada	(483)	(776)	50.00	
EFI Túneles Necaxa, S.A. de C.V.	Mexico	229	31	45.00	
Elaboración de Cajones Pretensados, S.L.	Av. General Perón, 36 - Madrid	2	1	50.00	
FCC Construction Kipszer Ktf	Hungary	—	1	50.00	
FCC Elliot Construction Limited	Ireland	(2,115)	390	50.00	Deloitte
Ibisan Sociedad Concesionaria, S.A.	Porto Pi, 8 - Palma de Mallorca (Balearic Islands)	8,466	6,620	50.00	Deloitte
Integral Management Future Renewables, S.L.	A Condomiña, s/n - Ortoño (La Coruña)	1,927	1,492	50.00	Deloitte
Marina de Laredo, S.A.	Pasaje de Puntida, 1 - Santander (Cantabria)	(161)	1,135	50.00	PriceWaterhouseCoopers
MDM-Teide, S.A.	Panama	1,044	1,132	50.00	
North Tunnels Canada Inc.	Canada	(19,064)	(12,652)	50.00	
Operaciones y Servicios para la Industria de la Construcción, S.A. de C.V.	Mexico	(66)	(138)	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	(7,383)	(6,671)	50.00	
Servicios Empresariales Durango-Mazatlan, S.A. de C.V.	Mexico	171	106	51.00	Deloitte
Sociedad Concesionaria Tranvía de Murcia, S.A.	Olof Palmer, s/n - Murcia	18,415	20,101	50.00	Deloitte
Teide-MDM Quadrat, S.A.	Panama	178	192	50.00	
Western Carpathians Motorway Investors Company, GmbH	Austria	10	12	40.00	
Zilinská Dialnica, s.r.o.	Slovakia	(172)	(215)	40.00	

CEMENT

Company	Registered office	Carrying amount of the investment 2013	2012	Effective percentage of ownership	Auditor
Carbocem, S.A.	Paseo de la Castellana, 45 - Madrid	73	73	49.87	Deloitte
Corporación Uniland, S.A.	Córcega, 299 - Barcelona	(7)	(7)	71.58	Deloitte
Pedrera de l'Ordal, S.L.	Ctra. N 340 km. 1229,5 La Creu del L'Ordal - Subirats (Barcelona)	3,777	3,812	35.71	Busquet

APPENDIX II/4

Company	Registered office	Carrying amount of the investment 2013	2012	Effective percentage of ownership	Auditor
ENERGY					
Sigenera, S.L.	Av. De Linares Rivas, 1 - La Coruña	398	—	50.00	Deloitte
OTHER ACTIVITIES					
Globalvia Group	Paseo de la Castellana, 141 Edificio Cuzco IV - Madrid	—	368,386	50.00	Deloitte
Realia Business Group	Paseo de la Castellana, 216 - Madrid	—	56,609	37.03	Deloitte
TOTAL VALUE OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD (JOINT VENTURES)		104,730	605,011		

ASSOCIATES (ACCOUNTED FOR USING THE EQUITY METHOD)

Company	Registered office	Carrying amount of the investment 2013	2012	Effective percentage of ownership	Auditor
ENVIRONMENTAL SERVICES					
Apex/FCC, Llc.	USA	—	1,977	50.00	
Aprochim Getesarp Rymoil, S.A.	P.I. Logrenzana La Granda - Carreño (Asturias)	870	1,144	23.49	Mendez Auditores
Aragonesa de Gestión de Residuos, S.A.	Paseo María Agustín, 36 - Zaragoza	25	30	12.00	PriceWaterhouseCoopers
Aragonesa de Tratamientos Medioambientales XXI, S.A.	Ctra. Castellón Km. 58 - Zaragoza	631	647	33.00	
Betearte, S.A.U.	Cr. BI - 3342 pk 38 Alto de Areitio - Mallabia (Vizcaya)	969	999	33.33	PKF Attest
Clavegueram de Barcelona, S.A.	Acer, 16 - Barcelona	917	799	20.33	Bove Montero y Asociados
Gestión Integral de Residuos Sólidos, S.A.	Profesor Beltrán Baquena, 4 - Valencia	2,694	947	49.00	Fides Auditores
A.S.A. Group:	Austria	5,819	6,175		
.A.R.K. Technicke Sluby	Slovakia	—	—	50.00	PriceWaterhouseCoopers
.A.S A + AVE Környezetvédelmi H Kft	Hungary	—	—	50.00	PriceWaterhouseCoopers
.A S.A. Hlohovec, s.r.o.	Slovakia	—	—	50.00	
A.K.S.D. Városgazdálkodási Korlátolt FT	Hungary	—	—	25.50	PriceWaterhouseCoopers
ASTV s.r.o.	Czech Republic	—	—	49.00	
Debreceni Hulladek Közszolgaltaró Nonprofit Kolátolt Felelösségü Társasag	Hungary	—	—	24.50	
Huber Abfallservice Verwaltungs, GmbH	Austria	—	—	49.00	
Huber Entsorgungs GmbH Nfg KG	Austria	—	—	49.00	
Killer, GmbH	Austria	—	—	50.00	
Killer GmbH & Co KG	Austria	—	—	50.00	
Recopap, s.r.o.	Slovakia	—	—	50.00	PriceWaterhouseCoopers
Technické a Stavební Sluzby, AS	Czech Republic	—	—	50.00	
Tirme Group	Ctra. Soller Km. 8,2 Camino de Son Reus - Palma de Mallorca (Balearic Islands)	11,667	11,131	20.00	KPMG
Pallars Jussà Neteja i Serveis, S.A.	Pau Casals, 14 - Tremp (Lleida)	40	43	40.80	
Sogecar, S.A.	Polígono Torrelarragoiti - Zamudio (Vizcaya)	350	556	30.00	
Tramvia Metropolità, S.A.	Córcega, 270 - Barcelona	—	1,007	3.24	
Tramvia Metropolità del Besòs, S.A.	Córcega, 270 - Barcelona	—	648	3.24	

APPENDIX III/2

Company	Registered office	Carrying amount of the investment 2013	Carrying amount of the investment 2012	Effective percentage of ownership	Auditor
AQUALIA					
Abastament en Alta Costa Brava Empresa Mixta, S.A.	Pz. Josep Pla Casadevall, 4 3° 1ª - Girona	139	148	26.00	
Aguas de Archidona, S.L.	Pz. Ochavada, 1 - Archidona (Málaga)	78	63	48.00	Centium
Aguas de Denia, S.A.	Pare Pere, 17 – Denia (Alicante)	403	408	33.00	
Aguas de Priego, S.L.	Pz. de la Constitución, 3 - Priego de Córdoba (Córdoba)	(31)	173	49.00	Audinfor
Aguas de Ubrique, S.A.	Av. España, 9 - Ubrique (Cádiz)	(99)	(17)	49.00	
Aigües de Blanes, S.A.	Canigó, 5 - Blanes (Girona)	36	55	16.47	CD Auditors I Consulting, S.L.
Aigües de Tomoví, S.A.	Pz. Vella, 1 - El Vendrell (Tarragona)	356	545	49.00	GM Auditors, S.L.
Aqualia Mace Operation & General Maintenance LLC	United Arab Emirates	1,077	449	51.00	Deloitte
Aquos El Realito	Mexico	4,379	5,916	49.00	Deloitte
Concesionaria de Desalación de Ibiza, S.A.	Rotonda de Santa Eulalia, s/n - Ibiza	1,430	745	50.00	BDO Auditores, S.L.
Conducció del Ter, S.L. in liquidation	Bourg de Peage, 89 - Sant Feliu de Guixols (Girona)	—	5	48.00	
Constructora de Infraestructuras de Aguas de Potosí, S.A. de C.V.	Mexico	(1,045)	614	24.50	Deloitte
EMANAGUA Empresa Mixta Municipal de Aguas de Nijar, S.A.	Pz. de la Goleta, 1 - Nijar (Almeria)	218	186	49.00	Audinfor
Empresa Municipal de Aguas de Algeciras, S.A.	Av. Virgen del Carmen - Algeciras (Cádiz)	86	(12)	49.00	Abante Unicontrol Auditores, SLP
Empresa Municipal de Aguas de Jodar, S.A.	Pz. España, 1 - Jodar (Jaén)	(9)	38	49.00	Centium
Empresa Municipal de Aguas de Linares, S.A.	Cid Campeador, 7 - Linares (Jaén)	(123)	4	49.00	Centium
Empresa Municipal de Aguas de Toxiria, S.A.	Cristobal Colón, 104 - Torredonjimeno (Jaén)	63	10	49.00	Centium
Generavila, S.A.	Pz. de la Catedral, 11 - Ávila	74	75	36.00	Audinfor
Nueva Sociedad de Aguas de Ibiza	Av. Bartolomé de Roselló, 18 - Ibiza (Balearic Islands)	66	92	40.00	
Prestadora de Servicios Acueducto El Realito, S.A.de C.V.	Mexico	1	—	24.50	
Proveïments d'Aigua, S.A.	Asturies, 13 - Girona	315	302	15.12	Antoni Riera Economistes Auditors
Sera Q A Duitama E.S.P., S.A.	Colombia	28	32	30.60	
Shariket Miyeh Ras Djinet, S.P.A.	Algeria	9,872	8,557	25.50	Mustapha Heddad
Shariket Tahlya Miyah Mostaganem, S.P.A.	Algeria	24,841	20,091	25.50	Mustapha Heddad
Suministro de Agua de Queretaro, S.A. de C.V.	Mexico	10,768	11,205	28.80	Deloitte
CONSTRUCTION					
Aigües del Segarra Garrigues, S.A.	Av. de Tarragona, 6 - Tárrega (Lleida)	5,529	4,956	24.00	Deloitte
Auto-Estradas XXI - Subconcessionaria Transmontana, S.A.	Portugal	1,640	1,640	26.52	Deloitte
Autopistas del Valle, S.A.	Costa Rica	1,044	6,394	48.00	Deloitte
Baross Ter Ingatlanprojekt-Fejleszto Kft	Hungary	430	430	20.00	Sölch Ágostonné
BBR VT International, Ltd.	Switzerland	1,588	1,634	22.50	Trewitax Zürich AG
Cleon, S.A.	Av. General Perón, 36 - Madrid	24,733	24,797	25.00	KPMG

Company	Registered office	Carrying amount of the investment		Effective percentage of ownership	Auditor
		2013	2012		
Concesionaria Atención Primaria, S.A.	Plaza Es Fortí, 4 - Palma de Mallorca	1,939	1,550	33.00	Deloitte
Concessió Estacions Aeroport L9, S.A.	Av. Carrilet, 3 Edificio D - L'Hospitalet de Llobregat (Barcelona)	9,222	(14,456)	49.00	Deloitte
Constructora de Infraestructuras de Aguas de Potosí, S.A. de C.V.	Mexico	(1,045)	613	24.50	Deloitte
Constructora San José - Caldera CSJC, S.A.	Costa Rica	136	2,303	50.00	Deloitte
Constructora San José-San Ramón SJSR, S.A.	Costa Rica	1,768	27	50.00	
Costa Verde Habitat, S.L.	Orense, 11 - Madrid	4,468	5,145	50.00	
Desarrollo Cuajimalpa, S.A. de C.V.	Mexico	1,807	1,904	25.00	
Desarrollos y Promociones Costa Cálida, S.A.	Saturno, 1 - Pozuelo de Alarcón (Madrid)	—	258	35.75	
Design Build and Operation, S.L.	Av. Eduardo Dato, 69 - Sevilla	7	8	40.00	
FCC Tarrio TX-1 Construçoes Ltda.	Brazil	(1,412)	—	70.00	
Gesi -9, S.A.	Sorolla, 27 - Alcalá de Guadaira (Sevilla)	—	10,613	74.90	Antonio Moreno Campillo
Alpine Group	Austria	—	13,517		
Cedinsa Concesionaria Group	Tarragona, 141 - Barcelona	32,282	44,481	34.00	Deloitte
Foment de Construccions i Consulting Group	Andorra	12	12	33.30	
MWG Wohnbau Group GmbH	Austria	1,290	—	50.00	
Las Palmeras de Garrucha, S.L. - in liquidation	Mayor, 19 - Garrucha (Almería)	999	1,083	20.00	
M50 (D&C) Limited	Ireland	(3,260)	(3,381)	42.50	Deloitte
Metro de Málaga, S.A.	Camino de Santa Inés, s/n - Málaga	13,672	13,672	10.01	Ernst & Young
N6 (Construction) Limited	Ireland	(38,733)	(37,339)	42.50	Deloitte
Nigh South West Health Partnership Limited	Ireland	—	(23,701)	39.00	Deloitte
Nova Bocana Barcelona, S.A.	Av. Josep Tarradellas, 123 - Barcelona	—	8,268	25.00	Deloitte
Nova Bocana Business, S.A.	Av. Josep Tarradellas, 123 - Barcelona	3,552	3,691	25.00	Deloitte
Omszki-To Part Kft	Hungary	(37)	(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	—	24.50	
Promvias XXI, S.A.	Via Augusta, 255 Local 4 - Barcelona	(613)	(507)	25.00	
Teide Gestión del Sur, S.L.	José Luís Casso, 68 - Sevilla	2,383	2,886	49.94	
Terminal Polivalente de Huelva, S.A.	La Marina, 29 - Huelva	(263)	(263)	31.50	
Torres Porta Fira, S.A.	Pz. Europa, 31 5º - L'Hospitalet de Llobregat (Barcelona)	23	17	40.00	
Tramvia Metropolità, S.A.	Còrcega, 270 - Barcelona	—	3,963	1.00	KPMG
Tramvía Metropolità del Besós, S.A.	Córcega, 270 - Barcelona	—	5,618	1.00	KPMG
Urbs Iudex et Causidicus, S.A.	Av. Carrilet, 3 - L'Hospitalet de Llobregat (Barcelona)	(10,692)	(15,146)	29.00	Deloitte
Urbs Iustitia Commodo Opera, S.A.	Av. Carrilet, 3 - L'Hospitalet de Llobregat (Barcelona)	471	490	35.00	

APPENDIX III/4

Company	Registered office	Carrying amount of the investment 2013	2012	Effective percentage of ownership	Auditor
CEMENT					
Aplicaciones Minerales, S.A.	Camino Fuente Herrero - Cueva Cardiel (Burgos)	348	390	24.74	
Canteras y Hormigones Quintana, S.A.	Ctra. Santander-Bilbao Km. 184 - Barcena de Cicero (Cantabria)	—	3,745	7.72	
Canteras y Hormigones VRE, S.A.	Arieta, 13 - Estella (Navarra)	532	633	35.79	KPMG
Hormigones Calahorra, S.A.	Brebicio, 25 - Calahorra (La Rioja)	(362)	(355)	35.79	
Hormigones Castro, S.A.	Ctra. Irún-La Coruña Km. 153 - Islares - (Cantabria)	332	338	25.21	
Hormigones del Baztán, S.L.	Estella, 6 - Pamplona (Navarra)	861	889	35.79	
Hormigones Delfín, S.A.	Venta Blanca - Peralta (Navarra)	485	487	35.79	
Hormigones en Masa de Valtierra, S.A.	Ctra. Cadreita Km. 0 - Valtierra (Navarra)	1,424	1,446	35.79	
Hormigones Galizano, S.A.	Ctra. Irún - La Coruña Km. 184 - Gama (Cantabria)	173	193	31.52	
Hormigones Reinares, S.A.	Praje Murillo de Calahorra, s/n - Calahorra (La Rioja)	476	506	35.79	
Hormigones y Áridos del Pirineo Aragonés, S.A.	Ctra. Biescas - Sabiñanigo (Huesca)	5,986	6,197	35.79	KPMG
Lázaro Echevarria, S.A.	Isidoro Melero - Alsasua (Navarra)	9,581	9,873	20.05	KPMG
Navarra de Transportes, S.A.	Ctra. Pamplona-Vitoria Km. 52 - Olazagutia (Navarra)	1,075	1,136	23.86	KPMG
Novhorvi, S.A.	Portal de Gamarra, 25 - Vitoria Gasteiz (Alava)	211	209	17.89	KPMG
Portcemen, S.A.	Muelle Contradique Sur-Puerto Barcelona - Barcelona	1,052	1,140	23.81	
Quinsa Prefabricados de Hormigón, S.L., Sole-Shareholder Company	Ctra. S. Sebastián-Coruña Km. 183 - Barcena de Cicero (Cantabria)	—	(113)	7.72	
Silos y Morteros, S.L.	Ctra. De Pamplona Km.1 - Logroño (La Rioja)	62	121	23.86	
Terminal Cimentier de Gabes-Gie	Tunisia	88	98	20.96	Ernst & Young
Terrenos Molins, S.L.	Llobregat - Molins de Rei (Barcelona)	—	4	17.87	
Transportes Cántabros de Cemento Portland, S.L.	Ctra. S. Sebastián-Coruña, 184 - Barcena de Cicero (Cantabria)	—	26	7.72	
Vescem-LID, S.L.	Valencia, 245 - Barcelona	57	76	17.86	
TOTAL VALUE OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD (ASSOCIATES)		151,672	167,411		

APPENDIX IV

CHANGES IN THE SCOPE OF CONSOLIDATION

ADDITIONS	Registered office
Fully consolidated companies	
AISA D.O.O MOSTAR	Bosnia-Herzegovina
ALPINE SAUDI ARABIA LLC	Saudi Arabia
AQUACARTAYA	Av. San Francisco Javier, 27 2ª - Sevilla
AQUAJEREZ	Cristalería, 27 Pol. Ind. Ronda Oeste - Jerez de la Frontera (Cádiz)
BVEFDOMINTAENA BETEILIGUNSVERWALTUNG GMBH	Austria
FCC INDUSTRIAL PERÚ, S.A.	Peru
JOINT VENTURES	
AUGAS MUNICIPAIS DE ARTEIXO, S.A. (*)	Pz. Alcalde Ramón Dopico - Arteixo (La Coruña)
ASSOCIATES	
DEBRECENI HULLADEK KÖZSZOLGALTARÓ NONPROFIT KOLÁTOLT FELELÄSEGÜ TARSASAP	Hungary
FCC TARRIO TX-1 CONSTRUÇAO LTDA.	Brazil
MWG WOHNBAU GMBH GROUP (*)	Austria
PRESTADORA DE SERVICIOS ACUEDUCTO EL REALITO, S.A. DE CV	Mexico

(*) Change in consolidation method due to the purchases or sales of additional ownership interests.

APPENDIX IV/2

REMOVALS	Registered office
Fully consolidated companies	
AEBA AMBIENTE Y ECOLOGIA DE BUENOS AIRES, S.A. (1)	Argentina
AIGÜES DE L'ALT EMPORDÀ, S.A. (2)	Lluis Companys, 43 - Roses (Girona)
ÁRIDOS Y CANTERAS DEL NORTE, S.A.U. (1)	Alameda de Urquijo, 10 - Bilbao (Vizcaya)
ARRIBERRI, S.L., SOLE-SHAREHOLDER COMPANY (1)	Alameda de Urquijo, 10 - Bilbao (Vizcaya)
CÁNTABRA INDUSTRIAL Y MINERA, S.A., SOLE-SHAREHOLDER COMPANY (3)	Josefina de la Maza, 4 P.E.Piasca - Santander (Cantabria)
CANTERA ZEANURI (1)	Uribitarte, 10 - Bilbao (Vizcaya)
CANTERAS VILLALLANO, S.L. (3)	Poblado de Villallano - Villallano (Palencia)
CEMENSILOS, S.A. (3)	Josefina de la Maza, 4 P.E. Piasca - Santander (Cantabria)
CEMENTOS LEMONA (1)	Alameda de Urquijo, 10 - Bilbao (Vizcaya)
CHEMIPUR QUÍMICOS, S.L., SOLE-SHAREHOLDER COMPANY (4)	Pincel, 25 - Sevilla
COMPAÑÍA AUXILIAR DE AGENCIA Y MEDIACIÓN, S.A. (5)	Federico Salmón, 13 - Madrid
CORPORACION FINANCIERA HISPANICA, S.A. (5)	Federico Salmón, 13 - Madrid
EGUR BIRZIKLATU BI MILA, S.L. (1)	Alameda de Urquijo, 10 - Bilbao (Vizcaya)
ENVICON GAS (6)	Czech Republic
EUROPEAN HEALTHCARE PROJECTS LIMITED (1)	UK
EUSKO LANAK, S.A. (5)	Federico Salmón, 13 - Madrid
EXPLOTACIONES SAN ANTONIO, S.L., SOLE-SHAREHOLDER COMPANY (3)	Josefina de la Maza, 4 P.E. Piasca - Santander (Cantabria)
FCC ACTIVIDADES DE CONSTRUCCION INDUSTRIAL, S.A. (7)	Av. Camino de Santiago, 40 - Madrid
FCC ENERGY LIMITED (8)	UK
FCC ENVIRONMENTAL SERVICES LIMITED (8)	UK
FCC INDUSTRIAL E INFRAESTRUCTURAS ENERGETICAS, S.L.U. (7)	Rabe de las Calzadas, 1 - Fuencarral (Madrid)
FCC SERVICIOS INDUSTRIALES Y ENERGÉTICOS, S.A., SOLE-SHAREHOLDER COMPANY (9)	Av. Camino de Santiago, 40 - Madrid
GEMECAN, GESTORA MEDIOAMBIENTAL Y DE RESÍDUOS, S.L. (1)	Josefina Mayor, 12 - Telde (Las Palmas)
ALPINE GROUP (10)	
ACOTON PROJEKMANAGEMENT & BAUTRÄGER, GMBH	Austria
AJS ACOTON PROJEKMANAGEMENT & BAUTRÄGER, GMBH CO. KG	Austria
ALPINE ALEKSANDAR D.O.O.	Macedonia
ALPINE BAU CZ, S.R.O.	Czech Republic
ALPINE BAU DEUTSCHLAND AG	Germany
ALPINE BAU, GMBH	Austria
ALPINE BAU, GMBH A-1 SP.J	Poland
ALPINE BAU, GMBH FILIALI TIRANE SH PK	Albania
ALPINE BAU, GMBH SCHWEIZ	Switzerland
ALPINE BAU INDIA PRIVATE LIMITED	India
ALPINE BEMO TUNNELLING, GMBH	Austria
ALPINE BEMO TUNNELLING CANADA, INC.	Canada
ALPINE BEMO TUNNELLING, GMBH ECHING	Germany
ALPINE BUILDING SERVICES, GMBH	Germany
ALPINE BULGARIA AD	Bulgaria
ALPINE CONSTRUCTION ASERBAIDSCHAN	Azerbaijan
ALPINE CONSTRUCTION, L.L.C	Oman
ALPINE CONSTRUCTION POLSKA, SP ZO.O.	Poland
ALPINE D.O.O. BANJA LUKA	Bosnia Herzegovina
ALPINE D.O.O. BEOGRAD	Serbia
ALPINE ENERGIE CESKO SPOL., S.R.O.	Czech Republic
ALPINE ENERGIE DEUTSCHLAND, GMBH	Germany
ALPINE ENERGIE HOLDING AG (AUSTRIA)	Austria
ALPINE ENERGIE HOLDING AG (GERMANY)	Germany
ALPINE ENERGIE ITALIA SRL	Italy
ALPINE ENERGIE LUXEMBOURG, SARL	Luxembourg
ALPINE ENERGIE MAGYARORSZÁG KFT	Hungary
ALPINE ENERGIE OSTERREICH, GMBH	Austria
ALPINE ENERGIE SCHWEIZ AG	Switzerland
ALPINE ENERGIE SOLAR ITALIA SRL	Italy
ALPINE GREEN ENERGIA SP ZOO	Poland
ALPINE HOLDING, GMBH	Austria
ALPINE HUNGARIA BAU, GMBH	Hungary
ALPINE INVESTMENT D.O.O.	Bosnia Herzegovina
ALPINE KAMEN D.O.O.	Serbia
ALPINE LIEGENSCHAFTSVERWERTUNGS, GMBH	Austria
ALPINE MAYREDER CONSTRUCTION CO, LTD. AMCC	China
ALPINE PODGORICA D.O.O.	Montenegro
ALPINE PROJECT FINANCE AND CONSULTING, GMBH	Germany
ALPINE RUDNIK KRECNJAKA LAPISNICA D.O.O.	Bosnia Herzegovina
ALPINE SKOPJE DOOEL	Macedonia
ALPINE - SLASK BUDOWA, SP. ZO.O.	Poland
ALPINE SLOVAKIA SPOL, S.R.O.	Slovakia
ALPINE, S.A.	Romania

REMOVALS	Registered office
ANDEZIT STANCENI SRL	Romania
ARB HOLDING, GMBH	Austria
BAUTECHNISCHE PRÜF UND VERSUCHSANSTALT, GMBH	Austria
BEWEHRUNGSZENTRUM LINZ, GMBH	Austria
BÜROZENTRUM U3 PROJEKT, GMBH	Austria
CSS - CITY SERVICE SOLUTION, GMBH	Germany
E GOTTSCHALL & CO, GMBH	Germany
ECOENERGETIKA D.O.O.	Slovenia
FRÖHLICH BAU UND ZIMMEREIUNTERNEHMEN, GMBH	Austria
GEOTECHNIK SYSTEMS, GMBH	Austria
GMBH "ALPINE"	Russia
GRADOS D.O.O. NOVI SAD	Serbia
GRUND PFAHL UND SONDERBAU, GMBH	Austria
GRUND UND SONDERBAU GMBH ZNL BERLIN	Austria
HAZET BAUUNTERNEHMUNG, GMBH	Austria
HOCH & TIEF BAU BETEILIGUNGS, GMBH	Austria
ING ARNULF HADERER, GMBH	Austria
INGENIEURBÜRO FÜR ENERGIE - UND HAUSTECHNIK ANDREAS DUBA, GMBH	Germany
KAI CENTER ERRICHTUNGS UND VERMIETUNGS, GMBH	Austria
KAPPA D.O.O.	Croatia
KLÖCHER BAUGESELLSCHAFT MBH	Austria
KONRAD BEYER & CO SPEZIALBAU, GMBH	Austria
MLA BETEILIGUNGEN, GMBH	Austria
OEKOTECHNA ENTSORGUNGS UND UMWELTTECHNIK, GMBH	Austria
OKTAL PLUS D.O.O.	Croatia
OSIJEK - KOTEKS D.D.	Croatia
PRO - PART AG	Switzerland
PRO-PART ENERGIE, GMBH	Switzerland
PRO - PART IN AUSTRIA HANDELS, GMBH	Austria
PROJECT DEVELOPMENT, GMBH	Austria
RMG D.O.O.	Bosnia Herzegovina
SALZBURGER LIEFERASPHALT, GMBH CO. OG	Austria
SCHAUER EISENBAHNBAU, GMBH	Austria
SOLAR PARK SERENA, SRL	Italy
STUMP - GEOSPOL S.R.O. PRAGUE	Czech Republic
STUMP HYDROBUDOWA, SP. ZO.O. WARSCHAU	Poland
STUMP SPEZIALTIEFBAU, GMBH	Germany
TAKUS BETEILIGUNGS, GMBH	Germany
TAKUS, GMBH & CO KG	Germany
TERRA E SOLE S.R.L.	Italy
THALIA ERRICHTUNGS UND VERMIETUNGS, GMBH	Austria
UNIVERSALE BAU, GMBH	Austria
VELICKI KAMEN D.O.O.	Croatia
WALTER HAMANN HOCH TIEF UND STAHLBETONBAU, GMBH	Germany
WEINFRIED BAUTRÄGER, GMBH	Austria
WELLNESSHOTEL ÉPITO KFT	Hungary
HORMIGONES PREMEZCLADOS DEL NORTE, S.A. (1)	Alameda de Urquijo, 10 - Bilbao (Vizcaya)
MORTEROS BIZKOR, S.L. (1)	Alameda de Urquijo, 10 - Bilbao (Vizcaya)
NILO MEDIOAMBIENTE, S.L., SOLE-SHAREHOLDER COMPANY (4)	Pincel, 25 - Sevilla
PUERTO CALA MERCED, S.A. (5)	Arquitecto Gaudí, 4 - Madrid
SANTURBASA (1)	Alameda de Urquijo, 10 - Bilbao (Vizcaya)
SOUTHERN CEMENT LIMITED (1)	UK
TELSA, S.A. (1)	Alameda de Urquijo, 10 - Bilbao (Vizcaya)
TELSA, S.A. Y COMPAÑÍA REGULAR COLECTIVA (1)	Alameda de Urquijo, 10 - Bilbao (Vizcaya)
TRANSPORTES GOROZTETA, S.L., SOLE-SHAREHOLDER COMPANY (1)	Alameda de Urquijo, 10 - Bilbao (Vizcaya)
UTONKA, S.A., SOLE-SHAREHOLDER COMPANY (8)	Córcega, 299 - Barcelona
WINTERTON POWER LIMITED (8)	UK
WRG PROPERTIES LIMITED (8)	UK

Companies accounted for using the equity method

JOINT VENTURES

ATLANTICA DE GRANELES Y MOLIENDAS, S.A. (1)	Muelle de Punta Sollana, s/n - Zierbena (Vizcaya)
FCC CONSTRUCTION KIPSZER, KFT (11)	Hungary
PROACTIVA GROUP (1)	Cardenal Marcelo Espinola, 8 - Madrid
VERSIA HOLDING, GMBH IN LIQUIDATION (8)	Austria

REMOVALS	Registered office
ASSOCIATES	
APEX – FCC – L.L.C. (8)	USA
ARIDOS UNIDOS, S.A. (1)	Alameda de Urquijo, 10 - Bilbao (Vizcaya)
CANTERAS Y HORMIGONES QUINTANA, S.A. (12)	Ctra. Santander - Bilbao Km 184 - Barcena de Cicero (Cantabria)
CONDUCCIÓ DEL TER (2)	Bourg de Peage, 89 - San Feliu de Guíxols (Girona)
DESARROLLOS Y PROMOCIONES COSTA CÁLIDA, S.A. (11)	Saturno, 1 - Pozuelo de Alarcón (Madrid)
ENERGYLINK LIMITED (8)	UK
ALPINE GROUP (10)	
ABO ASPHALT-BAU OEYNHAUSEN, GMBH	Austria
AMW ASPHALTWERK, GMBH	Austria
AMW LEOPOLDAU TEERAG-ASDAG AG & ALPINE BAU, GMBH OG	Austria
ASPHALTMISCHWERK BETRIEBS, GMBH & CO KG	Austria
ASPHALTMISCHWERK GREINSFURTH, GMBH & CO OG	Austria
ASPHALTWERK SIERNING, GMBH	Austria
ASW-ASPHALTMISCHONLAGE INNSBRUCK, GMBH	Austria
ASW-ASPHALTMISCHONLAGE INNSBURCK, GMBH & CO KG	Austria
AWT ASPHALTWERK, GMBH	Austria
AWW ASPHALTMISCHWERK WÖLBLING, GMBH	Austria
BONAVENTURA STRASSENERRICHTUNGS, GMBH	Austria
D1 CONSTRUCTION SRO IN LIQUIDATION	Slovakia
DOLOMIT-BETON LIEFERBETONWERK, GMBH	Austria
DRAUBETON, GMBH	Austria
FMA ASPHALTWERK, GMBH & CO KG	Austria
HEMMELMAIR FRÄSTECHNIK, GMBH	Austria
KIESWERK-BETRIEBS, GMBH & CO. KG	Austria
INTERGEO UMWELTMANGAMENT, GMBH	Austria
LIEFERASPHALTGESELLSCHAFT JAUNTAL, GMBH	Austria
MSO MISCHANLAGEN SÜD-OST BETRIEBS, GMBH UND CO KG	Austria
PALTENTALER BETON ERZEUGUNGS, GMBH	Austria
PORR ALPINE AUSTRIARAIL, GMBH	Austria
PPE MALZENICE, S.R.O.	Slovakia
RASTÄTTEN BETRIEBS, GMBH	Austria
RBA RECYCLING UND BETONANLAGEN, GMBH & CO NFG KG	Austria
RFM ASPHALTMISCHWERK, GMBH & CO KG	Austria
SALZURGER LIEFERASPHALT, GMBH & CO OG	Austria
SCHABERREITER, GMBH	Austria
SILASFALT, S.R.O.	Czech Republic
STRAKA BAU, GMBH	Austria
TRANSPORTBETON UND ASPHALT, GMBH	Austria
TRANSPORTBETON UND ASPHALT, GMBH & CO KG	Austria
WALDVIERTLER LIEFERASPHALT, GMBH & CO KG	Austria
NEUCICLAJE, S.A. (1)	Alameda de Urquijo, 10 - Bilbao
NIGH LIMITED (1)	Ireland
NIGH SOUTH WEST HEALTH PARTNERSHIP LIMITED (1)	Ireland
NOVA BOCANA BARCELONA, S.A. (1)	Av. Josep Tarradellas, 123 - Barcelona
QUINSA PREFABRICADOS DE HORMIGON, S.L., SOLE-SHAREHOLDER COMPANY (12)	Ctra. S. Sebastián - Coruña Km. 183 - Barcena de Cicero (Cantabria)
SA STRIA CONSORTILE A RESPONSABILITA LIMITATA (8)	Italy
TERRENOS MOLINS, S.L. (8)	Llobregat. Molins de Rei (Barcelona)
TRANSPORTES CÁNTABROS DE CEMENTO PORTLAND, S.L. (12)	Ctra. S. Sebastián - Coruña Km. 184 - Barcena de Cicero (Cantabria)

1. Exclusion due to sale
2. Exclusion due to dissolution and liquidation
3. Exclusion due to merger by absorption of Cementos Alfa, S.A.
4. Exclusion due to merger by absorption of Aqualia Industrial Solutions, S.A.
5. Exclusion due to merger with Per Gestora Inmobiliaria, S.L.
6. Exclusion due to merger with .A.S.A. Spol SRO
7. Exclusion due to downstream merger with FCC Servicios Industriales y Energéticos, S.A.U. (*)
8. Exclusion due to liquidation
9. Exclusion due to merger with FCC Servicios Industriales y Energéticos, S.A.U. (*)
10. Exclusion due to de-consolidation (see Notes 2 and 4)
11. Exclusion due to dissolution
12. Exclusion due to loss of percentage of ownership

(*) Change of name. Currently FCC Industrial e Infraestructuras Energéticas, S.A.U.

APPENDIX V

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

	Percentage of ownership at 31 December 2013
ENVIRONMENTAL SERVICES	
CLEAR CHANNEL CEMUSA, UTE	50.00
PASAIA UTE	70.00
PUERTO UTE	50.00
TRAMBESOS UTE	33.00
UTE ABSA - PERICA	60.00
UTE ABSA - PERICA I	60.00
UTE ABSA - PERICA II	60.00
UTE AEROPUERTO V	50.00
UTE AEROPUERTO VI	50.00
UTE AESA - FCC	50.01
UTE AGARBI	60.00
UTE ARGI 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 CASTELLAR POLÍGONOS	50.00
UTE CEMENTERIOS PERIFÉRICOS II	50.00
UTE CHIPIONA	50.00
UTE CGR GUIPUZCOA	35.14
UTE COLEGIOS SANT QUIRZE	50.00
UTE CONTENEDORES MADRID	38.25
UTE CLAUSURA SAN MARCOS	60.00
UTE CTR. DE L'ALT EMPORDÀ	45.00
UTE CTR - VALLÈS	20.00
UTE CYCSA-EYSSA VIGO	50.00
UTE DOS AGUAS	35.00
UTE ECOPARQUE CACERES	50.00
UTE ECOURENSE	50.00
UTE EKOFERRO	85.00
UTE ENERGÍA SOLAR ONDA	25.00
UTE ENVASES LIGEROS MÁLAGA	50.00
UTE ERETZA	70.00
UTE F.L.F. LA PLANA	47.00
UTE F.S.S.	50.00
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 FCCMA - RUBATEC STO. MOLLET	50.00
UTE FCCSA - GIRSA	89.80
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 at 31 December 2013
UTE GESTIÓN INSTALACIÓN III	34.99
UTE GIREF	20.00
UTE GIRSA - FCC	59.20
UTE HIDRANTES	50.00
UTE INTERIORES BILBAO	80.00
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 LEA - ARTIBAI	60.00
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 MANTENIMIENTO REG CORNELLÁ	60.00
UTE MANTENIMIENTO COLEGIOS II	60.00
UTE MANTENIMIENTO COLEGIOS III	60.00
UTE MANTENIMIENTO DE EDIFICIOS	60.00
UTE MAREPA - CARPA PAMPLONA	50.00
UTE MELILLA	50.00
UTE MMI 5º CONTENEDOR	60.00
UTE MOLLERUSSA	60.00
UTE MUSKIZ III	70.00
UTE ONDA EXPLOTACIÓN	33.33
UTE PÁJARA	70.00
UTE PAMPLONA	80.00
UTE PARQUES SINGULARES MÓSTOLES	50.00
UTE PISCINA CUBIERTA BENICARLÓ	65.00
UTE PISCINA CUBIERTA MUNICIPAL ALBATERA	93.00
UTE PISCINA CUBIERTA PAIPORTA	90.00
UTE PLAN RESIDUOS	47.50
UTE PLANTA RSI TUDELA	60.00
UTE PLANTA TRATAMIENTO VALLADOLID	60.00
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 SANT QUIRZE	50.00
UTE SANT QUIRZE DEL VALLÉS	50.00
UTE SANTA COLOMA DE GRAMANET	61.00
UTE SANTURTZIKO GARBIKETA	60.00

	Percentage of ownership at 31 December 2013
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 UROLA KOSTA	60.00
UTE SELLADO VERTEDERO LOGROÑO	50.00
UTE SON ESPASES	50.00
UTE TORRIBERA V	50.00
UTE TRAMBAIX	33.00
UTE TRANSPORTE SAN MARCOS	80.00
UTE TRANSPORTE DEBARRENA TXINGUDI	60.00
UTE TREMP	51.00
UTE TXINGUDI	75.00
UTE TXINGUDIKO GARBIKETA	73.00
UTE UROLA ERDIA	60.00
UTE URRETXU Y ZUMARRAGA	65.00
UTE VERTEDERO ARTIGAS	50.00
UTE VERTEDERO GARDALEGUI II	70.00
UTE VERTEDERO TALES Y CORTES	50.00
UTE VERTRESA	10.00
UTE VIGO RECICLA	70.00
UTE VILOMARA	33.33
UTE VINAROZ	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	95.00
UTE ABASTECIMIENTO ZARAGOZA	70.00
UTE ACTUACION 11 TERUEL	50.00
UTE AGNITA-EPTISA-AISA	50.00
UTE AGUAS ALCALÁ	37.50
UTE AGUAS DEL DORAMÁS	50.00
UTE AIGÜES ELS POBLETS	95.00
UTE AMPLIACION IDAM SANT ANTONI	50.00
UTE AMPLIACION IDAM DELTA DE LA TORDERA	66.66
UTE AQUALIA-FCC-MYASA	94.00
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 DEPURACION PONIENTE ALMERIENSE	75.00
UTE EDAR A GUARDA 2012	50.00
UTE EDAR A GUARDA 2013	50.00
UTE EDAR ÁVILA	55.00
UTE EDAR BAEZA	50.00
UTE EDAR CULEBRO EQUIPOS	50.00

	Percentage of ownership at 31 December 2013
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 FANGOS MENORCA	55.00
UTE GESTION PISCINAS VIGO	50.00
UTE HIDC - HIDR. - INV DO CENTR. ACE	50.00
UTE IBIZA-PORTMANY EPC	32.00
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 MENDIZULOA	30.00
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
CONSTRUCTION	
ACP DU PORT DE LA CONDAMINE	45.00
ASTALDI - FCC J.V.	50.00
CONSORCIO FCC-FI	50.00
CONSORCIO NUEVA ESPERANZA	63.00
CONSORCIO LINEA UNO	45.00
CONSORCIO TORRE MUISCA	5.00
CONSORCIO CHICAGO II	60.00
CONSORCIO FCC-JJCC (PUERTO CALLAO)	50.00
CONSORCIO ICA - FCC - MECO PAC-4	43.00
J.V. ASOCIEREA ARAD-TIMISOARA	50.00
J.V. BBR PTE SL - TENSACCAI SPA	51.00
J.V. BYPASS CONSTATA	50.00
J.V. ESTENSION 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
OHL CO. CANADA & FCC CANADA LTD.	50.00
SHIMMICK CO. INC. FCC CO. IMPREGILO SPA JV	30.00
UTE 2ª FASE DIQUE DE LA ESFINGE	35.00
UTE 57 VIVIENDAS PC-6 CERRO DE REYES	90.00
UTE 77 VIVIENDAS EN ELCHE	55.00
UTE A-2 FERMS: TRAM SILS-CALDES	50.00
UTE ACCESO NORTE A VIGO NUEVA ESTACIÓN	50.00
UTE ACCESO ZAMORA	65.00
UTE ACCESOS A LA ESTACIÓN DE LA SAGRERA	37.50
UTE ACON. Y PEATON. SAN BARTOLOMÉ TIRAJANA	70.00
UTE ACTUACIONES AEROPUERTO DE LOGROÑO	80.00
UTE ADAMUZ	33.33

	Percentage of ownership at 31 December 2013
UTE AEROPUERTO DE CASTELLÓN	50.00
UTE AL - DEL PALENCIA	50.00
UTE AL - DEL SANTIAGO	50.00
UTE AL - DEL XÁTIVA	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 ALMANSA CAUDETE	60.00
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 AMPLIACIÓN SUPERFICIE DIQUE DE CONEXIÓN	50.00
UTE ANAGA	33.33
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 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 BULEVAR PINTO RESINA	50.00
UTE BUÑEL - CORTES	80.00
UTE BUSINESS	25.00
UTE BUSINESS ELECTRICIDAD	57.00
UTE BUSINESS MECÁNICAS	40.00
UTE C31-ACCESOS MATARÓ	50.00
UTE C&F JAMAICA	50.00
UTE C.A.R.E. CÓRDOBA	75.00
UTE CÁCERES II	50.00
UTE 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 at 31 December 2013
UTE CANALES DEL JUCAR	60.00
UTE CANONADA SANT JUST	60.00
UTE CÁRCEL MARCOS PAZ	35.00
UTE CARCHUNA - CASTELL	75.00
UTE CARRETERA HORNACHOS - LLERA	65.00
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 - CERRO NEGRO	50.00
UTE CATENARIA RIGIDA TERRASSA	50.00
UTE CATLANTICO	25.00
UTE CECOEX	20.00
UTE CEIP OROSO	60.00
UTE CENTRO COMERCIAL ARANJUEZ	50.00
UTE CENTRO COMERCIAL ARANJUEZ PLAZA F. II	50.00
UTE CENTRO COMERCIAL LA GRELA	50.00
UTE CENTRO COMERCIAL MESOIRO	50.00
UTE 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 CIUDAD DE LAS COMUNICACIONES	50.00
UTE CIUDAD DEPORTIVA VALDEBEBAS II	50.00
UTE CIUTAT DE LA JUSTÍCIA	30.00
UTE CLIMA "LA FE"	38.00
UTE CLIMATIZACIÓN 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	70.00
UTE COLECTOR ABOÑO II	80.00
UTE COLECTOR NAVIA	80.00
UTE CONEXIÓN CORREDOR MEDITERRÁNEO	40.00
UTE CONEXIÓN MOLINAR	70.00
UTE CONSEJERÍA AGRICULTURA	85.00
UTE CONSERVACION ANTEQUERA	50.00
UTE CONSERVACION MALPARTIDA	50.00
UTE CONSERVACION BADAJOZ	50.00
UTE CONSTRUCCIÓN HOSPITAL SURESTE	50.00
UTE CONSTRUCCIÓN HOSPITAL TORREJÓN	66.70
UTE CONSTRUCCIÓN TRANVÍA ZARAGOZA	50.00
UTE CONSTRUCTORA ATENCIÓN PRIMARIA	33.00
UTE CONTROL MOGÁN	33.33
UTE COORDINACIÓN	34.00
UTE COPERO	70.00
UTE CORREDOR	55.00
UTE COSTA DEL SOL	50.00
UTE CP NORTE I	50.00
UTE CREAA	50.00
UTE CYCSA - ISOLUX INGENIERÍA	50.00
UTE CYM - ESPELSA INSTALACIONES	50.00
UTE CYS - IKUSI - GMV	43.50
UTE DE SUMINISTROS PUENTE RÍO OZAMA	50.00
UTE DESALADORA BAJO ALMANZORA	60.00
UTE DESDOBLAMIENTO CV - 309 EN SAGUNTO	50.00
UTE DESARROLLO PUERTO DE AVILES FASE I	80.00
UTE DESDOBLAMIENTO DE LA AS-17 I	70.00
UTE DESDOBLAMIENTO EX-100 BADAJOZ	50.00
UTE DIQUE ESTE	35.00
UTE DIQUE ESTE DÁRSENA SUR PUERTO DE CASTELLÓN	50.00
UTE DIQUE TORRES	27.00
UTE DIQUE TORRES II	27.00
UTE DOCENCIA HOSPITAL SON ESPASES	33.00
UTE DOZÓN	29.60

	Percentage of ownership at 31 December 2013
UTE DRAGADO CANAL ENTRADA Y DÁRSENA SUR	50.00
UTE DRAGADO MUELLE COMERCIAL VILAGARCÍA	50.00
UTE DRENAJES ADAMUZ	33.33
UTE EBRACONS	68.00
UTE EDAM OESTE	70.00
UTE EDAR LOIOLA	89.80
UTE EDAR NAVIA	80.00
UTE EDIFICIO 4 WTC	56.25
UTE EDIFICIO 6-7-8 WTC	36.00
UTE EDIFICIO C. CULT. POLIV., F. II-V. D'UIXO	60.00
UTE EDIFICIO DE LAS CORTES	65.00
UTE EDIFICIO IDI 5 TERCERA FASE CPI	75.00
UTE EDIFICIO TERMINAL	40.00
UTE EDIFICIOS TÉCNICOS CIUDEN	80.00
UTE EIX BERGUEDÀ	34.00
UTE EL CONDADO	40.00
UTE ELECTRICIDAD BY PASS SUR CALLE 30	33.33
UTE ELECTRICIDAD CIBEK	50.00
UTE ELECTRICIDAD CIUDAD COMUNICACIONES	50.00
UTE ELECTRICIDAD 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 EMISARIO MOMPAS	89.80
UTE ENCAUZAMIENTO BARRANCO DE FRAGA	60.00
UTE EQUIPAMIENTO AUDITORIO BURGOS	65.00
UTE ESCLUSA SEVILLA	70.00
UTE ESCUELA DE ARTES Y DISEÑOS	70.00
UTE ESPELSA - CYMI INSTALACIONES NORTE	50.00
UTE ESPELSA - OCESA	75.00
UTE ESTACIÓN FGV MERCADO - ALICANTE	60.00
UTE ESTACIÓN LUCERO ALICANTE	33.33
UTE ESTACIÓN GIRONA	40.00
UTE ESTACIÓN METRO SERRERÍA	50.00
UTE ESTACIONS AEROPORT L9	49.00
UTE ESTACIONS LÍNEA 9	33.00
UTE ESTACIONS TERRASSA	36.00
UTE ESTEPONA	25.00
UTE EZKIO ITSASO	40.00
UTE F.I.F. GNL FB 301/2	35.96
UTE F.I.F. GNL TK-3.002/3	39.06
UTE FASE II C.I.C.C.M.	60.00
UTE FASE II HOSPITAL DE MÉRIDA	50.00
UTE FASE II PABELLÓN REYNO DE NAVARRA	50.00
UTE FCC - SCENIC LIGHT	80.00
UTE FCC - TECYSU	80.00
UTE FGV ALICANTE TRAMO 2	60.00
UTE FGV VARIANTE TRAMO FINCA ADOC	55.00
UTE FIBER	50.00
UTE FUENTE DE CANTOS	50.00
UTE FUENTE LUCHA	77.00
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 GOIAN	70.00

	Percentage of ownership at 31 December 2013
UTE GOIERRIALDEA 2010	55.00
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 HUELVA NORTE II	55.00
UTE HUELVA SUDESTE	40.00
UTE HUESNA CONSTRUCCIÓN	33.33
UTE IBAI EDER	24.50
UTE IBARRETA	24.50
UTE IFEVI	50.00
UTE 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 METRO MÁLAGA	54.00
UTE INSTALACIONES TÚNELES MUROS-DUEÑAS	50.00
UTE INSTITUTO DE SUANCES	70.00
UTE INTERFICIES AEROPORT L9	49.00
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 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 5	40.00
UTE LÍNEA 9	33.00
UTE LLAGOSTERA	50.00
UTE LLOVIO 2012	70.00
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 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 TDM	50.00
UTE MANTENIMIENTO TRANVÍA ZARAGOZA	50.00

	Percentage of ownership at 31 December 2013
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
UTE METRO MÁLAGA	36.00
UTE MONTAJE VIA MOLLET - GIRONA	50.00
UTE MONTAJE VIA O IRIXO - SANTIAGO	50.00
UTE MONTAJE VIA SIETE AGUAS - VALENCIA	50.00
UTE MONT-RAS	50.00
UTE MONTSERRAT	35.00
UTE MORA	30.00
UTE MORALEDA	66.00
UTE MUELLE BOUZAS	70.00
UTE MUELLE COMERCIAL VILAGARCÍA	70.00
UTE MUELLES COMERCIALES	60.00
UTE MUELLE DE LA QUÍMICA	70.00
UTE MUNGUIA	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 PLANTA BARAJAS MELO	50.00
UTE PLANTA DE RESIDUOS	50.00

	Percentage of ownership at 31 December 2013
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 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
UTE PREFABRICADOS POLA	50.00
UTE PRESA ENCISO	50.00
UTE PRESAS ITOIZ	33.00
UTE PRESAS EBRO	50.00
UTE PRESAS JÚCAR	53.00
UTE PREVENCIÓN DE INCENDIOS NORESTE	50.00
UTE PREVENCIÓN DE INCENDIOS NORTE	50.00
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 - NORCONTROL	50.00
UTE PROSER - NORCONTROL II	50.00
UTE PROSER - PAYMACOTAS IV	50.00
UTE PROSER - UG 21	70.00
UTE PROSER- LA ROCHE TF - 5 III	50.00
UTE 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 PUENTE SERRERÍA	60.00
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 RECINTOS FERIALES	50.00
UTE RED ARTERIAL PALENCIA FASE I	80.00
UTE REFORÇ C-25	40.00
UTE REFORMA HOSPITAL V SALUD (TOLEDO)	60.00
UTE RELLENO EXPLANADA MUELLE QUÍMICA	70.00
UTE RELLENO UBE CHEMICAL PTO. CASTELLÓN	50.00
UTE REMODELACION CTRA. RIBES (BCN)	80.00
UTE RESIDENCIAS REAL MADRID	50.00
UTE REVLON	60.00
UTE RÍO CABE	50.00
UTE RÍO LLOBREGAT	55.00
UTE ROCKÓDROMO	50.00
UTE ROCKÓDROMO 2	40.00
UTE ROCKÓDROMO FASE 3	40.00
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

	Percentage of ownership at 31 December 2013
UTE SANEAMIENTO DE VILLAVICIOSA	80.00
UTE SANTA BRÍGIDA	50.00
UTE SANTA COLOMA DE FARNERS	50.00
UTE SANTA MARÍA D'OLO-GURB	60.00
UTE SANTO DOMINGO	70.00
UTE SECTOR M-5 2012	70.00
UTE SEGUNDA FASE DELICIAS ZARAGOZA	50.00
UTE SEMINARIO P3-2	99.00
UTE SERVEIS AFECTATS 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 SOTO DE HENARES	70.00
UTE SSAA AP - 7	50.00
UTE STA Mª DEL CAMÍ	45.00
UTE STADIUM	70.00
UTE SUBESTACIÓN SERANTES	50.00
UTE TARRAGONA LITORAL	70.00
UTE TECSACON	20.00
UTE TELENEO	50.00
UTE TEMPLO Y C. ECUM. EL SALVADOR F1	65.00
UTE TERMINAL SUR MUELLE LEÓN Y CASTILLO	35.00
UTE TERMOSOLAR GUZMÁN	67.50
UTE TF-5 2ª FASE	70.00
UTE TINDAYA	50.00
UTE TORQUEMADA	50.00
UTE TORRE DON JIMENO	50.00
UTE TORREBLANCA	50.00
UTE TORRE ISLA CARTUJA	80.00
UTE TRAGSA - FCC A.P.	50.00
UTE TRAMBESÒS	50.00
UTE TRAMMET	50.00
UTE TRAMO DE NUEVA CONSTRUCCIÓN JÚCAR-VINALOPO	70.00
UTE TRANVÍA DE PARLA	50.00
UTE TRANVÍA L-2 PARQUE ALICANTE	55.00
UTE TRANVÍA LUCEROS-MERCADO ALICANTE	60.00
UTE TRASVASE JÚCAR VINALOPÓ	50.00
UTE TREN TRAM I	50.00
UTE 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	45.00
UTE TÚNELES DE GUADARRAMA	33.33
UTE TÚNELES DE SORBES	67.00
UTE TÚNELES DELICIAS	65.00
UTE UE 1 ARROYO DEL FRESNO	50.00
UTE UE 2 ARROYO DEL FRESNO	50.00
UTE UNIVERSIDAD DE MÁLAGA	65.00
UTE UNQUERA - PENDUELES	80.00
UTE URBANITZACIÓ GIRONA	40.00

	Percentage of ownership at 31 December 2013
UTE URBANIZACIÓN PARC SAGUNT	50.00
UTE URBANIZACIÓN VIA PARQUE TRAMO A.V.L. CARB.-P	60.00
UTE VALDEVIVIENDAS II	33.33
UTE VALLE INFERIOR	80.00
UTE VARIANTE DE MONZÓN	70.00
UTE VARIANTE 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 VÍAS COLECTORAS LA CARPETANIA	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 WTC ELECTRICIDAD	50.00
UTE YELTES	75.00
UTE YESA	33.33
UTE ZONAS VERDES ENSANCHE DE VALLECAS	33.33
CEMENT	
UTE A-27 VALLS-MONTBLANC	35.71
UTE AVE GIRONA	35.71
UTE BCN SUD	10.71
UTE GROUPEMENT EUROBETON	31.44
UTE LAV SAGRERA	23.81
UTE NUEVA ÁREA TERMINAL	35.71
UTE OLERDOLÁ	42.86
UTE ULLÁ	35.71
UTE VILADECAVALLS 92	23.81

LIQUIDACIÓN POR CANON DE DEMANDA

1. FACTURACION POR CANON DE DEMANA

FACTURACIÓN POR CANÓN DE DEMANDA

Incremento de IPC real para AUMANCHA (Noviembre 2010 - Noviembre 2011): 3,3%

AÑO 2012

	MENSUAL		REALIDAD		DIFERENCIA	
MES	AUMANCHA	ACUMULADO AUMANCHA	TRÁFICO REAL AUMANCHA	ACUMULADO	MES	ACUMULADO
ENERO	1.416.763,02 €	1.416.763,02 €	1.251.657,08 €	1.251.657,08 €	-165.105,94 €	-165.105,94 €
FEBRERO	1.416.763,02 €	2.833.526,03 €	1.203.783,15 €	2.455.440,23 €	-212.979,86 €	-378.085,81 €
MARZO	1.416.763,02 €	4.250.289,05 €	1.339.506,07 €	3.794.946,30 €	-77.256,95 €	-455.342,75 €
ABRIL	1.416.763,02 €	5.667.052,07 €	1.350.876,34 €	5.145.822,64 €	-65.886,68 €	-521.229,43 €
MAYO	1.416.763,02 €	7.083.815,08 €	1.340.727,82 €	6.486.550,46 €	-76.035,19 €	-597.264,63 €
JUNIO	1.416.763,02 €	8.500.578,10 €	1.340.405,03 €	7.826.955,49 €	-76.357,98 €	-673.622,61 €
JULIO	1.416.763,02 €	9.917.341,12 €	1.411.599,97 €	9.238.555,47 €	-5.163,04 €	-678.785,65 €
AGOSTO	1.416.763,02 €	11.334.104,14 €	1.348.572,93 €	10.587.128,40 €	-68.190,08 €	-746.975,74 €
SEPTIEMBRE	1.416.763,02 €	12.750.867,16 €	1.287.879,93 €	11.875.008,32 €	-128.883,09 €	-875.858,83 €
OCTUBRE	1.416.763,02 €	14.167.630,18 €	1.345.751,68 €	13.220.760,00 €	-71.011,34 €	-946.870,17 €
NOVIEMBRE	1.416.763,02 €	15.584.393,20 €	1.204.720,60 €	14.425.480,60 €	-212.042,41 €	-1.158.912,58 €
DICIEMBRE	1.416.763,02 €	17.001.156,22 €	1.218.652,03 €	15.644.132,64 €	-198.110,98 €	-1.357.023,56 €
	Total facturación mensual	17.001.156,24 €	Total facturación mensual TR.REAL	15.644.132,64 €	-1.357.023,56 €	

Liquidación	-1.357.023,56 €
TOTAL AÑO 2012	15.644.132,68 €

Nota: Todos los valores son sin IVA.

2. INDICE DE PELIGROSIDAD

Según dispone el pliego en el epígrafe 31.2.se establece que a partir del tercer año completo de la puesta en servicio, se comparará el Índice de Peligrosidad pendiente de liquidar con la medio de los índices de peligrosidad correspondientes a los tres años anteriores.

Estableciéndose el valor de comparación del Índice de Peligrosidad del primer trienio tal que:

PERIODO	DÍAS (D)	Nº DE ACCIDENTES (N)	IMD PONDERADA	INDICE DE PELIGROSIDAD (IP)	MEDIA TRIENIO
2.009	365	9	9.731	4,85	6,35
2.010	365	15	10.185	7,72	
2.011	365	5	9.711	2,70	

Y el Índice de peligrosidad de la sexta anualidad tal que:

PERIODO	DÍAS (D)	Nº DE ACCIDENTES (N)	IMD PONDERADA	INDICE DE PELIGROSIDAD (IP)
2.012	366	13	8.936	7,61

GRUPO FCC

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).

CONTENTS	PAGE

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.

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 35 countries worldwide. Over 42% of its billings arise from international markets, mainly Europe 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, while also broadening its international scope. 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 approximately 43% 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 50%.

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).

92% 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 20% of the income generated by the water business hails from international markets.

FCC Aqualia is ranked number three among the European companies in its industry and number six worldwide, behind the large "utilities" of Sao Paulo, Beijing and Shanghai, according to the magazine Global Water Intelligence, the most widely renowned media source and main benchmark in the international water industry.

In the Spanish market, although no official statistics are available, if we take into account the publications of the Spanish Association of Water Supply and Treatment (AEAS) prepared using the information furnished by the companies themselves, referring exclusively to municipalities of over 5,000 inhabitants, FCC Aqualia, by number of served inhabitants, would be ranked in second place in terms of private operators with a 15% market share overall and a 26% market share of the privatised market.

Construction

The area's activity is divided into four lines of business:

- Civil engineering: Represents 75% 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 12% of the area's revenues. Its activity is focused, inter alia, on the construction of administrative, health, cultural and sports centres.

- Residential building: Represented 6% 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 43% 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 71.6% ownership interest. Its activity is geared towards the operation of quarries and mineral deposits for the manufacture of cement, which entails approximately 87% of the activity's total income. The remaining 13% is contributed by the manufacture of concrete, aggregates and mortar.

With regard to its geographical diversification, 60% of income comes from international markets. CPV is present in Spain, Tunisia and the US, although the company also exports mainly to Canada, UK and North Africa from these three countries.

CPV has an estimated penetration of 20 % in Spain and 22% in Tunisia.

1.2.2. Company strategy

The new Strategic Plan was launched in March 2013 which sets out the Company's objectives and strategy.

The objectives of the aforementioned Plan are concentration in the strategic business areas (Environmental Services, Construction and Integral Water Management), efficient operations with costs adapted to current market conditions, alignment of the debt and capital structure with the cash generation of the businesses, with an international presence limited to regions, and more profitable activities.

The foregoing will give rise to higher cash generation, EBITDA recovery and debt reduction.

In order to achieve the objectives of debt reduction and profitability enhancement, the Strategic Plan establishes five initiatives:

- Sale of non-strategic assets.

During the implementation of the 2013 divestment plan linked to the Strategic Plan, the group resolved to sell assets for an estimated amount of 917.1 million euro. Of these, noteworthy are the formalisation and corresponding collection of the sale of 49% of the water business in the Czech Republic for 96.5 million euro, 50% of Proactiva for 125 million euro and the sale of treasury shares for 150 million euro.

Also, on 27 December 2013, 51% of Energía was sold for 8 million euro, which also implies a reduction in net financial debt of 763 million euro. This transaction was subject to a number of conditions precedent, compliance with which is estimated to occur in early 2014.

On 27 February 2014, FCC reached an agreement with CCF Logistics Holding, S. à. r. l. to sell its logistics company for 32 million euro, which will entail a 27 million euro reduction in the Group's financial debt.

On 17 March 2014, an agreement was reached with JCDecaux to sell the Cemusa group for 80 million euro.

- Restructuring of the Construction business

In Spain, the main measure consists of adjusting production resources in order to bring them into line with the current market climate.

Both its domestic and international structure have been reorganised by simplifying the organisational levels, improving efficiency and eliminating functional and geographical structures that do not correspond to the volume of activity.

- Adjustment of Cement capacity and production resources

The Group is currently putting in place certain measures to reduce costs and enhance profitability. These include most notably adapting the activity of the Spanish cement factories to the market climate through temporary shutdowns, enabling capacity to be brought into line with current demand by minimising activity costs.

Also, CPV has shut down concrete, aggregate and mortar plants in Spain, which were generating negative EBITDA.

- Strengthening of the leadership of Environmental Services in Spain and repositioning in the UK

The objective consists of reinforcing FCC's leadership in Environmental Services in Spain and in waste management services in Central Europe (where the Group operates through ASA). Also, the Group's strategy is aimed at shifting the UK business towards waste management and treatment activities and maintaining Aqualia's leadership (water) in Spain, together with its commitment to international development.

Similarly, the efficiency and savings plans identified in 2013 are being implemented across the board, in accordance with the level of activity.

- Reduction of overheads

This initiative consists mainly of centralising support functions, reducing the number of offices, focusing offices on commercial and technical activities and simplifying administration processes and support tasks.

Despite the current restrictive economic environment conditioned by slow economic recovery and scant financing, the various areas present the following future strategies:

Environmental Services:

- Strengthen its leadership in Spain by increasing contracts and enhancing efficiency through cost control and the use of cutting-edge technology.
- Effluent restrictions in the EU (65% effluent reduction by 2016 vs 1995 - EU Landfill Directive).
- Need for infrastructure in the waste treatment sector.
- On an international scale, FCC aims to strengthen waste management and treatment services in the UK and adapt landfill capacity to meet current demand.

Integral Water Management:

- Increase its current market share and obtain tariff-based improvements, improve service coverage and the outsourcing of public services.

- International expansion through Engineering Services and Infrastructure Construction models to develop activities and the use of proprietary technology in managing the water cycle due to increased profitability in the development of hydro infrastructures, which at present only contribute 8% to the line of business's revenues.

- Growing demand of integral water management in regions with water stress, especially in Latin America and MENA.

- Urban growth in emerging countries implying the need for significant investment in hydroelectric infrastructure.

Construction:

- Selective activity strategy in large highly-complex value added civil engineering works to be performed in markets considered to be of a high potential: certain countries in Latin America, North Africa and the Middle East, together with specific projects in the US.

- Double the volume of construction in emerging markets up to 2020.

-US Transport Infrastructure Renewal Plan (investment of 476 billion dollars from 2013 - 2019).

- Industrial construction investment programmes, especially in Latin America (Brazil and Mexico).

Cement:

- In view of the slump in demand over the past six years in Spain from the construction sector, CPV's main objective continues to focus on adjusting capacity and production resources, together with developing measures to increase efficiency both in Spain, given the current property market crisis, and in the US, where a complete optimisation programme has been implemented, which mainly includes the reduction of variable costs, the increased use of factories and the optimisation of purchases.

Consequently, the FCC Group holds a position of leadership in its strategic markets, has an extensive international presence and significant recurring income.

2. BUSINESS PERFORMANCE AND RESULTS

2.1. Operating performance

2.1.1. Highlights

FCC awarded largest international contract ever won by a Spanish construction company

FCC achieved a new milestone in international construction in the second half of the year. The Arriyadh Development Authority (ADA) awarded the FCC-led consortium one of three contracts to build the Riyadh metro, the longest subway system under development in the world (176 kilometres), with a total estimated budget of over 16.3 billion euro.

The FCC-led consortium, which includes Samsung and Alstom, will build lines 4, 5 and 6 of the subway under a contract worth 6.070 billion euro. The project will take five years.

Additionally, in the first half of 2013, a consortium including FCC was awarded the contract to build, maintain and operate the new Mersey Gateway Bridge in Liverpool for 700 million euro; this is the Group's largest contract in the UK. In March, the company obtained two contracts in Peru: construction of the port of Callao, in Lima, for 165 million euro, and upgrading of the Trujillo sports complex for 32 million euro.

As a result of these contracts, the backlog at 31 December expanded by 12.3%, guaranteeing over 30 months' work.

Notable progress in the divestment plan

Since the Strategic Plan was implemented in April 2013, the group has agreed on asset sales and divestments of 917.1 billion euro. More detail about the significant sales is provided in note 1.2.2.

Second Supplier Payment Fund and new legislation to reduce the public sector's trade accounts payable

The Organic Act to Control Trade Accounts Payable by the Public Sector and the Act on Electronic Billing and Accounting of Public Sector Invoices were approved in Spain on 19 December. They complement the final stage of the Second Supplier Payment Fund, approved in July 2013, which is structured in two phases of payment: in the fourth quarter of 2013 and the first quarter of 2014. These measures aim to reduce the average period of payment to public sector suppliers to 30 days.

At 31 December, FCC had over 600 million euro in past-due trade receivables from public administrations in Spain.

FCC Aqualia lands contracts worth over 1.140 billion euro

Aqualia, FCC's water management subsidiary, has obtained new end-to-end water management contracts, including a 25-year concession in Jerez worth close to 900 million euro. The company also added or extended contracts worth over 200 million euro in Madrid, Ávila, Oviedo, Girona, Cantabria, León, Vizcaya, Guipúzcoa and Pontevedra. As a result, the backlog totalled 14.373 billion euro at the end of December 2013.

Complete refinancing of FCC Environment (previously WRG)

In December, FCC reached an agreement with all of the banks comprising the syndicate of the loan to Azincourt Investment (the holding company that owns 100% of FCC Environment UK) to fully refinance the loan for a four-year period. The loan amounts to 381 million pounds sterling and, like the previous loan, is without recourse to FCC,S.A. The syndicate comprises 26 banks: 10 Spanish and 16 from other countries.

Deconsolidation of Alpine

Alpine filed for protection from creditors in June 2013. The receivers immediately commenced the process of liquidation, which is currently under way. As a result, FCC wrote off its investment in Alpine in the consolidated financial statements.

2.1.2 Executive Summary

- The pace of contraction in revenues eased (-9.5%), to 6,726.5 billion euro, despite the decline in infrastructure investment in Spain.
- The EBITDA margin recovered steadily in all areas during the year, to 10.7%, even though the impact of ongoing restructuring measures is still limited.
- The company had a net attributable loss of 1,506.3 million euro as a result of sharp adjustments in goodwill, provisioning, impairments, and results from discontinued operations.
- Net interest-bearing debt declined notably, by 1,112.2 million euro with respect to 2012, to 5,975.5 million euro; that figure does not yet reflect all the divestments envisioned in the Strategic Plan.
- The backlog increased by 6.4% in the year, to 32,865.1 million euro, due to major new contracts in the Construction, Water and Environmental Services businesses.

Note: Assets held for sale

The assets and liabilities corresponding to Versia and FCC Energía have been designated as "held for sale", the former since 30 June 2013, the latter since 1 July 2011. The stakes in FCC Environmental (industrial waste in the US), GVI and Realia have been so classified since 31 December (Note 2.1.5.2). Accordingly, their earnings are recognised under "results from discontinued operations" (Note 2.1.4.5.2).

As a result of these changes, the income statement and cash flow statement for 2012 have been restated to enable comparison.

KEY FIGURES

(million euro)	Dec. 13	Dec. 12	Chg. (%)
Net sales	6,726.5	7,429.3	-9.5%
EBITDA	719.9	820.3	-12.2%
EBITDA margin	*10.7%*	*11.0%*	*-0.3 p.p.*
EBIT	(303.1)	147.4	N/A
EBIT margin	*-4.5%*	*2.0%*	*-6.5 p.p.*
Income attributable to equity holders of the parent company	(1,506.3)	(1,028.0)	46.5%
Operating cash flow	765.1	1,159.0	-34.0%
Investing cash flow	(159.7)	(227.2)	-29.7%

(million euro)	Dec. 13	Dec. 12	Chg. (%)
Equity	242.8	1,697.0	-85.7%
Net interest-bearing debt	5,975.5	7,087.7	-15.7%
Backlog	32,865.1	30,896.4	6.4%

2.1.3. Summary by business area

Area	Dec. 13	Dec. 12	Chg. (%)	% of 2013 total	% of 2012 total
(million euro)					
REVENUES BY BUSINESS AREA					
Environmental Services	2,770.4	2,827.6	-2.0%	41.2%	38.1%
Water	930.0	901.4	3.2%	13.8%	12.1%
Construction	2,589.2	2,935.6	-11.8%	38.5%	39.5%
Cement	540.9	653.7	-17.3%	8.0%	8.8%
Corp. services and adj.[1]	(104.0)	111.0	-193.7%	-1.5%	1.5%
Total	**6,726.5**	**7,429.3**	**-9.5%**	**100.0%**	**100.0%**
REVENUES BY GEOGRAPHIC AREA					
Spain	3,909.6	4,621.9	-15.4%	58.1%	62.2%
Latin America	912.5	701.0	30.2%	13.6%	9.4%
United Kingdom	840.6	896.0	-6.2%	12.5%	12.1%
Central & Eastern Europe	560.5	630.0	-11.0%	8.3%	8.5%
United States	196.3	170.1	15.4%	2.9%	2.3%
Middle East & North Africa	147.5	131.5	12.2%	2.2%	1.8%
Others	159.5	278.9	-42.8%	2.4%	3.8%
Total	**6,726.5**	**7,429.3**	**-9.5%**	**100.0%**	**100.0%**
EBITDA					
Environmental Services	425.4	497.3	-14.5%	59.1%	60.6%
Water	191.7	188.9	1.5%	26.6%	23.0%
Construction	98.8	89.4	10.5%	13.7%	10.9%
Cement	50.4	69.8	-27.9%	7.0%	8.5%
Parent co. and adj.	(46.4)	(25.1)	84.9%	-6.4%	-3.1%
Total	**719.9**	**820.3**	**-12.2%**	**100.0%**	**100.0%**
EBIT					
Environmental Services	(66,6)	48,4	N/A	22,0%	32,8%
Water	114,9	114,2	0,6%	-37,9%	77,5%
Construction	(247,7)	43,6	N/A	81,7%	29,6%
Cement	(24,2)	(133,4)	-81,9%	8,0%	-90,5%
Corp. services and adj.[1]	(79,5)	74,6	N/A	26,2%	50,6%
Total	**(303,1)**	**147,4**	**N/A**	**100,0%**	**100,0%**
NET DEBT					
Environmental Services	2.220,0	2.472,4	-10,2%	37,2%	34,9%
Water	396,2	761,0	-47,9%	6,6%	10,7%
Construction	(153,3)	754,3	-120,3%	-2,6%	10,6%
Cement	1.363,7	1.320,5	3,3%	22,8%	18,6%
Corp. services and adj.	2.148,9	1.779,5	20,8%	36,0%	25,1%
Total	**5.975,5**	**7.087,7**	**-15,7%**	**100,0%**	**100,0%**
BACKLOG					
Environmental Services	11,883.7	11,381.7	4.4%	36.2%	36.8%
Water	14,373.3	13,628.5	5.5%	43.7%	44.1%
Construction	6,608.1	5,886.2	12.3%	20.1%	19.1%
Total	**32,865.1**	**30,896.4**	**6.4%**	**100.0%**	**100.0%**

[1] *Corporate Services in 2012 include results from the Handling business (151.8 million euro in revenues and 10.5 million euro in EBITDA), which was divested in September 2012.*

2.1.4. Income Statement

(million euro)	**Dec. 13**	**Dec. 12**	**Chg. (%)**
Net sales	**6,726.5**	**7,429.3**	**-9.5%**
EBITDA	**719.9**	**820.3**	**-12.2%**
EBITDA margin	***10.7%***	***11.0%***	***-0.3 p.p.***
Depreciation and amortisation	(423.5)	(487.2)	-13.1%
Impairments in goodwill and other assets	(469.7)	(243.7)	92.7%
Exceptional provisions for restructuring and works	(231.1)	13.8	N/A
Other operating income	101.3	44.2	129.2%
EBIT	**(303.1)**	**147.4**	**N/A**
EBIT margin	***-4.5%***	***2.0%***	***-6.5 p.p.***
Financial income	(438.8)	(373.2)	17.6%
Other financial results	(77.8)	(48.9)	59.1%
Equity-accounted affiliates	59.0	14.1	N/A
Earnings before taxes (EBT) from continuing activities	**(760.8)**	**(260.7)**	**191.8%**
Corporate income tax expense	135.5	38.0	N/A
Income from continuing operations	**(625.3)**	**(222.7)**	**180.8%**
Income from discontinued operations	(905.2)	(869.5)	4.1%
Net profit	**(1,530.4)**	**(1,092.2)**	**40.1%**
Non-controlling interests	24.1	64.2	-62.5%
Income attributable to equity holders of the parent company	**(1,506.3)**	**(1,028.0)**	**46.5%**

2.1.4.1. Revenues

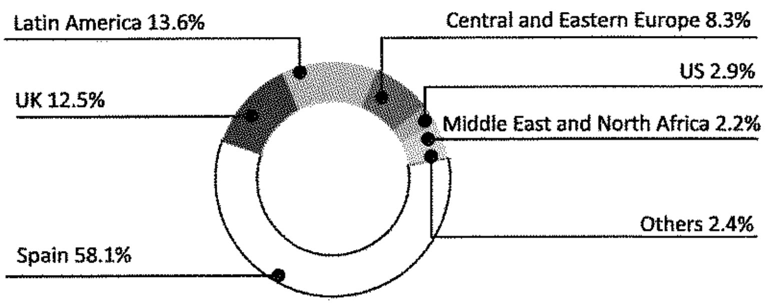
Consolidated revenues totalled 6,726.5 million euro in 2013, a decline of 9.5% year-on-year. In Spain, revenues fell by 15.4%, due mainly to the negative impact on the Construction and Cement areas of the sharp reduction in public expenditure on infrastructure; meanwhile, international revenues increased slightly (0.3%) despite the adverse baseline effect caused by the sale of the airport handling business in September 2012 and a cement port terminal in the UK in February 2013. In like-for-like terms, revenues in international markets increased by 4.6%.

Revenue breakdown, by region

(million euro)	**Dec. 13**	**Dec. 12**	**Chg. (%)**
Spain	3,909.6	4,621.9	-15.4%
Latin America	912.5	701.0	30.2%
United Kingdom	840.6	896.0	-6.2%
Central & Eastern Europe	560.5	630.0	-11.0%
United States	196.3	170.1	15.4%
Middle East & North Africa	147.5	131.5	12.2%
Others	159.5	278.9	-42.8%
Total	**6,726.5**	**7,429.3**	**-9.5%**

Revenues in Latin America increased by 30.2%, due mainly to the execution of the final section of the metro and the reorganisation of roads in Panama City (Construction area), together with the commencement of contracts in new markets, such as Chile and Peru. The 6.2% decline in the United Kingdom is due mainly to the completion of a construction contract (not yet offset by new contracts), to the negative currency effect, and to the sale of the cement terminal in February 2013. In Central and Eastern Europe, revenues fell by 11.0% broadly as a result of the completion of major contracts, such as the bridge over the Danube connecting Bulgaria and Romania (Construction area), and the soil decontamination project in the Czech Republic (Environmental Services area). Revenues increased by 15.4% in the United States due to the positive performance by the Cement business and commencement of construction of a bridge in California. In the Middle East and North Africa, revenues increased by 12.2%, boosted by the Construction business in Qatar; the decline in other markets reflects the baseline effect of divesting the airport handling business in September 2012. A total of 64% of revenues of this activity came from outside Spain in 2012.

% Revenues by region



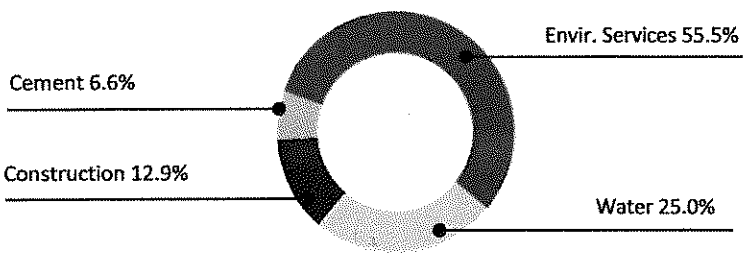
2.1.4.2. EBITDA

Note: Given the size of certain non-recurring events, EBITDA does not include the charge/release of exceptional provisions for restructuring and works or exceptional asset impairments for either year.

EBITDA totalled 719.9 million euro in 2013, i.e. 12.2% less than in 2012 due to the sharp decline in Construction and Cement in Spain, together with lower margins in the Environmental Services area.

The EBITDA margin was 10.7%, compared with 11.0% in 2012, but it recovered gradually over the course of the year due to the first restructuring measures, mainly in the Construction and Cement areas, which will become increasingly visible in the coming quarters.

% EBITDA by Business Area



2.1.4.3. EBIT

The depreciation charge in 2013 decreased by 13.1% with respect to 2012, to 423.5 million euro, due largely to changes in consolidation scope during the period. That figure includes 62.9 million euro for assets that were stepped up on consolidation in the FCC Group (75.1 million euro in 2012).

Impairment of goodwill and other assets amounted to 469.7 million euro in 2013, and includes:

1) Impairment of goodwill in Environmental Services at FCC Environment UK (236.4 million euro) and in Industrial Waste companies (24 million euro).
2) Impairment of assets in the Construction area, mainly real estate and concessions, totalling 156.1 million euro.
3) Impairment of assets in the Cement area, mainly in the concrete, mortar and aggregate businesses, for 53.2 million euro, because of their closure to adapt to current demand.

This same line item amounted to 243.7 million euro in 2012, and included:

1) Impairment of goodwill at FCC Environment UK (190.2 million euro) and in Industrial Waste companies (22.8 million euro).
2) Impairment of assets in the Cement area, mainly in the concrete, mortar and aggregate businesses, for 30.7 million euro, in connection with their closure to adapt to current demand.

Exceptional provisions, which amounted to 231.1 million euro in 2013, include 127.2 million euro for workforce restructuring (51.7 million euro in Cement, 49 million euro in Construction, and 26.5 million euro in Corporate Services) and 103.9 million euro for risks associated with international Construction projects. In 2012, this item included 121.9 million euro for workforce restructuring (60 million euro in Construction, 46.9 million euro in Cement and 15 million euro in Central Services) and the net release of 135.7 million euro in provisions for risks associated with international projects (82.6 million euro in the Parent company and 53.1 million euro in Construction).

Other operating income, amounting to 101.3 million euro, was mainly from the Cement business and reflects the 104.9 million euro in capital gains on the asset swap and sale of the port terminal in the UK.

The 44.2 million euro in 2012 correspond to capital gains on the sale of the airport handling business.

Overall, EBIT amounted to -303.1 million euro in 2013, compared with 147.4 million euro in 2012.

2.1.4.4. Earnings before taxes (EBT) from continuing activities

Earnings before taxes from continuing activities were negative in the amount of 760.8 million euro after incorporating the following to EBIT:

2.1.4.4.1. Financial income

Net financial expenses amounted to 438.8 million euro in the period, 17.6% more than in 2012. This increase is attributable to the higher cost of funding, in part caused by the full refinancing of the Cement business in July 2012.

Other financial results, which amounted to -77.8 million euro, mainly reflect impairments for loans to concession companies in which the Construction area has a minority stake.

2.1.4.4.2. Equity-accounted affiliates

The contribution from equity-accounted affiliates amounted to 59 million euro in 2013, compared with 14.1 million euro in 2012. This increase is mainly due to the sale of 50% of Proactiva and to greater income from the minority stake in Construction area concession companies.

2.1.4.5. Income attributable to equity holders of the parent company

Net attributable income amounted to -1,506.3 million euro (compared with -1,028 million euro in 2012), after including the following items in EBT:

2.1.4.5.1. Income tax

The corporate income tax reflects a tax credit of 135.5 million euro, compared with 38 million euro in 2012.

2.1.4.5.2. Income from discontinued operations

This includes the results from all of the entities classified as discontinued at 31 December, including:

a. Alpine, which contributed a loss of 423.9 million euro, due to writing off the investment in that company and including its results up to the date of deconsolidation as well as provisions for possible risks associated with the current liquidation process.

b. FCC Energy, which contributed a net loss of 267.3 million euro following the sale agreement reached on 30 December, reflecting both the value adjustments in its portfolio of renewable assets as a result of a series of regulatory changes implemented by the government, and transaction costs related to its sale.

c. Realia and GVI, which contributed losses of 99.7 million euro, mainly including impairments on the investment in both companies and their attributable income in the year, which totalled -32.9 million euro.

d. The remaining 114.3 million euro is attributable to -50.9 million euro in losses and impairments at Versia, and -63.4 million euro corresponding to FCC Environmental (industrial waste in the US).

Overall, discontinued activities made a negative contribution of 905.2 million euro in 2013, compared with a loss of 869.4 million euro in 2012.

2.1.4.5.3. Non-controlling interests

Income attributable to non-controlling interests, mainly in the Cement area, amounted to a loss of 24.1 million euro, compared with 64.2 million euro in 2012.

2.1.5. Balance Sheet

(million euro)	**Dec. 13**	**Dec.12[1]**	**Chg.(M€)**
Intangible assets	2,857.3	3,821.7	(964.4)
Property, plant and equipment	3,750.9	4,691.3	(940.4)
Investments accounted for using the equity method	368.7	935.0	(566.3)
Non-current financial assets	383.5	412.6	(29.1)
Deferred tax assets and other non-current assets	1,082.0	732.8	349.2
Non-current assets	**8,442.4**	**10,593.5**	**(2,151.1)**
Non-current assets classified as held for sale	2,172.5	1,476.2	696.3
Inventories	798.0	1,128.7	(330.7)
Trade and other accounts receivable	2,809.4	4,921.3	(2,111.8)
Other current financial assets	401.8	437.2	(35.4)
Cash and cash equivalents	977.8	1,166.2	(188.4)
Current assets	**7,159.6**	**9,129.5**	**(1,969.9)**
TOTAL ASSETS	**15,601.9**	**19,723.0**	**(4,121.1)**
Equity attributable to equity holders of parent company	3.2	1,246.9	(1,243.7)
Non-controlling interests	239.6	450.1	(210.5)
Net equity	**242.8**	**1,697.0**	**(1,454.2)**
Grants	226.3	220.2	6.1
Long-term provisions	1,092.0	1,155.0	(63.0)
Long-term interest-bearing debt	1,070.6	4,540.0	(3,469.4)
Other non-current financial liabilities	66.3	565.9	(499.6)
Deferred tax liabilities and other non-current liabilities	1,017.2	1,106.1	(88.9)
Non-current liabilities	**3,472.3**	**7,587.2**	**(4,114.9)**
Liabilities associated with non-current assets classified as held for sale	1,729.2	970.4	758.8
Short-term provisions	340.1	303.6	36.5
Short-term interest-bearing debt	6,284.4	4,151.8	2,132.6
Other current financial liabilities	114.1	172.8	(58.7)
Trade and other accounts payable	3,419.1	4,840.4	(1,421.3)
Current liabilities	**11,886.9**	**10,438.9**	**1,448.0**
TOTAL LIABILITIES	**15,601.9**	**19,723.0**	**(4,121.1)**

[1] Figures have been restated for the sole purpose of complying with IAS 19, which requires recognition in net equity of the actuarial gains and losses from deferred compensation of employees (pension funds). The net impact of the tax effect is 24.6 million euro.

2.1.5.1. Investments accounted for using the equity method

The investment accounted for using the equity method companies (368.7 million euro) comprised mainly the following at the end of December:

1) 97.3 million euro in Environmental Services companies.
2) 77.5 million euro in Water concession companies.
3) 36.9 million euro corresponding to concession companies in the Construction area not contributed to GVI.
4) 157 million euro corresponding to the other stakes in, and loans to, equity-accounted affiliates.

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

Of the 2,172.5 million euro in non-current assets classified as held for sale at 31 December 2013, 933.3 million euro correspond to FCC Energy, 870.1 million euro to Versia and to FCC Environmental, and the remaining 369.1 million euro to the stakes in GVI and Realia. FCC Energy has been so classified since 1 July 2011 (and is pending only completion of the sale), Versia since 30 June 2013 and the remainder since 31 December 2013.

Those assets had associated liabilities amounting to 1,729.2 million euro, of which 918.7 million euro correspond to FCC Energy, and 810.5 million euro to Versia and to FCC Environmental. Net debt for those areas was 797.1 million euro at 31 December: 736.9 million euro in non-recourse project finance in the Energy area, and 63.6 million euro at Versia and FCC Environmental.

2.1.5.3. Net equity

Net equity amounted to 242.8 million euro as of 31 December 2013. The decline with respect to 31 December 2012 is mainly due to losses on discontinued operations detailed in section 2.1.4.5.2 together with impairment losses and exceptional provisions detailed in section 2.1.4.3.

2.1.5.4. Net interest-bearing debt

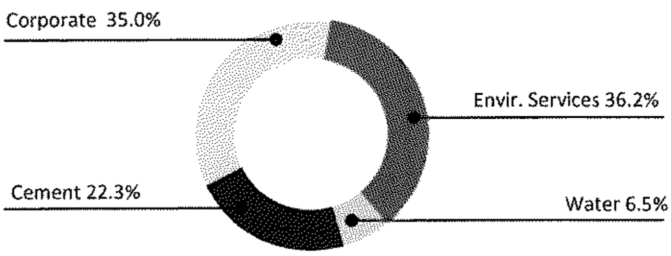
At 31 December 2013, net interest-bearing debt amounted to 5,975.5 million euro, i.e. a decline of 1,112.2 million euro compared with the end of 2012, due mainly to the effect of deconsolidating Alpine and to divestments over the course of the year.

(million euro)	**Dec. 13**	**Dec. 12**	**Chg.(M€)**
Bank borrowings	6,227.1	7,247.0	(1,019.9)
Debt instruments and other loans	851.1	1,144.7	(293.6)
Accounts payable due to financial leases	48.3	70.9	(22.6)
Derivatives and other financial liabilities	228.6	228.6	0.0
Gross interest-bearing debt	**7,355.1**	**8,691.1**	**(1,336.0)**
Cash and other financial assets	(1,379.6)	(1,603.4)	223.8
Net interest-bearing debt	**5,975.5**	**7,087.7**	**(1,112.2)**
With recourse	*3,893.4*	*4,262.9*	(369.5)
Without recourse	*2,082.1*	*2,824.8*	(742.7)

The large balance of gross interest-bearing debt maturing in the short term, amounting to 6,284.4 million euro, is because the process of refinancing most of the Group's corporate debt was still pending at 31 December 2013. It is expected to be included in a new long-term credit facility, its main components aligned with the current Strategic Plan. This item also includes a 450 million euro convertible bond maturing in October 2014 and 456.6 million euro in funding for FCC Environment UK, which completed long-term refinancing in January 2014.

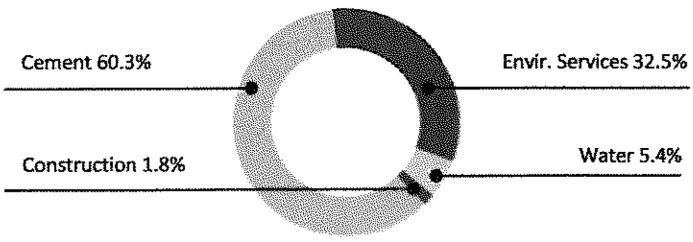
Environmental Services and Water accounted for 42.7% of net debt, connected to regulated long-term public service contracts; 22.3% of net debt corresponds to Cement, which represents a large proportion of fixed assets on the balance sheet. The remaining 35% corresponds to the Parent company, which includes a 450 million euro convertible bond, funding for investees in the process of being divested (GVI, Realia, etc.) and acquisition debt in connection with several operating companies in the various business areas.

Net debt, by business area



Net interest-bearing debt without recourse to the Parent company amounted to 2,082.1 million euro in 2013, accounting for 34.8% of the total. The breakdown by business area is as follows:

Net debt without recourse, by area



It is important to note that almost all of the debt in the Cement area is without recourse to the rest of FCC Group, as stipulated in the refinancing agreement for the area that was signed in July 2012. The remaining debt without recourse, 456.6 million euro, corresponds to the acquisition of FCC Environment UK and to funding of projects in the Water and Waste Treatment areas of the Environmental Services division.

2.1.5.5. Other current and non-current financial liabilities

The balance of other current and non-current financial liabilities amounted to 180.4 million euro and includes financial liabilities not classified as interest-bearing debt, such as those linked to suppliers of property, plant and equipment, deposits and guarantees received, and stock options. The 558.3 million euro decline with respect to 31 December 2012 is mainly due to the classification of operating licenses in the Urban Furniture business as non-current assets available for sale.

2.1.6. Cash Flow

(million euro)	Dec.13	Dec.12	Chg.(%)
Funds from operations	748.3	1,176.7	-36.4%
(Increase)/decrease in working capital	257.3	145.7	76.6%
Other items (taxes, dividends, etc.)	(240.5)	(163.4)	47.2%
Operating cash flow	**765.1**	**1,159.0**	**-34.0%**
Investing cash flow	(159.7)	(227.2)	-29.7%
Cash flow from business operations	**605.4**	**931.8**	-35.0%
Financing cash flow	(170.0)	(601.2)	-71.7%
Other cash flow (exchange differences, change in consolidation scope, etc.)	676.8	(292.8)	N/A
(Increase) / decrease in net interest-bearing debt	**1,112.2**	**37.8**	**N/A**

2.1.6.1. Operating cash flow

Operating cash flow totalled 765.1 million euro in 2013, compared with 1,159 million euro in 2012. It includes a decline in funds from operations and an improvement in operating cash flow, reflecting the effect of the Second Supplier Payment Plan, which was partially executed in 2013. The Others section includes costs incurred for restructuring, which began in 2013.

A total of 257.3 million euro in working capital were released, with an improvement in all areas of activity and especially in Construction, due to the commencement of repositioning efforts by that area. This change includes a 19.8 million euro decline in factoring with respect to 2012, to 290.5 million euro at 31 December 2013.

(million euro)	Dec.13	Dec.12	Chg. (M€)
Environmental Services	200.8	236.3	(35.5)
Water	6.5	19.5	(13.0)
Construction	1.7	(165.7)	167.4
Cement	15.7	13.3	2.4
Corporate services and adjustments	32.6	42.3	(9.7)
(Increase)/decrease in working capital	**257.3**	**145.7**	**111.6**

Past-due accounts receivable from local government sector clients in Spain exceeded 600 million euro at the end of 2013. In view of the procedures and terms established under Royal Decree-Act 8/2013, of 28 June, it is possible to estimate that outstanding payments from regional governments that fell due prior to 31 May 2013 will be received in the first quarter of 2014. The Act to Control Trade Accounts Payable by the Public Sector and the Electronic Invoice Act were approved at the end of last year. These Acts seek to reduce the average payment period for suppliers to the public sector to 30 days by establishing an automatic progressive payment control system.

"Other operating cash flow" amounted to -240.5 million euro and includes 99.4 million euro released from provisions for non-recurring restructuring costs.

2.1.6.2. Investing cash flow

Consolidated investing cash flow totalled 159.7 million euro in 2013, vs. 227.2 million euro in 2012. This year's accounts include the payment of a 40.5 million euro fee for a 25-year concession to provide end-to-end water management services in Jerez.
This item also includes 125 million euro received in connection with the sale of 50% of Proactiva (Environmental Services area) in the fourth quarter of 2013 and another 90.4 million euro from the divestment of group and associated companies and business units, mainly the sale of minority stakes in various concession companies in the Construction area and of the Cement area's port terminal in Ipswich (UK) for 22.1 million euro. The 2012 figures included the sale of the airport handling business for 128 million euro.

The breakdown of net investments by activity is as follows:

(Investment/divestment, million euro)	**Dec.13**	**Dec.12**	**Chg. (M€)**
Environmental services	(76.3)	(168.8)	92.5
Water	(87.7)	(50.8)	(36.9)
Construction	(5.7)	(84.2)	78.5
Cement	26.8	(23.4)	50.2
Corporate services and adjustments	(16.8)	100.0	(116.8)
Total	**(159.7)**	**(227.2)**	**67.5**

2.1.6.3. Financing cash flow

Consolidated financing cash flow was -170 million euro in 2013, compared with -601.2 million euro in 2012, which included 150.7 million euro of dividend payments, together with capital expenditure of 52.6 million euro to buy out the remaining non-controlling interests (13.5%) in Alpine, in accordance with the agreement signed the previous year.

In addition to interest payments and other financing flows, this item also includes the receipt of 97 million euro from the sale of 49% of the water business in the Czech Republic and of 150.6 million euro for own shares (9.7% of capital) sold during the second quarter of 2013.

2.1.6.4. Others

This item, amounting to 676.8 million euro, reflects the effect of exchange differences, value adjustments in derivatives and changes in consolidation scope.

2.1.7. Business performance

2.1.7.1. Environmental Services

Note: The assets and liabilities corresponding to FCC Environmental (industrial waste management in the US) have been classified as "*held for sale*" since 31 December 2013 (Note 2.1.5.2). The related income is recognised under "*results from discontinued operations*" (Note 2.1.4.5.2). Accordingly, and to enable comparison, the income statement and cash flow statement for 2012 have been restated

EBITDA in Environmental Services amounted to 55.5% of the FCC Group total. Overall, 95% of its activity is focused on municipal solid waste collection, processing and disposal, as well as other municipal services such as street cleaning and green area upkeep. The other 5% corresponds to industrial waste collection and management.

The 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); and in Portugal and Italy it is involved in industrial waste management.

2.1.7.1.1. Results

(million euro)	**Dec. 13**	**Dec. 12**	**Chg. (%)**
Revenues	2,770.4	2,827.6	-2.0%
Environmental	*2,633.3*	*2,662.2*	*-1.1%*
Industrial Waste	*137.1*	*165.5*	*-17.1%*
EBITDA	425.4	497.3	-14.5%
EBITDA margin	15.4%	17.6%	*-2.2 p.p.*
EBIT	(66.6)	48.4	-237.7%
EBIT margin	-2.4%	1.7%	*-4.1 p.p.*

Revenues in this area amounted to 2,770.4 million euro in 2013, down 2% with respect to 2012 due to a 17.1% contraction in the industrial waste business in Spain and Italy, the negative currency effect in the UK, and the completion of a soil decontamination contract in the Czech Republic in the Environment area.

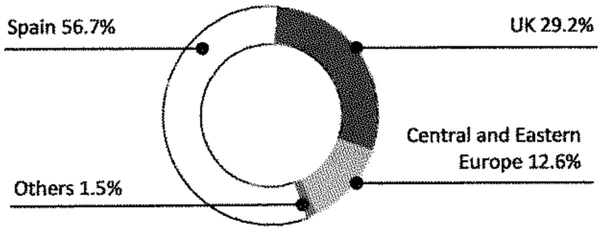
Revenue breakdown by region

(million euro)	**Dec. 13**	**Dec.12**	**Chg. (%)**
Spain	1,571.2	1,595.6	-1.5%
United Kingdom	809.2	806.9	0.3%
Central and Eastern Europe	349.6	367.0	-4.7%
Others (Portugal, Italy, etc.)	40.4	58.1	-30.5%
Total	**2,770.4**	**2,827.6**	**-2.0%**

In Spain revenues declined by 1.5% to 1,571.2 million euro due to the contraction in the Industrial Waste business and to the adaptation of services provided to certain clients to adjustments in their budgets approved in 2012.

In the UK (0.3%), the increase in recycling offset the 4.5% depreciation by the pound sterling (5.3% at constant exchange rates). In Central and Eastern Europe, the 4.7% decline in revenues is mainly attributable to the completion of a soil decontamination contract in the Czech Republic and to 3.3% currency depreciation. The 30.5% decline in revenues in other markets is due to the completion of a large sludge removal contract in Italy.

Revenue breakdown, by region



EBITDA declined by 14.5% to 425.4 million euro, and the EBITDA margin was 15.4%, compared with 17.6% in 2012. The decline in the margin is due to several factors: the sharp decrease in revenues and margins in Industrial Waste; the decline in landfill prices in the UK, as well as lower waste collection prices in Austria and the implementation of a landfill fee in Hungary; and the adaptation of services provided to certain clients in Spain.

EBIT amounted to -66.6 million euro, reflecting 260.4 million euro of impairment in goodwill, of which 236.4 million euro is attributable to FCC Environment UK and 24 million euro to the Industrial Waste companies.

Backlog breakdown by region

(million euro)	**Dec. 13**	**Dec. 12**	**Chg.(%)**
Spain	7,436.2	7,473.0	-0.5%
International	4,447.5	3,908.7	13.8%
Total	**11,883.7**	**11,381.7**	**4.4%**

The international backlog increased by 13.8% with respect to 2012 year-end, to 4,447.5 million euro, due mainly to the inclusion of a 30-year contract worth over 1,000 million euro to manage the Buckinghamshire waste treatment plant, which did not contribute to revenues in the period.

The backlog in Spain remained in line with 2012 year-end (-0.5%), following the inclusion of Madrid street cleaning contracts 5 and 6, which will last 8 years and are over 500 million euro in total.

2.1.7.1.2. Cash flow

(million euro)	**Dec.13**	**Dec.12**	**Chg.(%)**
Funds from operations	**444.3**	**488.9**	**-9.1%**
(Increase) / decrease in working capital	200.8	236.3	-15.0%
Other items (taxes, dividends, etc.)	(64.2)	(35.7)	79.9%
Operating cash flow	**580.9**	**689.5**	**-15.7%**
Investing cash flow	(76.3)	(168.8)	-54.8%
Cash flow from business operations	**504.6**	**520.7**	**-3.1%**
Financing cash flow	(147.0)	(190.1)	-22.7%
Other cash flow (exchange differences, change in consolidation scope, etc.)	(105.2)	549.7	N/A
(Increase) / decrease in net interest-bearing debt	**252.4**	**880.2**	**-71.3%**

(million euro)	**Dec.13**	**Dec.12**	**Chg.(M€)**
Net interest-bearing debt	**2,220.0**	**2,472.4**	**(252.4)**
With recourse	*1,543.7*	*1,792.5*	*(248.8)*
Without recourse	*676.3*	*679.9*	(3.6)

Operating cash flow in the Environmental Services area totalled 580.9 million euro in 2013, down 15.7% with respect to 2012, in line with the decline in EBITDA and the smaller reduction in working capital.

Working capital performed well in the year, declining by 200.8 million euro, including the receipt of 182 million euro in the fourth quarter under the Second Supplier Payment Plan. The difference in working capital in 2012 reflected the 544 million euro collected under the first Supplier Payment Plan.

On 19 December, Spanish Parliament approved the Act to Control Trade Accounts Payable by the Public Sector and the Electronic Invoice Act, which aim to reduce the supplier payment period to 30 days by establishing an automatic oversight and payment system under Central Government control. At 31 December, the average collection period in the Environment business in Spain was five months, equivalent to close to 500 million euro in past-due accounts.

Investing cash flow, which totalled -76.3 million euro, includes an inflow of 125 million euro from the sale of 50% of Proactiva. The remaining 25 million euro is expected to be collected in the first half of 2014.

Other cash flow reflects intragroup movements as well as variations in exchange rates and in the value of derivatives. In 2012, this item included the reclassification as parent company debt of 648 million euro of acquisition debt relating to FCC Environment UK, which is with recourse to the parent company.

The area's net interest-bearing debt declined by 252.4 million euro in the year, to 2,220 million euro.Net interest-bearing debt without recourse to the parent company includes 449.4 million euro corresponding to FCC Environment UK and funding for various municipal waste treatment and abatement plants in the UK and Austria.

2.1.7.2. Water

The Water area accounts for 25.5% of FCC Group EBITDA. Public concessions for end-to-end water management (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, where it has an end-to-end water management contract in Sicily, and it operates in Portugal. In Latin America, the Middle East and North Africa, FCC is involved mainly in water infrastructure design, construction and management.

2.1.7.2.1. Result

(million euro)	**Dec. 13**	**Dec. 12**	**Chg.(%)**
Revenues	930.0	901.4	3.2%
Concessions	*852.7*	*809.4*	5.3%
Water Infrastructure	*77.3*	*92.0*	-16.0%
EBITDA	191.7	188.9	1.5%
EBITDA margin	20.6%	21.0%	*-0.3 p.p.*
EBIT	114.9	114.2	0.6%
EBIT margin	12.4%	12.7%	*-0.3 p.p.*

Water revenues expanded by 3.2% year-on-year in 2013 to 930 million euro. Revenues from concessions increased by 5.3% due to new end-to-end water management contracts in Spain and tariff revisions in Italy, while revenues from the construction of water infrastructure declined by 16% due to the completion of several plants in Latin America.

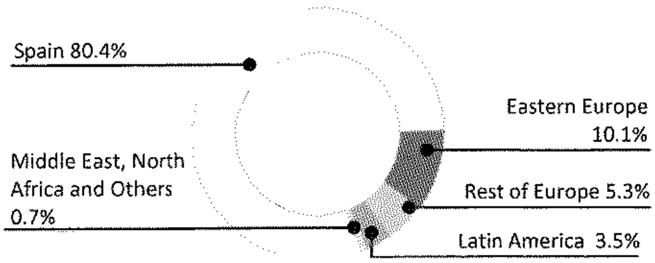
Revenue breakdown by region

	Dec. 13	**Dec. 12**	**Chg. (%)**
Spain	747.6	723.7	3.3%
Eastern Europe	94.2	93.7	0.5%
Rest of Europe	49.3	45.1	9.3%
Latin America	32.5	34.4	-5.5%
Middle East, North Africa and Others	6.4	4.5	42.2%
Total	**930.0**	**901.4**	**3.2%**

Revenues in Spain increased by 3.3% due to the commencement of new end-to-end water management contracts, notably in Jerez and Arcos de la Frontera, as well as a sewage treatment contract in Algeciras, among others. The 3% decline in consumption was offset by the increase in average tariffs.

Revenues were stable in Eastern Europe (0.5%), and increased by 9.3% in the rest of Europe due to the revision of tariffs in Italy. The decline in revenues in Latin America is due to the completion of several sewage treatment plants in Mexico and a desalination plant in Chile. Notable growth in other markets is due to the commencement of the service to optimise the water supply network in Riyadh.

Revenue breakdown, by region



EBITDA increased by 1.5% to 191.7 million euro, and the EBITDA margin was 20.6%, compared with 21.0% in 2012.

Backlog breakdown by region

	Dec. 13	Dec. 12	Chg.(%)
Spain	10,166.7	9,279.7	9.6%
International	4,206.6	4,348.8	-3.3%
Total	**14,373.3**	**13,628.5**	**5.5%**

In Spain, the backlog increased by 9.6% to 10,116.7 million euro, due to the inclusion of a 25-year end-to-end water management contract in Jerez that is worth close to 900 million euro.

2.1.7.2.2. Cash Flow

(million euro)	Dec.13	Dec.12	Chg.(%)
Funds from operations	**209.3**	**195.8**	**6.9%**
(Increase) / decrease in working capital	6.5	19.5	-66.7%
Other items (taxes, dividends, etc.)	(19.4)	(21.5)	-9.8%
Operating cash flow	**196.4**	**193.8**	**1.3%**
Investing cash flow	(87.7)	(50.8)	**72.6%**
Cash flow from business operations	**108.7**	**143.0**	**-24.0%**
Financing cash flow	31.8	(46.3)	-168.7%
Other cash flow (exchange differences, change in consolidation scope, etc.)	224.3	20.3	N/A
(Increase) / decrease in net interest-bearing debt	**364.8**	**116.9**	**N/A**

(million euro)	Dec.13	Dec.12	Chg. (M€)
Net interest-bearing debt	**396.2**	**761.0**	**(364.8)**
With recourse	*284.1*	*704.0*	*(419.9)*
Without recourse	*112.1*	*57.0*	55.1

The Water area's operating cash flow increased slightly (1.3%) with respect to 2012. The increase in funds from operations, in line with higher EBITDA, was offset by a lower recovery of working capital, which reflects the 11.4 million euro collected in 2013 under the Second Supplier Payment Plan, compared with 85 million euro collected under the First Plan in 2012.

The area's investing cash flow amounted to -87.7 million euro compared with -50.8 million euro in 2012, due mainly to the payment of 50% of the fee for the 25-year end-to-end water management concession in Jerez of40.5 million euro. The rest of the payment is expected to be made in April 2014.

Financing cash flow amounted to 31.8 million euro, compared with -46.3 million euro in 2012, mainly as a result of the collection of 97 million euro from the sale of a minority stake of the water business in the Czech Republic.

Other cash flow reflects intragroup movements as well as variations in exchange rates and in the value of derivatives. In 2013, this item includes the reclassification as parent company debt of 195.4 million euro of non-operating debt in this area.

Net interest-bearing debt declined by 364.8 million euro with respect to December 2012, to 396.2 million euro. Net interest-bearing debt without recourse to the parent company amounted to 112.1 million euro, corresponding mainly to debt at the Czech water subsidiary, Aqualia Czech.

2.1.7.3. Construction

Note: The Construction activity does not include subsidiary Alpine, which was deconsolidated in June 2013 since it was placed in liquidation. Its earnings are recognised under "results from discontinued operations" (Note 2.1.4.5.2). Accordingly, and to enable comparison, the income statement and cash flow statement for 2012 have been restated.

The Construction area accounts for 12.9% 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

(million euro)	**Dec. 13**	**Dec. 12**	**Chg. (%)**
Revenues	2,589.2	2,935.6	-11.8%
EBITDA	98.8	89.4	10.5%
EBITDA margin	*3.8%*	*3.0%*	*0.8 p.p.*
EBIT	(247.7)	43.6	N/A
EBIT margin	*-9.6%*	*1.5%*	*-11.1 p.p.*

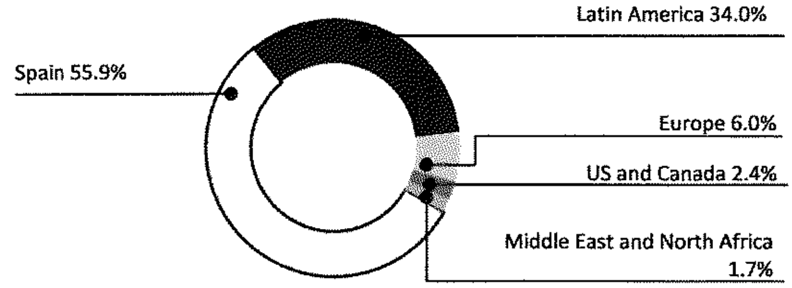
Revenues in the Construction area totalled 2,589.2 million euro in 2013, a decline of 11.8% year-on-year. The sharp adjustment in public spending on infrastructure reduced revenues in Spain by 25.3%. In contrast, revenues from other countries expanded by 14.5%.

Revenue breakdown by region

(million euro)	**Dec. 13**	**Dec. 12**	**Chg. (%)**
Spain	1,447.6	1,938.5	-25.3%
Latin America	880.0	666.6	32.0%
Europe	159.6	272.6	-41.5%
US and Canada	61.0	35.2	73.3%
Middle East, North Africa and Others	41.0	22.7	80.5%
Total	**2,589.2**	**2,935.6**	**-11.8%**

Revenues in Latin America increased notably, by 32%, principally as a result of the contracts for the metro and road reorganisation in Panama City entering the final phase of execution, as well as the commencement of projects in new markets such as Peru, Chile and Colombia. Revenues in Europe declined by 41.5% due to the completion of large contracts, such as the bridge over the Danube between Bulgaria and Romania, and the fact that some new projects were at a very early stage and other contracts had yet to be signed and started (e.g. Mersey Bridge and Haren Prison). Strong growth in revenues in the US and Canada is due to the start of work on the Gerald Desmond bridge, in Los Angeles, and to the faster pace of the Toronto subway contract.

Revenue breakdown by region



EBITDA amounted to 98.8 million euro in 2013, and the EBITDA margin was 3.8%. Operating profitability recovered gradually over the course of the year, due mainly to actions under way to adapt the cost structure in Spain to current demand.

EBIT, which amounted to -247.7 million euro, reflects impairments, mainly of real estate and concession assets (156.1 million euro), and provisions for risks associated with certain international contracts (103.9 million euro) and for workforce restructuring costs (49 million euro).

Backlog breakdown by region

(million euro)	**Dec. 13**	**Dec. 12**	**Chg. (%)**
Spain	2,520.6	3,686.9	-31.6%
International	4,087.5	2,199.3	85.9%
Total	**6,608.1**	**5,886.2**	**12.3%**

The international backlog increased by 85.9%, to 4,087.5 million euro, driven by large contracts such as the construction of lines 4, 5 and 6 of the Riyadh metro (1,722.6 million euro) and the hospital complex in Panama (445 million euro). However, the backlog does not yet include other important adjudications such as the new bridge over the River Mersey in Liverpool and the prison complex in Haren, which together are worth over 300 million euro.

Backlog breakdown, by business segment

(million euro)	**Dec. 13**	**Dec. 12**	**Chg. (%)**
Civil engineering	5,095.3	4,523.3	12.6%
Building	1,237.1	1,070.5	15.6%
Industrial projects	275.7	292.4	-5.7%
Total	**6,608.1**	**5,886.2**	**12.3%**

Civil engineering and industrial projects continued to account for the bulk of the backlog, i.e. 81.3% of the total, while building (basically non-residential) accounted for the remaining 18.7%. At the end of 2013, the backlog guaranteed over 30 months' work.

2.1.7.3.2. Cash flow

(million euro)	**Dec. 13**	**Dec. 12**	**Chg. (%)**
Funds from operations	**124.9**	**504.9**	**-75.3%**
(Increase) / decrease in working capital	1.7	(165.7)	-101.0%
Other items (taxes, dividends, etc.)	(97.6)	(9.5)	N/A
Operating cash flow	**29.0**	**329.7**	**-91.2%**
Investing cash flow	(5.7)	(84.2)	-93.2%
Cash flow from business operations	**23.3**	**245.5**	**N/A**
Financing cash flow	(82.8)	(94.6)	-12.5%
Other cash flow (exchange differences, change in consolidation scope, etc.)	967.1	273.2	254.0%
(Increase) / decrease in net interest-bearing debt	**907.6**	**424.1**	**114.0%**

(million euro)	**Dec. 13**	**Dec. 12**	**Chg. (M€)**
Net interest-bearing debt	**(153.3)**	**754.3**	**(907.6)**
With recourse	*(191.5)*	*(46.6)*	*(144.9)*
Without recourse	*38.2*	*800.9*	(762.7)

The Construction area's operating cash flow was 29 million euro, after applying 71.5 million euro in non-recurrent provisions for restructuring costs.

Working capital remained stable in the year (1.7 million euro) and includes the collection of 20.7 million euro from the Second Supplier Payment Plan. In 2012, this item included 97 million euro under the First Supplier Payment Plan.

Investing cash flow totalled -5.7 million euro and includes the collection of 63.2 million euro on the sale of minority stakes in various concession companies during the year and of 31 million euro from the sale of real estate assets.

Other cash flow reflects intragroup movements as well as variations in exchange rates and in the value of derivatives. In 2013, this item includes a 400 million euro increase in the area's equity, the deconsolidation of Alpine's debt, amounting to 741 million euro, and the 149 million euro injected into that company in the first quarter. In 2012, this item included a 347 million euro increase in the area's equity and the 99 million euro injection into Alpine in the fourth quarter.

Overall, the area's net interest-bearing debt declined by 907.6 million euro with respect to December 2012, resulting in a net cash position of 153.3 million euro at year-end. The 38.2 million euro in net interest-bearing debt without recourse to the parent company corresponds to the Coatzacoalcos Tunnel and Conquense Highway concession companies.

2.1.7.4. Cement

The Cement area accounts for 6.6% of FCC Group EBITDA through its 69.8% stake in Cementos Portland Valderrivas. It focuses mainly on cement, concrete, aggregate and mortar production. That company has seven cement factories in Spain, three in the US and one in Tunisia.

2.1.7.4.1. Results

(million euro)	**Dec. 13**	**Dec. 12**	**Chg.(%)**
Revenues	540.9	653.7	-17.3%
Cement	*426.2*	*468.3*	*-9.0%*
Other	*114.7*	*185.4*	*-38.1%*
EBITDA	50.4	69.8	-27.9%
EBITDA margin	*9.3%*	*10.7%*	*-1.4 p.p.*
EBIT	(24.2)	(133.4)	-81.9%
EBIT margin	*-4.5%*	*-20.4%*	*15.9 p.p.*

Revenues in the area totalled 540.9 million euro in 2013, down 17.3% year-on-year. Nevertheless, adjusting for the swap of Cementos Lemona and the sale of a port terminal in the United Kingdom in the first quarter, the decline was just 11.3% in like-for-like terms.

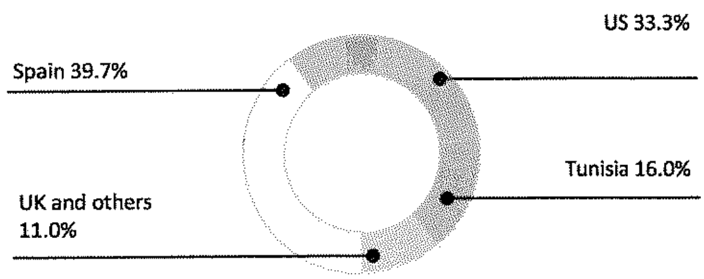
Revenue breakdown by region

(million euro)	**Dec. 13**	**Dec. 12**	**Chg. (%)**
Spain	215.0	320.1	-32.8%
USA	180.3	165.3	9.1%
Tunisia	86.4	90.0	-3.9%
UK and others	59.2	78.3	-24.5%
Total	**540.9**	**653.7**	**-17.3%**

Revenues in Spain decreased by 32.8%, compared with the 19.2% reduction in cement consumption nationwide in 2013, due to deconsolidating Cementos Lemona and the closure of less profitable concrete, mortar and aggregate plants. Cementos Lemona was swapped with CRH for the non-controlling interests in Corporación Uniland, which was already fully consolidated.

Revenues in the US increased by 9.1%, and that country now accounts for one-third of the area total, while revenues in Tunisia declined slightly with respect to the previous year due to the currency effect. Exports to the UK and other markets reflect the aforementioned effect of the sale of the Ipswich terminal in the UK.

Revenue breakdown by region



The area's EBITDA declined by 27.9%, to 50.4 million euro, due to lower sales of emission rights, which amounted to 2.6 million euro, compared with 33.6 million euro in 2012. Excluding emissions right sales, EBITDA would have expanded by 32%. The decline in emissions rights sales is due to the delay in receiving the allocation under the new 2013/2020 framework; they will be received and sold together with the 2014 rights.

The area's EBITDA margin reflects a gradual recovery during the year, due to cost saving measures implemented in Spain in the last few quarters, together with the recovery in the US.

EBIT totalled -24.2 million euro, and includes capital gains amounting to 104.9 million euro, impairments totalling 53.2 million euro in connection with the mortar and aggregate business, and provisions of 51.7 million euro for workforce restructuring costs. Of the 104.9 million euro in capital gains, 89.8 million euro correspond to the asset swap (with no cash effect) and 15.1 million euro to the sale of the terminal in Ipswich (UK) in the first quarter.

2.1.7.4.2. Cash flow

(million euro)	**Dec. 13**	**Dec. 12**	**Chg. (%)**
Funds from operations	**42.8**	**30.3**	**41.3%**
(Increase) / decrease in working capital	15.7	13.3	18.0%
Other items (taxes, dividends, etc.)	(33.1)	(5.3)	N/A
Operating cash flow	**25.4**	**38.3**	**-33.7%**
Investing cash flow	26.8	(23.4)	N/A
Cash flow from business operations	**52.2**	**14.9**	**N/A**
Financing cash flow	(74.9)	(70.3)	6.5%
Other cash flow (exchange differences, change in consolidation scope, etc.)	(20.4)	20.0	N/A
(Increase) / decrease in net interest-bearing debt	**(43.2)**	**(35.5)**	**21.7%**

(million euro)	**Dec. 13**	**Dec. 12**	**Chg. (M€)**
Net interest-bearing debt	**1,363.7**	**1,320.5**	**43.2**
With recourse	*108.3*	*33.4*	74.9
Without recourse	*1,255.4*	*1,287.1*	(31.7)

The Cement area's operating cash flow amounted to 25.4 million euro in 2013, compared with 38.3 million euro in 2012. Nevertheless, funds from operations increased by 41.3%, partially offsetting the application of 30 million euro in non-recurrent provisions for workforce restructuring costs.

Investing cash flow, which totalled 26.8 million euro in 2013, includes an influx of 22.1 million euro from the sale of the terminal in Ipswich and of 8.1 million euro from the sale of two hydroelectric plants in Spain. Investment in the quarter was mainly concentrated on increasing the use of alternative fuels and raw materials in Spain. At the end of 2013, the fossil fuel replacement rate was 18% in Spain, compared with 41% in the US.

After applying financing cash flow and other changes, such as variations in exchange rates and the value of derivatives, the area's net interest-bearing debt increased by 43.2 million euro, to 1,363.7 million euro. Of that amount, 108.3 million euro is debt owed to the Group's parent company, while the remainder is without recourse to FCC.

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 maintains a socially responsable commitment in relation to environmental services, complying with applicable legal requirements, respect for the relationship with its stakeholders 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 emission of greenhouse gases and by promoting energy efficiency and the use of renewable energies. To prevent pollution and protect the natural environment through responsible management and consumption of natural resources and by minimising the impact of the emissions, discharges and waste generated and managed as a result of the FCC Group's activities.

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

- Life cycle of the products and services: To intensify environmental considerations in the planning of activities, purchase of materials and equipment and in relationships with suppliers and contractors.

- Everyone's participation is needed: To promote awareness and application of the environmental principles among employees and other interest groups.

2.3. Business performance. Employees

Following is a detail, by business area, of the FCC Group's headcount at 31 December 2013:

AREAS	SPAIN	INTERNATIONAL	TOTAL
Construction	5,676	5,000	10,676
Environment	29,126	8,598	37,724
Water Management	5,670	1,455	7,125
Industrial Waste	661	517	1,178
Versia	3,567	730	4,297
Cement	849	989	1,838
Central Services	417	-	417
TOTAL	**45,966**	**17,289**	**63,255**

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.

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 the credit and financing facilities detailed in Note 21 to the consolidated financial statements.

With a view to improving its financial position, the Group actively manages collection from its customers to ensure they meet their payment obligations.

In 2013 additional sources were added to the Group's usual liquidity sources arising from recurring activity, such as the II Supplier Payment Plan, the divestments which occurred during the year and the sale of treasury shares.

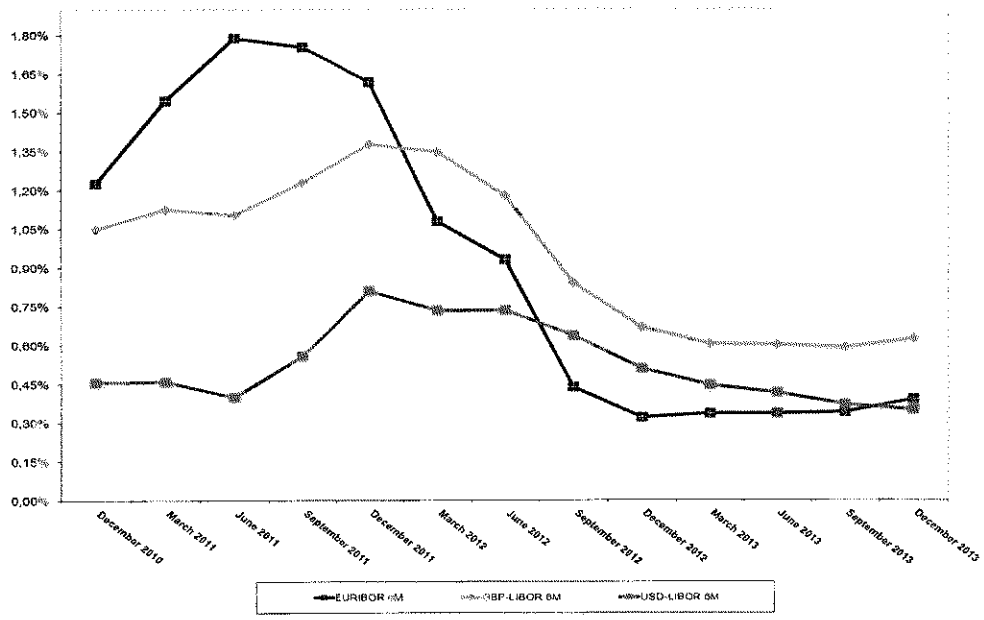
Capital resources

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 70 domestic and international financial institutions.

In 2013 the Group commenced the global refinancing of most of its debt and reached various limited recourse debt refinancing agreements (Note 21 to the consolidated financial statements).

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 2013 (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 has an Integrated Risk Management Model, which it is progressively deploying and enables it to contend with the 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.

The adopted Model allows a high-level risk map to be developed, using Enterprise Risk Management (COSO II) methodology, which furnishes information to Senior Executives and contributes to the definition of the FCC Group's strategy.

The FCC Group's risk management philosophy is consistent with the business strategy, seeking maximum efficiency and solvency at all times, for which strict risk control and management criteria are established. It consists of identifying, measuring, analysing and controlling the risks incurred by the Group's operations and 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 is prepared.

Using this model, the risk in each business area is managed 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.
- In addition, for risks that exceed the Accepted Risk for each sector of activity, the necessary action plans are implemented, including possible corrective measures to

make their critical nature fall within the Accepted Risk area. These action plans include the measures required to strengthen existing controls and even include new controls.

- The implementation of specific procedures to carry out Risk Management in each business area, ensuring that it forms part of decision making.

Also, the results of Ongoing Risk Management are reported to the Audit Committee, the body ultimately responsible for overseeing the Group's risk management, as included in the Group's Board Regulations.

Consequently, the model enables 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.
- Reasonably assure the reliability and integrity of 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, 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.

4.1. Main risks and uncertainties. Operating risks.

Tenders and contracts.

The risks and opportunities that arise during the tenders and contracts process is one of the main challenges faced by the FCC Group. In this respect, the Group is redefining the specific processes relating to risk management during the tenders and contracts phases. The Company has formally established policies and procedures focused on the technical quality, technological capacity, economic viability and competitiveness of bids. The process of preparing, submitting and monitoring bids is subject to various levels of authorisation within the organisation, assigning the main tasks in this area to specific departments composed of highly-qualified technical employees.

Selection of partners, outsourcing and suppliers.

The Group selects the partners with which it participates in the various business areas by applying the procedures contained in the FCC Group's General Regulations Manual.

In relation to outsourcing risks, the outsourcing model established by the FCC Group is applied uniformly, in accordance with the aforementioned General Regulations Manual, which also establishes a protocol of action indicating the minimum requirements under which the Group companies can outsource public or private projects.

Furthermore, the Human Resources Manual defines the employment-related responsibilities assumed by the FCC Group in the case of outsourcing staff for projects or services.

Human Resources Management and Ongoing Employee Training

In Spain the FCC Group has implemented a project to modernise the human resources information and management system, by compiling all the information in a single global database unique to the whole Group, in order to support and facilitate human resources management.

This project also includes a SAP-based IT tool to design and implement the payroll for all FCC Group companies in Spain, thereby improving their security, quality and uniformity.

The FCC Group has implemented training processes in Spain and at certain subsidiaries, which are specific training plans structured on the basis of scheduled periodic training, albeit basic, or to improve knowledge, or specific training that meets particular needs at any given time. In fact, the FCC Group develops training plans for all employees involved in the preparation of the Group's financial statements. This plan involves continuously updating the activities carried on by the various Group companies during the evolution of the business and regulatory environment with regard to International Financial Reporting Standards and the regulations and evolution relating to internal control over financial reporting principles.

The 2013 Corporate Training Plan included specific Risk Management training, including the risks associated with ICFR and their evaluation, as well as criminal risks arising from the liability of legal entities.

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 could 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, including the risk.

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 the Notes 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. 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

As indicated in Note 21 to the consolidated financial statements, the FCC Group managed to include 99.4% of its total debt in the refinancing agreement, which will be formalised upon fulfilment of certain conditions precedent. This situation will enable a sustainable financial structure to be achieved that is adapted to the projected cash generation of the various businesses, which will enable the objectives established in the FCC Group's Strategic Plan of improving profitability and reducing debt to be focused on.

With regard to the Energy Area, as indicated in Note 1, an agreement was reached to sell 51% of ownership interest to Plenium FMGP, S.L. Since the agreement is conditional on the fulfilment of the habitual conditions precedent in agreements of this kind, the assets and liabilities have been recognised under "Non-Current Assets Classified as Held for Sale" and "Liabilities Associated with Non-Current Assets Classified as Held for Sale", and are measured at the sale price agreed upon in the aforementioned agreement (see Note 4). On 31 January 2014, the Spanish Ministry of Industry, Energy and Tourism submitted to the Spanish National Markets and Competition Commission, for its mandatory report, its draft order approving the standard facility remuneration parameters applicable to certain electricity production facilities using renewable energy sources, cogeneration and waste. Since, as indicated above, the ownership interest was measured at sale price, the implementation of the draft order will not have any impact on the financial statements of the FCC Group.

On 27 February 2014, an agreement was reached with CCF Logistics Holding, S.à.r.l. for the sale of the Logistics business, which is recognised as a discontinued operation in these consolidated financial statements (see Note 4). The sale proceeds amounted to EUR 32 million. The completion of this transaction is subject to the habitual conditions precedent in transactions of this kind.

On 17 March 2014, an agreement was reached with JCDecaux for the sale of the Cemusa Group for EUR 80 million. The Cemusa Group is recognised as a discontinued operation in these consolidated financial statements (see Note 4). The completion of this transaction is subject to the habitual conditions precedent in transactions of this kind.

6. COMPANY OUTLOOK

Set forth below are the prospects for 2014 for the main business areas composing the FCC Group. The construction and services backlog at 2013 year-end, which amounted to 32,865.1 million euro guarantees the continuation of a high level of activity over the coming years.

In 2014 the **Environmental Services** area is expected to maintain the budgets in Spanish local corporations, extend certain contracts and renew those for which invitations to tender are issued, without making any further significant cuts in services, and include some new additions, which should lead to growth in activity. At the beginning of 2014, the Environmental Services area portfolio amounted to 11,883.7 million euro, which is equal to 4.29 years of production, thereby giving a clear perception of future revenues.

In relation to Spanish Public Authority debt, the implementation of the so-called electronic invoice and the law to control public sector commercial debt help to significantly reduce the average collection period, which will contribute to greater financial stability in this area.

Despite the current economic climate in the United Kingdom and the slump in landfill activity (caused mainly by legislative changes and a substantial rise in waste disposal rates), activity is set to pick up in 2014 due to the implementation in 2013 of new mechanical-biological treatment plants, the construction of the facilities required for the PFI projects in Buckinghamshire and Wrexham and the undertaking of new investments to implement the PFI contracts that have already been awarded. Also, substantial improvement is forecast in activities relating to energy recovery and recyclable materials at treatment plants and collection points, in addition to ongoing enhanced output at the Allington incineration plant. Lastly, work is expected to commence on the construction and implementation of wind farms.

With respect to the Central European market where the FCC Group operates in the Environmental Services area through the ASA Group, no significant changes are expected to occur in 2014 compared to the activities performed in 2013. In this year there was a slight drop in revenues of 4.8%, due mainly to the 14% decrease in activities carried on in the Czech Republic (whose economy is in recession, with a 1.2% decline in GDP in 2012 and 0.4% envisaged for 2013). This economic recession has led to a decrease in the sale price of recycled materials and the discontinuation by Czech authorities of contaminated soil recovery activities. Also, the depreciation of the Czech koruna against the euro in 2013 has had an adverse impact on revenues in euros.

Income from Hungry fell by 16% as a result of the nationalisation by the Government of municipal collection services. This nationalisation trend is expected to continue in the future.

However, activities in Poland rose by 34% due to the award of new municipal contracts and the winter services in Slovakia performed well (6% increase in revenues). Serbia and Romania also showed improvement, reporting revenue increases of 24% and 8% respectively. This scenario will foreseeably continue in 2014.

Although there is still a certain degree of uncertainty surrounding the performance of the economy in 2014, activities in the Industrial Waste sector will foreseeably enjoy moderate recovery which, together with the prospects of favourable raw materials prices and the effects of the adjustments made in 2013 means there should be substantial improvement in results in Spain.

Mention should be made of the 3% growth in revenues in 2013 arising from the Company's activities in Portugal, due to the award of various bids for contaminated land management put out to tender by the Portuguese Government, financed by ERDF funds. This sector of activity is expected to continue in 2014 as a result of the award of the San Pedro da Cova decontamination project and the most likely incipient recovery in industrial activity.

Endeavours are underway in various European countries (Israel, Italy, Ukraine, etc.) to import hazardous waste for subsequently treatment at our Chamusca plant (Portugal).

Also, at the end of the last quarter in 2013, bids were made for the decontamination of industrial liabilities in Algeria and Kuwait, markets in which FCC has already consolidated its presence.

In the **Integral Water Management** area, expansion in 2014 will continue to be boosted through projects in familiar markets, such as Spain, Portugal, Central and Eastern Europe, the Middle East (Egypt, Saudi Arabia and UAE) and Latin America, where divestment in Proactiva paves the way for or improves the potential of an important market.

The need for and important development of infrastructure for supply and treatment services and the ability of multilateral bodies to finance them (World Bank, Inter-American Development Bank, etc.), means that the market for Engineering, Procurement and Construction (EPC) and Build Operate Transfer (BOT) activities, as well as industrial activities, has limited barriers from a geographical viewpoint. As a result of the current state of maturity of certain projects, we can estimate that on the whole, each one will report positive revenue growth in 2014.

In terms of profitability, the resizing of the workforce due to the reduction in the number of Management Units in the territorial structure and due to the inclusion of Aqualia Infraestructuras and Aqualia Industrial, together with ongoing improvement in operating margins, will have a positive impact on profitability in 2014.

In Spain in particular, the possible processing and approval of the Spanish Water Sector Law is expected to have important repercussions on the consolidation of a legal framework that gives greater guarantees that attract investment by foreign funds and thus, improve access to financing.

In the **Construction** area, the projections for 2014 are set forth in the FCC Group's Strategic Plan, which consists of three phases:

Phase one, which was implemented in 2013 and which consisted of significant restructuring and adjustments, as shown in the section in this consolidated Directors' Report describing the performance of the FCC Construcción Group during the aforementioned year.

Phase two, which will be foreseeably developed in 2014 emphasising better management, thus enabling the FCC Construcción Group to contribute a positive balance to the income statement.

Phase three will commence upon completion of the other two phases and growth will continue, while following a selective policy enabling the new projects undertaken to have clear profitability and financing perspectives.

Taking into account the foregoing, it is estimated that the revenues obtained in Spain in 2014 will be lower than in 2013, due to ongoing stagnation in the private construction sector and budgetary restrictions in the public sector.

Conversely, in the foreign market, revenues earned in 2014 are estimated to exceed those obtained in 2013, as a result of the endeavours being made to open new markets and enabling it operate, as main areas, in the Americas (Central America, Mexico, Chile, Peru, Brazil, Colombia, US and Canada), the Middle East (Saudi Arabia), North Africa (Algeria) 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 40% of total revenues, the US, with 33% and Tunisia, with 16%. CPV exports to other countries such as Canada, UK and North Africa from these three countries.

In Spain where the Cementos Portland Valderrivas Group has most of its production facilities, the estimates for 2014 by Oficimen (the Cement Production Grouping in Spain) indicates an 8% fall in cement consumption (compared to the 20% drop forecast in the market for 2013 and the actual 19% that occurred).

However, CPV's projections concerning the downturn in the market are slightly more optimistic than those of Oficemen. Of the total number of tonnes produced by CPV in Spain, approximately 35% are earmarked mainly for exports. This proportion is expected to remain the same in 2014. Also, prices are forecast to increase by 1% in the domestic market.

The slight drop in revenues in Spain in 2014 will be offset by the expected increase in revenues from the US, where the estimates from PCA (Portland Cement Association) indicate annual market growth of approximately 8%/9% for the 2014-2016 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 in 2012 and 2013, 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 2013, they will foreseeably increase significantly in coming years, leading to growth in revenues from the US.

The Tunisian market is expected to decrease slightly in 2014, the effect of which will be exacerbated by the arrival of new competitors. However, prices and sales from Tunisia to other countries in North Africa are forecast to increase, thus enabling CPV's income in this country to remain more or less in line with that from 2013.

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 2013 the FCC Group's R&D+i activities materialised into more than 60 projects.

Among the Corporate R&D+i projects, the following must be highlighted:

- **IISIS Project – 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. Hydraulic tests have continued on the models on what would be the island's support platform.
  - Self-sufficiency in all respects (energy, water, basic food, waste treatment and recycling), achieved through all kinds of integrated facilities.
  - 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 2013 the business areas performed the following R&D+i activities.

SERVICES

In **Environmental Services** activities:

- **Advanced solution for the global management of all the processes and players in environmental contracts**. With 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, etc.

- **Project "Secado de los rechazos de las plantas de tratamiento"** (drying of treatment plant refuse).

- **Hybrid electric vehicle projects**. Hybrid electric vehicle developments have continued in the field of machinery.

- **Adaptation of urban cleaning vehicles to Euro 6 standard**. In order to obtain the technical specification and technological development of the adaptations to chassis and bodywork, to comply with the Euro 6 exhaust fumes regulations, which will become effective in January 2014.

- **HUELLA DE CARBONO Project**. The objective of this project is to design a methodology and functional model that make it possible to calculate the carbon footprint of the services rendered within the framework of an urban services contract. In short, it is about achieving energy efficiency and combating climate change.

- **Acceleration of composting processes**. Familiar with the fermentation process of organic material confined in tunnels, the objective is to reduce the length of the process through doping or the inclusion of a certain dose of catalysts and enzymes in the mass being fermented.

- **Liquid fuels from urban waste**. In order to subject waste to a process of pyrolysis, the chemical decomposition of organic matter caused by heating (thermolysis) in the absence of oxygen. The objective is to acquire in-depth knowledge of this industrial waste application by obtaining waste to fuel conversion ratios.

- **Measurement Evaluation and Exposition of Urban Trees and Climate Change Interactions (Life+Meet)**. The proposed goal consists of determining its influence on the quality of the urban environment of the interaction between urban trees, climate change and the management of such trees, with the involvement of citizens, governments and managers.

With regard to **Industrial Waste** activities:

- **Cemesmer (Innova project)**. To meet the demand for management of mercury-related waste in the face of the upcoming obsolescence of certain industrial processes.

- **Glass**. New treatment processes to fraction glass fibres for the production of high value-added construction materials.

- **Leachates**. Development of a new procedure for the regulation and separation of liquids for the integral management of water in landfills, aimed at minimising leachate production.

- **Pet Food**. In order to identify plant-based by-products that may be used as a raw material in the manufacture of pet food (cats and dogs). The study is carried out in Valle del Ebro with the participation of BYNSA, a Mercadona intersupplier of dog and cat food.

- **PIREPACK**: Study and development of refurbishment models for structures supporting pipe racks.

oDREGREEN: Development of ecological dredging for the extraction of highly contaminated sludge in reservoirs.

INTEGRAL WATER MANAGEMENT

In 2013 R&D+i strengthened its role as a strategic component at Aqualia to ensure ongoing improvement of its services and products. The portfolio of over 20 projects, with a total value of over 70 million euro, contributes greater quality, a lower environmental impact and lower activity costs.

The objectives of R&D+i and its projects are defined through ongoing dialogue with interest groups and are focused on the areas of Quality, Sustainability and Smart Management.

The ELAN Vigo project was completed in 2013 (Sustainable Elimination of Nutrients for the Reuse of Effluents and Waste). This line of research will continue in 2014 with the construction and operation of two actual facilities, currently at the project stage, at the canning company Friscos and at the Guillarei treatment plant (Pontevedra). As a result of the research carried out, last year Aqualia requested the European patent for carbonation and the ELAN Anammox process.

Some of the projects that commenced in 2012 were as follows:

oSMARTIC Project. The objective of the Smartic project (System for Monitoring Water in Real Time using Smart Technology), which could be implemented at various Aqualia plants, is the implementation of an automatic management system of the quality of the treatment of drinking water, based on the quality of entry. It is being developed in Badajoz, as part of the CDTI's (Centre for Industrial Technological Development) 2013 ERDF-Innterconecta call for applications for Extremadura. SMARTIC was one of the proposals selected by the Government from proposals from over 100 companies.

oALEGRIA Project. The purpose of this project is the recovery of industrial waste. By combining the various developments underway at FCC Aqualia, -the anaerobic digestion process, growth in microalgae and membrane bioreactors-, the project aims to obtain bioenergy and value products. This new combination could replace the traditional technologies used in the industrial water treatment plants in Galicia, by saving in operating costs, which currently amount to 4 euros /m3, with a view to enhancing the sector's competitiveness and sustainability.

oINNOVA CANTABRIA. This project proposes revamping the treatment plants, which includes the biological elimination of phosphorus in a single tank. The result would be a reduction in the surface area required, a decrease in energy consumption and concomitant operational cost savings. The project is supported by the Cantabrian Government's Impulsa plan and the ERDF.

In 2013 the intense activity of the Department of Innovation and Technology led to the request of 33 grants from the main public financing programmes. Of these, so far, the Company has been awarded 2 and is awaiting the resolution of another 14, 3 of which have already passed the initial stage of approval.

Progress has also been made on major projects relating to the production of bioenergy from wastewater.

oALL-GAS Project. Sustainable production of biofuel using the cultivation of low cost microalgae: Based on the "Algae to Biofuel" initiative of the EU's Seventh Framework Programme, the project overcame its first milestone in September 2012 with the approval of the initial results. The project is based on the recycling of organic material from agricultural waste and effluents from water treatment to produce biogas in order to minimise costs and the impact on the environment.

oCENIT VIDA Project. Research of advanced technologies for the integral valuation of algae. This project envisages the development of a sustainable and self-sufficient city based on the cultivation of microalgae, used as both a source of clean and renewable energy, and to supply the basic needs and requirements of its residents. Aqualia's work focuses on the efficient conversion of nutrients from wastewater into biomass and on the transformation of algae into biogas with a high purity.

The **"R&D+i Project Management System"** certification approved in December 2010 was audited and renewed by AENOR in October 2013 for a one-year period. This renewal was outstanding and not one "disagree" was received.

The R&D+i management system implemented at Aqualia pays special attention to technology surveillance and, specifically, it has internal systems such as half-yearly surveillance reports prepared by experts at Aqualia on priority areas.

Work with the media was ongoing during this period. Over 80 reports have reflected the work developed with the reporters to disseminate the progress made in the projects in which the Company is involved. Due to the considerable degree of international dissemination, noteworthy is the All-gas Project, which has appeared in media news in Spain, UK, US, China, Japan, France, Italy, India, Ireland, Philippines, Brazil, Oman, etc. Some of the media in which the project sparked an interest are global references, such as The Wall Street Journal, Le Monde, Reuters, CNBC and Scientific American.

CONSTRUCTION

Following is a detail of some of the most significant projects carried out in 2013.

oSMARTBLIND System. 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.

oSEA MIRENP Project. The ultimate objective of this project is to make practical reuse possible in market conditions of construction and demolition waste material, such as recycled aggregates in applications in a port setting.

oAPANTALLA Project. It consists of the development of new materials that act as a screen to shield electromagnetic waves, with particular emphasis on its integration in construction materials or paints.

oSETH Project. Development of an ongoing monitoring system to detect and assess the evolution of damage, using modes of vibration, based on statistical and technical methods of signal processing which, due to their efficiency, low cost and easy adaptability, can be installed easily in various types of building structures that could be the subject of vibration-type disturbances.

oSR (Sustainable Remodelling) Project. Development of an integrated system for the sustainable remodelling of buildings, including improvement of their energy efficiency.

oNEWCRETE Project. It consists of the development from the earliest stages to the verification of applicability at industrial level of concrete with new performance and sustainability profiles.

oSPIA Project. It consists of the development and implementation of new industrial security systems based on smart materials (photoluminescence, electroluminescence) and energy harvesting devices for individual use.

oBUILD SMART Project. It aims to change buildings to achieve increased energy efficiency, based on the new legislation for 2020.

o**CETIEB Project.** The main objective of the project is to develop innovative solutions to improve the monitoring of environmental quality inside buildings.

o**PRECOIL Project.** The purpose of this project is to reduce the number of occupational accidents in the construction of anti-accident linear infrastructure. The objective is the evaluation, design and implementation of a fully functional localisation system in real time of employees and hazardous areas in non-controlled environments, providing warnings to employees of possible risky situations.

o**IMPACTO CERO Project.** Its objective is to develop an anti-bird strike tubular screen.

o**CEMESMER Project.** For the development of a new cement range for the fixation of mercury and achieve technological breakthroughs in the processes for treating waste contaminated with mercury, enabling it to be reused as construction material.

Among the projects initiated in 2013, the following should be highlighted:

o**SEIRCO Project.** It consists of a smart expert system to assess risks in various construction sector environments.

o**BOVETRANS Project.** It develops a system of light transition vaults in road tunnels that will take advantage of sunlight.

o**"Auscultación Continua" Project.** Its objective is to design, develop and validate a distributed continuous auscultation system for building structures in urban environments.

In addition, in 2013 noteworthy was the participation in national and European R&D+i organisations and special working groups: the purpose of these organisations is to unite the efforts of research centres, industries and universities with respect to Research, Development and Technology Innovation.

2013 saw participation in:

- The European Construction Technology Platform (ECTP).
- The Spanish Construction Technology Platform (PTEC).
- The E2BA Association.
- The ENCORD Group (European Network of Construction Companies for Research and Development initiatives).
- reFINE (Research for future infrastructure networks in Europe).
- Chairmanship of the SEOPAN R&D+i Committee.
- The "Smart-Cities" working group.
- The R&D+i working group of the Advisory Board for the Certification of Construction Companies.

FCC Construcción occupies the Chairmanship of the SEOPAN R&D+i Committee. It sits on the CEOE's (Spanish Confederation of Employers' Organisations) R&D+i Commission's Internationalisation Committee. FCC Construcción is a member of the Advisory Board of AENOR for the Certification of Construction Companies. The purpose of this Working Group is the preparation of the "Guide for Interpreting UNE 166002 requirements in the construction sector".

R&D+i initiatives are expressly included in the Sustainability and Management System in procedure PR/FCC-730. The Company obtained the Certificate from the R&D+i Management System: R&D+i Management System Requirements, in accordance with the UNE 166002:2006 standard issued by AENOR (Spanish Association for Standardisation and Certification) on 31 August 2007 and the Certificate was renewed until August 2016.

CEMENTOS PORTLAND VALDERRIVAS

Although innovation activities in 2012 were focused on increasing the portfolio of research projects, which led to satisfactory results, 2013 was a year of intensive work for the development and consolidation of the projects already underway.

R&D+I activities are conceived as a thread that commences with research activities, within the framework of research projects, and concludes with product marketing and/or technology sales, once a series of laboratory tests has been overcome, industrial scaling for the production of new products, their development and application in actual construction work. Also, there are two fixed laboratories equipped with cutting-edge technologies, in addition to a mobile laboratory allowing technical assistance to be guaranteed in construction work to the highest level.

The pilot project for open innovation has played a key role in this regard. Consequently, a working group has been created to identify the large construction work planned globally and the various groups of consultants, from subject experts to engineering companies, construction companies or architectural studies, who were necessary to contact for the purpose of introducing the Cementos Portland Valderrivas Group and its new products to them.

2013 saw the further development of the ten projects, seven of which were led by the Cementos Portland Valderrivas Group and the others by external companies. At the end of this year, four projects that commenced in 2010 and 2011 were successfully completed: CEMESFERAS, TP-1, Hormigones Porosos de Alta Resistencia and Escombreras, in accordance with the basis for the grant aid approved by the Ministry and the Centre for Industrial Technological Development (CDTI). The results were very satisfactory, providing a preview of new products that contribute to the reduction of greenhouse gas emissions, improved energy efficiency, natural resources savings or a better quality of life, all of which constitute, in general, objectives shared by most of the Group's projects, in conformity with the commitment to sustainable development, which is maintained in its triple line of environmental, social and economic results.

Following the success achieved in 2012 with the development of three new products (TP-3, Hormigón Exprés and CEM II/B-V 52,5 R), the Group continues working on optimising these products to enable them to move on to the marketing phase, by performing tests in various applications. Also, in 2013, following the laboratory test phase, a new innovative product was obtained in the global market, called Hormigón Ultrarrápido, ready for marketing. This product was implemented at the Hympsa plant in Móstoles (Madrid), following a number of tests and it may be supplied from anywhere in Spain.

Intellectual property is a key issue right from the start of the chain and, therefore, special attention is being paid to the protection of the developed technologies, and a request for two new patents was submitted in 2012.

With regard to Technology Sales, in 2013 a new marketing strategy for the new products and their technology was designed, by making contact with potential customers in order to open up new business channels. In this process, intellectual property remains a key component in safeguarding the developed technologies, having processed five new patents to date.

All of these achievements clearly show the huge effort invested by the Cementos Portland Valderrivas Group in R&D+i activity over the last three years. However, considering that there is still a long way to go, work will continue along the same lines by focusing on the marketing area of new products and international technology sales -the areas that will ultimately contribute to the obtainment of results.

8. ACQUISITION AND DISPOSAL OF TREASURY SHARES

The FCC Group does not perform any transactions involving treasury shares aside from 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. Accordingly, at 31 December 2013, 138,639 shares had been transferred.

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. In view of the scant amount of treasury shares, it is estimated that there will be no impact on Earnings Per Share.

FCC completed several placements of treasury shares, amounting to more than 9% of share capital, among institutional investors in the second half of the year. Of special note is the purchase of 5.7% in October by entities connected with Bill Gates III.

At 31 December 2013, the FCC Group held a total of 280,670 own shares directly and indirectly (0.2% of the company's capital).

9. OTHER RELEVANT INFORMATION. STOCK MARKET PERFORMANCE AND OTHER INFORMATION

9.1 Share performance

The following table shows the detail of FCC share evolution during 2013 compared with 2012:

	Jan. – Dec. 2013	Jan. – Dec. 2012
Closing price (euro)	16.18	9.37
Appreciation	*72.6%*	*(53.2%)*
High (euro)	17.07	20.30
Low (euro)	6.69	7.15
Average daily trading (shares)	798,280	446,149
Average daily trading (million euro)	9.3	5.4
Market capitalisation at end of period (million euro)	2,059	1,192
No. of shares outstanding	127,303,296	127,303,296

9.2. Dividends

In the current economic and financial climate, various factors are leading to a decrease in the funds generated by the FCC Group and the need to incur losses in 2012 and 2013, as a result of having written down certain Company assets.

In this respect, in accordance with the principle of prudent management and in the best interest of all the Company's shareholders, FCC's Board of Directors decided not to pay any dividends in 2012, like in previous years. This agreement remained unchanged in 2013.

This decision, which aims to strengthen the Group's consolidated balance sheet seeks to create future value for shareholders and maintain profitable growth from operations. It will have to be ratified by the shareholders at the General Meeting, which will be held during the first half of 2014.

10. ANNUAL CORPORATE GOVERNANCE REPORT

ANNEX I

ANNUAL CORPORATE GOVERNANCE REPORT LISTED COMPANIES

ISSUER IDENTIFICATION

END OF RELEVANT FISCAL YEAR 31/12/2013

TAX ID NO. (CIF): A-28037224

Name:
Fomento de Construcciones y Contratas, S.A

Registered Office
Calle Balmes, 36. 08007 Barcelona

ANNUAL CORPORATE GOVERNANCE REPORT LISTED COMPANIES

A OWNERSHIP STRUCTURE

A.1 Complete the table below on the Company's share structure:

Date of last change	Share capital (€)	Number of shares	Number of voting rights
30/06/2008	127,303,296	127,303,296	127,303,296

State whether there are different classes of shares with different associated rights:

NO

Class	Number of shares	Unit nominal value	Number of voting rights	Different rights
-	-	-	-	-

A.2. State direct and indirect owners of significant stakes in the entity at year-end, excluding directors:

Name of shareholder	Number of direct voting rights	Indirect voting rights		% of total voting rights
		Direct holder of stake	Number of voting rights	
Gates III, William H.	-	Cascade Investment, LLC.	7,301,838	5.736%

State significant changes in the ownership structure in the year:

Name of shareholder	Transaction date	Description of the transaction
Credit Suisse Group AG	13/09/2013	Exceeds 3%
HM Treasury	10/10/2013	Dropped below 3%
Credit Suisse Group AG	27/12/2013	Dropped below 3%

A.3 Complete the tables below regarding the members of the Company's Board of Directors who own shares with voting rights in the Company

Name of director	Number of direct voting rights	Indirect voting rights		% of total voting rights
		Direct owner of stake	Number of voting rights	
Mr Gonzalo Anes y Álvarez de Castrillón	11,350	-	-	0.009
B-1998, S.L.	55,334,260	AZATE, S.A.	8,353,815	50.029
Mr Juan Béjar Ochoa	35,688	-	-	0.028
Cartera Deva, S.A.	100	-	-	0.000
Dominum Desga, S.A.	4,132	-	-	0.003
Dominum Dirección y Gestión, S.L.	10	-	-	0.000
EAC Inversiones Corporativas, S.L	32	-	-	0.000
Mr Fernando Falcó Férnandez de Córdova	35,677	-	-	0.028
Mr Felipe Bernabé García Pérez	55,571	-	-	0.044
Larranza XXI, S.L.	10	-	-	0.000
Mr Rafael Montes Sánchez	98,903	Ms Josefa Fernández	20,697	0.094

		Mayo		
Mr Marcelino Oreja Aguirre	14,000	-	-	0.011
Mr Olivier Orsini	100	-	-	0.000
Mr Gonzalo Rodriguez Mourullo	100	-	-	0.000
Mr Claude Serra	200	-	-	0.000
Mr Gustavo Villapalos Salas	100	-	-	0.000

Total % of voting rights held by the Board of Directors:	50.246%

Complete the tables below regarding the members of the Company's Board of Directors who own shares with voting rights in the Company:

Name of director	Number of direct voting rights	Indirect voting rights		Number of equivalent shares	% of total voting rights
		Direct owner of stake	Number of voting rights		
Mr Felipe Bernabé García Pérez	12,500	-	-	12,500	0.009

Note:

Fomento de Construcciones y Contratas, S.A. (hereafter FCC) is controlled by B-1998, S.L., which owns 50.029% of FCC shares, of which:

55,334,260 are held directly and 8,353,815 are held indirectly through subsidiary Azate, S.A.

The company B-1998, S.L. is held by investors according to the following breakdown: Esther Koplowitz (directly or indirectly) holds 89.65%; Eurocis, S.A., 5.01%; Larranza XXI, S.L., 5.34%.

Ms Esther Koplowitz Romero de Juseu also owns 123,313 shares of FCC directly and indirectly she owns 39,172, through Dominum Desga, S.A. (4,132 shares), Dominum Dirección y Gestión, S.L. (10 shares), and Ejecución y Organización de Recursos, S.L. (35,040 shares), fully owned by Ms Esther Koplowitz Romero de Juseu.

A.4. State, where appropriate, any family, commercial, contractual or business relationships among owners of significant stakes, insofar as they are known to the Company, unless they are insignificant or are derived from ordinary commercial transactions:

Related names or company names	Type of relationship	Brief description

A.5. State, where appropriate, any commercial, contractual or corporate relationships between owners of significant stakes and the Company and/or its group, unless they are insignificant or are derived from ordinary commercial transactions:

Related names or company names	Type of relationship	Brief description
-	-	-

A.6. State whether the Company has been notified of any shareholders' agreements which affect the Company as set out in Articles 530 and 531 of the Spanish Securities Market Act. If so, list the shareholders involved and briefly describe the agreements:

YES

Participants in the shareholders' agreement	% of share capital affected	Brief description of the agreement
Ms Esther Koplowitz Romero de Juseu	52.483	Relevant event of 30/07/2004 www.cnmv.es (See note).
Ms Esther Koplowitz Romero de Juseu	52.483	Relevant event of 13/01/2005 www.cnmv.es (See note).
Ms Esther Koplowitz Romero de Juseu	52.483	Relevant event of 19/07/2007 www.cnmv.es (See note).
Ms Esther Koplowitz Romero de Juseu	52.483	Relevant event of 26/12/2007 www.cnmv.es (See note).
Ms Esther Koplowitz Romero de Juseu	52.483	Relevant event of 04/02/2008 www.cnmv.es (See note).
Ms Esther Koplowitz Romero de Juseu	53.829	Relevant event of 26/05/2011 www.cnmv.es (See note).

State whether the Company is aware of any concerted actions among its shareholders. If so, give a brief description:

NO

Participants in the concerted action	% of share capital affected	Brief description of the action

If the shareholders' agreements or concerted actions have been amended or terminated in the year, indicate this expressly.

Note:

On 30 July 2004 a Relevant Event was published on the CNMV website consisting of the acquisition of part of the equity interests of Ms Esther Koplowitz Romero de Juseu in the company B-1998, S.L. by the companies Inversiones Ibersuizas, S.A., Inversiones San Felipe, S.L., Cartera Deva, S.A, and the Peugeot family in France through the company Simante, S.L.

On 13 January 2005 a Relevant Event was published whereby the company Dominum Dirección y Gestión, S.L. Sociedad Unipersonal (fully held by Ms Esther Koplowitz Romero de Juseu) agreed with the company Larranza XXI, S.L. (a company belonging to the Bodegas Faustino Group) 'the transfer to the latter of a minority interest that the former held in the company B-1998, S.L., a company which in turn directly or indirectly holds 52.483% of the share capital of Fomento de Construcciones y Contratas, S.A.

Also on 13 January 2005 a Relevant Event was published whereby the company Dominum Dirección y Gestión, S.L. Sociedad Unipersonal (Sole Corporation) (fully held by Ms Esther

Koplowitz Romero de Juseu) agreed with the companies Inversiones Ibersuizas, S.A., Inversiones San Felipe, S.L., Ibersuizas Holdings, S.L., Cartera Deva, S.A., Arzubi Inversiones, S.A. and EBN Banco de Negocios, S.A., 'the transfer to the latter of a minority interest that the former held in the company B-1998, S.L., a company which in turn directly or indirectly holds 52.483% of the share capital of Fomento De Construcciones Y Contratas, S.A.'.

On 19 July 2007 a Relevant Event was published consisting of 'the renewal with amendments of the contracts of the partners of the company B-1998, S.L., without altering the full direct and indirect holding of Ms Esther Koplowitz Romero de Juseu in B-1998, S.L. or the agreements between the parties in relation to the governance of both B-1998, S.L. and indirectly of Fomento de Construcciones y Contratas, S.A., or any provisions regarding the control of those two companies.'

On 26 December 2007 a Relevant Event was published consisting of 'the reorganisation of the holding in the company B-1998, S.L. Ms Esther Koplowitz Romero de Juseu, through the company Dominum Dirección Y Gestión, S.L., of which she owns 100% of its capital, has signed with Ibersuizas Holdings, S.L. the purchase and sale, effective 30 January 2008, of 10.55% of the equity interests in the company B-1998, S.L., which is the holder of 52.483% of the share capital of Fomento de Construcciones y Contratas, S.A.

This transaction, done at the request of Ms Esther Koplowitz, who increases her holding in FCC, represents the divestment of Ibersuizas Group from the share capital of B-1998, S.L. and consequently from FCC Group, Ibersuizas Holdings, S.L. shall no longer be a party to the shareholder agreement regulating the relations between partners of B-1998, S.L. At the same time, on the above-mentioned effective date of the contract, Ibersuizas Holdings, S.A. shall tender its resignation as a member of the Board of Directors of B-1998, S.L. and Ibersuizas Alfa, S.L. shall tender its resignation as a member of the Board of Directors of Fomento de Construcciones y Contratas, S.A.

On 4 February 2008 a Relevant Event was published consisting of 'the effective purchase by Ms Esther Koplowitz of the holding that Ibersuizas Holdings owned in B-1998, S.L. as the primary shareholder of Fomento De Construcciones Y Contratas, S.A. (FCC) with 52.483%. The agreement was reached on 24 December 2007.

On 12 July 2010 a Relevant Event was published whereby 'The entrepreneur Esther Koplowitz has reached an agreement with Simante, S.L. to acquire the latter's holding in the share capital of B-1998, S.L. for 88 million euros.

By virtue of the agreement, Simante shall assign all of its shares in B-1998 to Dominum Dirección y Gestión S.L. The transaction, involving 5.7% of the equity interests in B-1998, shall take place in the month of September.'

Said Relevant Events highlight the main agreements regarding the control of the companies (FCC and B-1998, S.L.) reached by Ms Esther Koplowitz Romero de Juseu and the investors, since the respective purchase transactions:

- Ms Esther Koplowitz Romero de Juseu will retain control of B-1998, S.L. and, therefore, of Azate, S.A. and FCC.
- The Board of Directors of B-1998, S.L. shall be made up of twelve directors, and the investors, as a whole, are entitled to designate a maximum of three directors, and in no event may they designate more than one third of the members of the Board of Directors of B-1998, S.L.
- Ms Esther Koplowitz Romero de Juseu in any event may appoint the majority of the members of the Boards of Directors of FCC and its subsidiaries. The investors may designate, as a whole, a maximum of two members, and in no event more than one third of the members of the Board of Directors de FCC.
- Ms Esther Koplowitz Romero de Juseu shall be entitled to designate the Chairman of the Board of Directors of FCC, the Chief Executive Officer of FCC and at least two thirds of the members of its Executive Committee.
- FCC's pay-out will be at least 50%.

There are a number of agreements between Ms Esther Koplowitz Romero de Juseu and the investors with the aim of protecting the investment of the latter in B-1998, S.L., in their capacity as minority shareholders, which is described below:

- In relation to B-1998, S.L:

In relation to B-1998, S.L. and subject to the general rule that the resolutions (whether of the General Meeting of Partners or of the Board of Directors) are subject to the principle of approval by simple majority of the share capital, as an exception, a number of special cases are established where the approval must be by consensus:

- Amendments of the Bylaws implying the transfer of the registered office abroad, the change of the corporate purpose or the increase or reduction of the share capital, unless said transactions are imposed by the law or, in the case of capital reductions, they are to be carried out via the acquisition of equity interests of B-1998 S.L, directly or indirectly held by Ms Esther Koplowitz Romero de Juseu or by Dominum Dirección y Gestión, S.L., by B-1998 S.L. itself, for the subsequent redemption thereof, or they are to be carried out via the redemption of the equity interests of B-1998, S.L., directly or indirectly held by Ms Esther Koplowitz Romero de Juseu or by Dominum Dirección y Gestión, S.L., and charged to reserves which, pursuant to the Bylaws or due to provisions not included in the Bylaws, only Ms Esther Koplowitz Romero de Juseu is entitled to use.
- Any type of transformation, merger or spin-off or the total transfer of assets and liabilities;
- The dissolution or winding-up of B-1998, S.L.;
- The overriding of pre-emptive subscription rights in capital increases and the exclusion of shareholders;
- The amendment of the management regime of B-1998, S.L.;
- The establishment or amendment of the dividend policy agreed to among the investors in respect of the rights stated in the Bylaws or those not included in the Bylaws corresponding to the equity interests owned by the investors;
- Acts of disposal or encumbrance, under any title, of any relevant assets of B-1998, S.L., specifically of FCC shares or of shares or equity interests of any other companies in which B-1998 S.L. owns or may own holdings in the future;
- The increase of structural costs such that, on an annual basis, exceed those stated on the balance sheet of the company as of 31 December 2003, increased by the general year-on-year CPI plus two percentage points; excluded from the above calculation is the remuneration received by B-1998 S.L. as a consequence of its presence on the Board of Directors of FCC (hereinafter, Remuneration of the Board of FCC), as well as the remuneration of the members of the Board of Directors of B-1998 S.L, insofar as they do not exceed the remuneration of the Board of FCC;
- Granting or maintaining powers that allow for the disposal of FCC shares, by any means;
- The borrowings of B-1998, S.L. and obtaining or providing guarantees which, overall, exceed 500,000 euros;
- Creating or acquiring direct subsidiaries (other than FCC subsidiaries) or acquiring shares in entities other than those in which B-1998, S.L. already owns a holding.

- In relation to FCC:

In relation to FCC and subject to the general rule that the resolutions (whether of the General Meeting or of the Board of Directors) are subject to the principle of approval by simple majority of the share capital, as an exception a number of special cases are established where the approval must be by consensus:

- Amendments of the Bylaws implying the transfer of the registered office abroad, the increase or reduction of the share capital, unless said transactions are imposed by the law;
- Changing the corporate purpose, insofar as doing so includes the incorporation of activities not related to construction, services, cement and real estate;
- The transformation, merger or division in any of its forms.
- The merger of FCC Construcción, S.A., Cementos Portland Valderrivas, S.A. and FCC Servicios, S.A. as a consequence of which B-1998, S.L. indirectly ceases to hold over 50% of the voting rights of the entity resulting from the merger.
- The overriding of pre-emptive subscription rights in capital increases.
- The amendment of the management regime.

- Acts of disposal, encumbrance or acquisition, under any title, of FCC assets outside the corporate purpose of said entity, provided that they are relevant and, in any event, the above-mentioned acts, included within the corporate purpose of FCC, when they entail a total or aggregate value equal to or above 700,000,000 euros (increased annually by the CPI), or a significant amendment of the current structure of FCC Group or represent more than 10% of the consolidated assets of FCC Group.
- Any transactions that may lead to or represent a variation of more than 20% of FCC's equity or over 10% of the FCC Group's consolidated assets.
- The granting of powers that could allow, under any title, the above-mentioned disposals, encumbrances or acquisitions; the foregoing in no way whatsoever limits the right of Ms Esther Koplowitz Romero de Juseu to designate and revoke the FCC CEO.
- The borrowings of FCC and the obtainment or provision of guarantees by the latter (excluding, in any event, for the purpose of the above-mentioned calculation, guarantees within the ordinary course of business and borrowing without recourse - project finance) which, collectively, exceed 2.5 times the gross operating profit registered on FCC's last consolidated balance sheet.

If it is not possible to reach the necessary consensus between Ms Esther Koplowitz Romero de Juseu and the Investors for the adoption of decisions in the above-mentioned special cases, the Investors shall act as required in order to preserve the pre-existing situation.

On 26 May 2011 a Relevant Event was published, consisting of the renewal with amendments of the purchase and sale agreement of investment and divestment of partners of B-1998 SL and the extension thereof, between Dominum Dirección y Gestión S.L., Eurocis SL, and Larranza XXI, S.L. Said Relevant Event publishes the contents of the notarial deed of renewal.

For further information, please check the full contents of the shareholder agreements available on the CNMV website, as Relevant Events of the company dated 30 July 2004, 13 January 2005, 19 July 2007, 26 December 2007, 4 February 2008 and 26 May 2011.

A.7. State whether there is an individual or legal entity that exercises or can exercise control over the Company in accordance with Article 4 of the Securities Market Law: If so, name the person.

YES

Name or company name
Ms Esther Koplowitz Romero de Juseu

Comments

A.8. Complete the tables below about the Company's treasury shares:

At year end:

Number of direct shares	Number of indirect shares (*)	% of share capital
280,670	0	0.216

(*) Through:

Name of direct owner of stake	Number of direct shares

-	-
Total	

Detail the significant changes in the year, in accordance with Royal Decree 1362/2007:

Date of disclosure	Total number of direct shares acquired	Total number of indirect shares acquired	% of share capital
06/02/2013	1,278,312	0	1.004
21/03/2013	1,312,419	0	1.031
05/06/2013	1,291,779	0	1.015
10/07/2013	644,620	0	0.506
14/08/2013	1,470,220	0	1.155
10/09/2013	1,337,304	0	1.050
14/10/2013	1,355,832	0	1.065
24/10/2013	292,194	0	0.230
13/12/2013	1,276,126	0	1.005

A.9. Detail the conditions and term of the current authorisation that the Shareholders' Meeting has given to the Board of Directors to buy or sell own shares.

Resolution of the Annual General Meeting of 23 May 2013 (item seven of the agenda):

The General Meeting of Shareholders, on 30 November 2009, resolved under item two of the agenda to approve a buyback programme of own shares to enable the Company to fulfil the obligations deriving from the issuance of exchangeable bonds, resolved under item one of the agenda at that same General Meeting.

The Board of Directors considers that, taking into account, among other particulars, the circumstances that gave rise to the acquisition of treasury stock on the basis of the above-mentioned resolution of the General Meeting, the Company must have the possibility of having such shares at their disposal, subject to the Board of Directors closely monitoring the price of the Company's shares and, if necessary, it may approve a new share buyback programme under the terms passed by the above-mentioned General Meeting of Shareholders of 30 November 2009.

Based on the foregoing, it was resolved to authorise the Company to carry out any acts of disposal under any title allowed by law of the treasury stock held by the Company, which were acquired under the Buyback Programme approved by means of a resolution of the General Meeting of Shareholders on 30 November 2009 under item two of the agenda.

Resolution of the Extraordinary General Meeting of 30 November 2009 (item two of the agenda)

Under the provisions of Article 3 et seq. of European Commission Regulation 2273/2003, of 22 December, to approve a Company share buyback programme whose only purpose is (i) to fulfil the obligations deriving from the issuance of exchangeable bonds for a maximum amount of four hundred and fifty million euros (€450,000,000) approved by the Company under the resolution of the General Meeting of Shareholders on 18 June 2008 and by virtue of an Executive Committee resolution dated 6 October 2009, by delegation of the Board of Directors on 30 September 2009, and (ii) to reduce the Company's capital by amortising the shares acquired by virtue of the programme or those already held as treasury stock (including, for this purpose, the 5,090,000 shares loaned to the Underwriters), which shall henceforth be deemed to be subject to the terms and conditions of the programme approved by the General Meeting. As a result of the foregoing, resolution six adopted by the General Meeting on 10 June 2009 is annulled to the extent that it has not been executed and the Company is authorised so that, directly or via any of its subsidiaries, within a period of five years at the most from the date of this Meeting, it may acquire, at any time and on as many occasions as it sees fit, shares of the Company by any means allowed by law, all in conformity with Article 75 and related Articles of the Consolidated Text of the Public Limited Companies Act.

It is also decided to approve the limits or requirements of such acquisitions, as follows:

- The par value of the shares acquired, added to those already held by the Company and its subsidiaries, may not at any time exceed ten per cent of the Company's capital.
- The shares acquired must have been fully paid up.
- The acquisition price may not be less than the par value or more than 20 percent of the market price.

The shares acquired under the buyback programme shall be used by the Company to fulfil its exchange or conversion obligations arising from the issuance of the Bonds and/or to reduce the Company's capital, as the case may be.

Resolution of the Annual General Meeting of 23 May 2013 (Item seven of the agenda)

According to the usual practice of listed companies, it is advisable that the Board of Directors have an authorisation for the derivative acquisition of treasury stock in the future, and for such purpose FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A., together with any of the Group companies fulfilling any of the circumstances set out in Article 42, paragraph 1, of the Code of Commerce, were authorised for the derivative acquisition of treasury stock, by means of purchase and sale, swap or any other transactions allowed by Law, at the price resulting from their stock exchange price on the acquisition date, which must be comprised between the maximum and minimum values detailed below:

- The maximum value would be the result of increasing by 20 per cent the highest market price in the three months prior to the time of acquisition.
- The minimum value would be the result of deducting 20 per cent from the lowest market price, likewise in the three months prior to the time of acquisition.

By virtue of this authorisation the Board, the Executive Committee and the CEO, indiscriminately, may buy treasury stock, according to the terms provided in article 146 of the Capital Companies Act.

The Board of Directors, the Executive Committee and the CEO may also, indiscriminately, fully or partially allocate the treasury stock they acquire to the execution of remuneration programmes which have as their object or which entail the delivery of shares or share options, pursuant to the provisions in article 146.1 of the Capital Companies Act.

This authorisation is granted for the maximum period allowed by law, and it must also respect the applicable share capital ceiling according to the regulations in force at the time of acquisition.

The acquisition of the treasury shares, which must be fully called up, should allow the companies in the FCC Group that have acquired them to fill in the non-disposable reserve established by article 148, rule 3, of the Capital Companies Act."

Resolution of the Annual General Meeting of 27 May 2010 (Item seven of the agenda)

B. Company shares buyback programme and capital reduction

Under the provisions of Article 3 et seq. of the European Commission Regulation (EC) No 2273/2003 of 22 December, to approve a programme to repurchase shares of the Company whose sole purpose is (i) to meet obligations to deliver shares that arise from the issuance of securities giving entitlement to acquire outstanding shares, or to amortise them in order to limit the dilution of the pre-existing shareholders in case of issuance, while overriding the pre-emptive subscription right of securities that are convertible into, or give entitlement to subscribe for, newly-issued shares, that may be adopted by the Board of Directors of the Company under the provisions of paragraph A above of this Resolution for a maximum of three hundred million euros (€300,000,000) (the "Securities"), and (ii) to reduce the Company's capital by amortising the shares acquired by virtue of the programme or those already held as treasury stock (provided they are not already assigned to preceding share buyback programmes that have not been completed), which henceforth will be deemed to be subject to the terms and conditions of the programme approved by the General Meeting of Shareholders.

The Company is authorised so that, directly or via any of its subsidiaries, within a period of five years at the most from the date of this Meeting, it may acquire, at any time and on as many occasions as it sees fit while executing the approved share buyback programme, shares of the Company by any means allowed by law, all in conformity with Article 75 and related articles of the Consolidated Text of the Public Limited Companies Act.

It is also decided to approve the limits or requirements of such acquisitions, as follows:

- The par value of the shares acquired, added to those already held by the Company and its subsidiaries, may not at any time exceed the limits legally applicable.
- The shares acquired must have been fully paid up.
- The acquisition price may not be less than the par value or more than 20 percent of the market price.

The shares acquired under the buyback programme shall be used by the Company to fulfil its obligations to deliver existing shares in connection with the securities issue or, where appropriate, to reduce the Company's capital so as to limit the dilution of existing shares if the pre-existing shareholders exercise their right to convert or subscribe the newly issued shares in connection with the bond issue.

This resolution does not eliminate or alter the terms and conditions of previous share buyback programmes approved by the Company or the corresponding authorisations for the derivative acquisition of treasury stock, which shall remain in force. This share buyback programme is compatible with previous programmes in place. However, this programme may only be carried out to the extent that it does not preclude the complete fulfilment of prior share buyback programmes and hence the achievement of the aims for which they were approved.

Note:

A Relevant Event was reported to the CNMV on 1 July 2011 under number 146731 communicating the suspension of the Share Buyback Programme by the Company.

Furthermore, on 6 July 2011, a Relevant Event was reported to the CNMV under number 146998, communicating the subscription of a liquidity contract with Santander Investment Bolsa, Sociedad de Valores, S.A.

A Relevant Event was reported to the CNMV on 26 July 2013 under number 191238 communicating the renewal of the liquidity contract. The CNMV was informed of the end of operations pursuant to the liquidity contract subscribed with Santander Investment Bolsa, Sociedad de Valores, S.A., on 6 July 2011 in respect of company shares under the operativeity conditions established by applicable regulations. FCC has subscribed a Liquidity Contract with Bankia Bolsa, Sociedad de Valores, S.A. This contract is applicable to Spanish stock exchanges and the object of the agreement is to favour the liquidity of the transactions and stability of the trading price. The term of the Liquidity Contract is twelve months, tacitly renewable for 12-month periods and 180,000 shares and EUR 1.7 million is allocated.

It was also reported that said liquidity contract is established in conformity with the provisions in Circular 3/2007, of 19 December, of the National Securities Market Commission.

A.10. State whether there are any restrictions on the transfer of securities and/or any restriction on voting rights. In particular, state the existence of any types of restrictions which might hinder the takeover of the company by acquiring shares on the market.

NO

Description of the restrictions

A.11. State whether the General Meeting of Shareholders have approved the adoption of breakthrough measures in the event of a takeover bid pursuant to the provisions of Law 6/2007?

NO

Detail if applicable, the approved measures and the terms on which the restrictions will be rendered ineffective:

A.12. State whether the company has issued securities that are not traded on a regulated market in the European Community.

NO

Detail if applicable the different classes of shares and, for each class of shares, the rights and obligations they confer.

B – GENERAL SHAREHOLDERS' MEETING

B.1 State and if applicable, explain whether there are any differences between the minimum requirements established in the Capital Companies Act (LSC) and the quorum required to hold a General Shareholders' Meeting.

YES

	Quorum percentage other than that established in art. 193 of the Capital Companies Act for general cases	Quorum percentage other than that established in art. 194 of the Capital Companies Act for special cases
Quorum required at first call	50	
Quorum required at second call	45	45

Description of differences
The annual and extraordinary General Meetings are quorate when, pursuant to article 11.9 of the General Meeting of Shareholder Regulations: Generally, the shareholders present or represented at first call possess at least fifty per cent of the share capital with voting rights. At second call, the General Meeting is quorate when the shareholders present or represented possess at least forty-five per cent of the share capital with voting rights. Specifically, in order for the General Meeting to validly decide on bond issues, capital increases or decreases, changes of corporate form, mergers and spinoffs, the assignment en bloc of assets and liabilities, to suspend or limit the pre-emptive right to acquire new shares, the transfer of the Company's registered office to another country and, in general, any amendment to the Bylaws, shareholders possessing at least fifty per cent of the share capital with voting rights must be present or represented at the meeting at first call. At second call, it will suffice for shareholders accounting for at least forty-five per cent of the subscribed voting capital to be present or represented. When the shareholders in attendance or represented at second call account for less than fifty per cent of the subscribed capital with voting rights, the types of resolutions referred to above may only be validly passed with the favourable vote of two-thirds of the share capital present or represented at the Meeting.

B.2 State and if applicable, explain any differences from the arrangements established in the Capital Companies Act (LSC) for the adoption of corporate resolutions.

NO

Describe how they differ from the arrangements established in the Capital Companies Act.

	Special majority other than that established in article 201.2 of the Capital Companies Act for the cases mentioned in art. 194.1 of Capital Companies Act	Other cases requiring a special majority

% established by the entity for adopting resolutions		
Describe the differences		

B.3 State the rules applying to the amendment of the company bylaws. In particular, indicate the majorities established for the amendment of the bylaws and, as the case may be, the rules established for the protection of shareholder rights in the amendment of the bylaws.

There are no differences with respect to the rules established out in the Capital Companies Act.

B.4 State the figures on attendance at General Meetings held during the year referred to in this report and those of the previous year:

	Attendance figures				
Date of General Meeting	% present	% represented	% distance votes: Electronic voting	% distance votes: Others	Total
23/05/2013	55.425%	8.558%		0.234%	63.983%

Note:

The final attendance list was as follows:

- 216 shareholders in attendance controlling 70,557,840 shares accounting for 55.425% of the share capital.
- 1,191 shareholders represented controlling 10,895,236 shares accounting for 8.558% of the share capital.

As established in the Capital Companies Act, the 78 shareholders controlling 297,771 shares who resorted to distance voting were counted as shareholders in attendance.

Therefore the total number of shares present or represented at the General Meeting was 81,453,076, accounting for 63.983% of the subscribed share capital and valued at EUR 81,453,076.00.

The Company held 11,574,900 shares of treasury stock, equivalent to 9.092% of the share capital.

B.5 State whether there are any restrictions in the bylaws regarding a minimum number of shares needed to be able to attend the General Meeting.

NO

No. of shares required to attend the General Meeting	

B.6 State whether it has been resolved that certain decisions entailing a structural modification of the company ('subsidiarisation', purchase and sale of core operating assets, transactions equivalent to the liquidation of the company, etc.) must be submitted to the General Meeting of Shareholders for approval, even though it is not expressly required by Commercial Laws.

YES

Article 8.6 of the Board Regulations establishes that the Board of Directors will be answerable for its performance to the General Meeting of Shareholders, and it shall submit to the prior approval of the latter, any transactions entailing a structural amendment of the Company, in particular the following:

(i) The transformation of listed companies into holding companies through the process of subsidiarisation, i.e. reallocating to subsidiaries core activities that were previously carried out by the Company itself, even though the latter retains full control of the former;

(ii) Any acquisition or disposal of key operating assets that would effectively alter the company's corporate purpose;

(iii) Operations that are equivalent to the Company's liquidation.

B.7 State the address and instructions for accessing corporate governance content and any other information on general meetings that must be made available to shareholders via the Company's web page.

On the FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. website, www.fcc.es, there are specific sections on the home page under 'Information for shareholders and investors' and 'Corporate responsibility', which include the information required by Act 26/2003, of 18 July, Legislative Royal Decree 1/2010, of 2 July, the Ministry of Economy Order ECO/3722/2003, of 26 December, Circular 1/2004, of 17 March, of the National Securities Market Commission, the Ministry of Economy and Finance Order EHA/3050/2004, of 15 December, and Royal Decree 1333/2005, of 11 November.

This page is two clicks away from the home page. Its contents are structured and ordered by rank, under shortcut titles. All of its pages can be printed.

The FCC website has been designed and programmed according to the WAI (Web Accessibility Initiative) guidelines, which sets international standards for the creation of web contents accessible across the world. The AENOR Accessibility Consultants, after conducting a technical analysis of accessibility, established that the FCC Group website complies with all of the priority 2 and priority 1 checkpoints, according to the UNE 139803:2004 Standard, which is in turn based on the Web 1.0 Content Accessibility Guidelines of W3C (known as WAI guidelines).

The site includes a link to the Fomento de Construcciones y Contratas, S.A. data reported to the CNMV website.

C – STRUCTURE OF THE COMPANY'S ADMINISTRATION

C.1 Board of Directors

C.1.1 Maximum and minimum number of Directors established in the bylaws:

Maximum number of Directors	22
Minimum number of Directors	5

C.1.2 Fill in the table below with the members of the Board:

Individual or Company name of Director	Representative	Board position	Date of first appointment	Date of last appointment	Election procedure
Dominum Desga, S.A	Ms Esther Alcocer Koplowitz	Chairwoman	27/09/2000	01/06/2011	Voted at Shareholder Meeting
B-1998, S.L.	Ms Esther Koplowitz Romero de Juseu	1st Vice-president	17/12/1996	31/05/2012	Voted at Shareholder Meeting
Mr Juan Béjar Ochoa		CEO	23/05/2013	23/05/2013	Voted at Shareholder Meeting
Mr Gonzalo Anes y Álvarez De Castrillón		Director	30/06/1991	27/05/2010	Voted at Shareholder Meeting
Cartera Deva, S.A.	Mr Jaime Llantada Aguinaga	Director	15/09/2004	27/05/2010	Voted at Shareholder Meeting
Dominum Dirección y Gestión, S.L.	Ms Carmen Alcocer Koplowitz	Director	26/10/2004	27/05/2010	Voted at Shareholder Meeting
EAC Inversiones Corporativas, S.L	Ms Alicia Alcocer Koplowitz	Director	30/03/1999	11/06/2009	Voted at Shareholder Meeting
Mr Fernando Falcó y Fernández de Córdova		Director	18/12/2003	27/05/2010	Voted at Shareholder Meeting
Mr Felipe Bernabé García Pérez		Director	30/03/1999	27/05/2010	Voted at Shareholder Meeting
Larranza XXI, S.L.	Ms Lourdes Martínez Zabala	Director	13/01/2005	27/05/2010	Voted at Shareholder Meeting
Mr Rafael Montes Sánchez		Director	06/03/1992	11/06/2009	Voted at Shareholder Meeting
Mr Marcelino Oreja Aguirre		Director	21/12/1999	27/05/2010	Voted at Shareholder Meeting
Mr Olivier Orsini		Director	18/07/2013	18/07/2013	Co-optation
Mr César Ortega Gómez		Director	28/06/2007	31/05/2012	Voted at Shareholder

					Meeting
Mr Henri Proglio		Director	27/05/2010	27/05/2010	Voted at Shareholder Meeting
Mr Gonzalo Rodríguez Mourullo		Director	18/07/2013	18/07/2013	Co-optation
Mr Claude Serra		Director	18/12/2013	18/12/2013	Co-optation
Mr Gustavo Villapalos Salas		Director	18/07/2013	18/07/2013	Co-optation

Total number of Directors	18

State any Directors who have left the Board of Directors during the reporting period:

Individual or Company name of Director	Status of Director at time of leaving	Date left
Mr Juan Castells Masana	External nominee Director	02/08/2013
Mr Baldomero Falcones Jaquotot	Executive Director	31/01/2013
Mr Antonio Pérez Colmenero	External nominee Director	18/07/2013
Mr Nicolás Redondo Terreros	External independent Director	18/07/2013
Mr Javier Ribas	External independent Director	18/07/2013

Note:
Mr Jaime Llantada Aguinaga was replaced by Mr Pablo Marín López-Otero as the representative of Cartera Deva, S.A. on 8 January 2014.

C.1.3 Fill in the table below on the members of the Board and their status:

EXECUTIVE DIRECTORS

Individual or Company name of Director	Committee that proposed the appointment	Position in the Company
Mr Juan Béjar Ochoa	Appointments and Remuneration Committee	CEO
Mr Felipe B. García Pérez	Appointments and Remuneration Committee	COMPANY SECRETARY

Total number of executive Directors	2
% of the Board	11,111

EXTERNAL NOMINEE DIRECTORS

Individual or Company name of Director	Committee that proposed the appointment	Name of the significant shareholder who is represented or who proposed the appointment
B-1998, S.L.	Appointments and Remuneration Committee	B-1998, S.L.
Cartera Deva, S.A.	Appointments and Remuneration Committee	B-1998, S.L.
Dominum Desga, S.A	Appointments and Remuneration Committee	B-1998, S.L.
Dominum Dirección y Gestión, S.L.	Appointments and Remuneration Committee	B-1998, S.L.
EAC Inversiones Corporativas, S.L	Appointments and Remuneration Committee	B-1998, S.L.
Mr Fernando Falcó y Fernández de Córdova	Appointments and Remuneration Committee	B-1998, S.L.
Larranza XXI, S.L.	Appointments and Remuneration Committee	B-1998, S.L.
Mr Rafael Montes Sánchez	Appointments and Remuneration Committee	B-1998, S.L.
Mr Marcelino Oreja Aguirre	Appointments and Remuneration Committee	B-1998, S.L.
Mr Claude Serra	Appointments and Remuneration Committee	B-1998, S.L.

Total number of nominee Directors	10
% of the Board	55.555

EXTERNAL INDEPENDENT DIRECTORS

Name of Director	Profile
Mr Gonzalo Anes y Álvarez de Castrillón	Ph.D. in Economics from the University of Madrid. Professor of History and Economic Institutions at the Madrid Complutense University School of Economics. Full member of the Spanish Royal Academy of History, and its director since 1998. Member of the Prado Museum Board of Trustees since 1982 and was its chairman from 1986 to 1990. He has been a Director of the Bank of Spain and of Repsol-YPF and he is currently a Director of FCC and a member of its Audit and Control Committee and of its Appointments and Remuneration Committee. He holds the title of Marquis of Castrillón.

Mr. Olivier Orsini	He has a degree in Applied Economics and a diploma from the Ecole Supérieure de Commerce of Paris, and is widely experienced internationally in the environmental services and infrastructure management sectors. He was Chairman of Proactiva from December 2002 to 2013. He was Secretary General of Veolia Environnement, the first environmental services group in the world, where he has developed practically his entire professional career up until April 2012. He is a Director of FCC and a member of its Appointments and Remuneration Committee.
Mr César Ortega Gómez	General Manager of Banco Santander. He holds a degree in Economics and Business Studies and a master in tax consulting from ICADE. He has studied law and philosophy. Former partner of Arthur Andersen Asesores Legales y Tributarios and of Garrigues Abogados for 12 years. Board member of Grupo Santander, s.l., Bancos Latinoamericanos Santander, S.L., Santusa Holding, S.L., Santander Holding Gestión, S.L. and Santander Investment, S.A.
Mr Henri Proglio	He holds a degree from the HEC Paris Business School (1971). Currently chairman and CEO of EDF and member of the board of directors and supervisory committee of Dassault Aviation, Natixis, CNP Seguros. Among other positions he has been the chairman of the board of directors of Veolia Medio Ambiente, chairman of the board of directors of several Vivendi Medio Ambiente business units: Aguas Generales and Vivendi Agua, CGEA (ONYX: Waste Management- Connex: Transport), and Dalkia (Energy services), vice-chairman of Vivendi, chairman of Génerale des Eaux, CEO and member of the board of directors of Vivendi Agua, executive vice chairman of Compagnie Générale des Eaux, member of the executive committee of Compagnie Générale des Eaux, member of the executive committee of Compagnie Générale des Eaux. He is also a former senior officer of Compagnie Générale des Eaux and chairman and managing director of CGEA, a subsidiary of Compagnie Générale des Eaux in the transport and waste management area. He was awarded the French Legion of Honour medal.
Mr. Gonzalo Rodríguez Mourullo	Ph.D. in law from the University of Santiago de Compostela. Currently he is professor emeritus of the Autonomous University of Madrid and full member of the Royal Academy of Case Law and Legislation. He was awarded the Castelao Medal, the highest distinction of the Xunta de Galicia, for his contribution to law. He is a member of the Madrid Bar Association since 1962. He is a director of FCC and a member of its Appointments

	and Remuneration Committee.
Mr. Gustavo Villapalos Salas	Ph.D. in Law and professor of Law History at the Complutense University of Madrid, of which he was the rector from 1987 to 1995. In 1995 he was appointed Minister of Education, Culture and Sports for the Autonomous Community of Madrid, a position he held until 2001. He is Doctor Honoris Causa of over 20 universities across the world; he is the chairman of the Human Rights sub-committee of the OSCE, a member of the UNESCO advisory committee on human cultural goods and of the Royal Academy of Case Law and Legislation. Director of FCC, S.A..; chairman of its Audit and Control Committee and member of its Appointments and Remuneration Committee.

Total number of independent Directors	6
% of total Board members	33.333

State whether any of the Directors considered independent Directors receive from the Company or from the group any sums or benefits other than their remuneration as Directors, or whether they maintain or have maintained during the last year a business relationship with the company or with any of the companies in its group, either in his/her own name or as a significant shareholder, director or senior executive of a company, that has or that has had such a relationship.

In such event, include a statement by the Board justifying the reasons why it considers that said Director may perform functions as an independent Director.

Individual or Company name of Director	Description of the transaction	Statement

OTHER EXTERNAL DIRECTORS

Individual or Company name of Director	Committee that proposed the appointment

Total number of other external Directors	
% of total Board members	

State why these Directors cannot be considered nominee or independent Directors, and indicate any relations between them and the Company, its executives or shareholders:

Individual or Company name of Director	Reasons	Company, executive or shareholder with which he/she is related

Indicate any changes in Directors' status in the period:

Individual or Company name of Director	Date of change	Former status	Current status

C.1.4 Fill in the table below with information on the number of women on the Board over the last four years, as well as what type of Directors they are:

	Number of women Directors				% of total Directors of the same kind			
	FY t	FY t-1	FY t-2	FY t-3	FY t	FY t-1	FY t-2	FY t-3
Executive	0	0	0	0	0	0	0	0
Nominee	5	5	5	4	50.000	45.454	45.454	33.333
Independent	0	0	0	0	0	0	0	0
Other External	0	0	0	0	0	0	0	0
Total	5	5	5	4	27.777	27.777	27.777	21.053

C.1.5 Describe the measures adopted, if appropriate, in order to include a number of women on the Board of Directors so as to be able to reach a balanced number of women and men on the Board.

Explanation of the measures
-

C.1.6 Explain the measures adopted, if appropriate, by the Appointments Committee so that the selection procedures is free of implicit biases hindering the selection of women board members, and so that the Company deliberately seeks women candidates with the appropriate professional profile.

Explanation of the measures
Art. 42.3.h of the Board Regulations establishes the following among the functions of the Appointments and Remuneration Committee: "Ensuring that

the procedures for filling vacancies on the Board are not subject to implicit bias against the selection of female Directors, so as to ensure that the Company deliberately seeks and short-lists women with the necessary professional profile, and the Board, if applicable, using the Annual Corporate Governance Report must disclose the reason why there are few or no female Directors and the initiatives adopted to correct this situation."

If despite the measures adopted, as the case may be, there is a very low number of women on the Board or none at all, explain the reasons justifying this:

Explanation of the reasons

C.1.7 State how shareholders with significant holdings are represented on the Board:

B-1998, S.L., the holding company of FCC, is a member of the Board of Directors. Also, nine directors have been appointed at the proposal of B-1998, S.L.: Dominum Desga, S.A; EAC Inversiones Corporativas, S.L.; Dominum Dirección y Gestión, S.L.; Fernando Falcó y Fernández de Córdova; Marcelino Oreja Aguirre; Rafael Montes Sánchez; Cartera Deva, S.A.; Larranza XXI, S.L., and Claude Serra.

William H. Gates III is not represented on the Board of Directors de FCC.

C.1.8 Explain, as the case may be, the reasons why nominee directors have been appointed at the request of shareholders whose holding is below 5% of the capital:

Name or company name of shareholder	Reason

State whether any formal requests for Director positions on the Board have been rejected, when the shareholders making such request have holdings equivalent to or greater than other shareholders who do have nominee Directors. Detail the reasons for any such rejection, as the case may be:

Name or company name of shareholder	Explanation

C.1.9 State whether any directors have withdrawn from office before the end of their term, if they have explained the reasons to the Board and via what means, and if an explanation was given in writing, then state the reasons that they themselves gave:

Name of Director	Reason for removal
Mr Juan Castells Masana	Personal reasons.
Mr Baldomero Falcones Jaquotot	Personal reasons.
Mr Antonio Pérez Colmenero	Personal reasons.
Mr Nicolás Redondo Terreros	Personal reasons.
Mr Javier Ribas	Personal reasons.

C.1.10 State the powers delegated to the CEO(s), if any are delegated:

Name or Company name of Director	Brief description
Juan Béjar Ochoa	Article 35.2 of the Rules of the Board of Directors establishes that: "The Board may delegate permanently, to one or more of its members, all of the powers vested in the Board of Directors with the exception of those which, by law or under the Articles of Association or these Rules, may not be delegated. In order to be valid, the permanent delegation of the powers of the Board of Directors and the designation of the Director or Directors delegated with such powers, regardless of their title, will require the favourable vote of at least two-thirds of the members of the Board of Directors. The CEO is responsible for representing and managing the Company's business, always in keeping with the decisions and criteria established by the General Meeting of Shareholders and the Board of Directors, within the scope of their respective powers. The effective representation and management of the Company's business affairs includes but is not limited to: - Supporting the Board of Directors in defining the Group's strategy. - Drafting the Business Plan and Annual Budget to be submitted to the Board of Directors for approval. - Preparing, and submitting to the Board of Directors or the Executive Committee for approval, depending on whether the amount involved is more or less than eighteen million euros, respectively, proposals for investments, divestments, credit, loans, surety and guarantee lines and any other type of financial facility. - Hiring and dismissing any company employees, with the exception of appointments which fall under the powers of the Board of Directors pursuant to the terms of these Rules. Once a year, at the first Board meeting of the year, the CEO will inform the members of the Executive Committee of the actual level of compliance with the forecasts made, with regard to the investment proposals submitted to the Committee and to the

	Board of Directors for approval." Article 7.2 of the Rules of the Board of Directors establishes that: "In any event, through the passing of resolutions which must be approved in each case as stipulated by law and the Articles of Association, the plenary Board of Directors has exclusive powers over the following formal list of matters, which may not be delegated: a) Appointment and removal of the Chairman, Vice-Chairman, CEOs, Secretary and Vice-Secretary of the Board of Directors and, at the proposal of the CEO, appointment, removal and, when appropriate, indemnity clauses for the senior executives in the Company's functional areas (Administration, Finance, Human Resources, and the General Secretariat), of members of the Steering Committee and, in general, the Company's Senior Executives. b) Propose to respective Boards of Directors, at the initiative of the CEO and through the Company's representatives, the appointment, and possible removal and, when appropriate, indemnity clauses of the Chairmen and General Managers of the parent companies of FCC Group, acting in this connection in pursuit of the corporate interest of each of them. c) Delegating faculties to any of the members of the Board of Directors in the terms established by law and the Articles of Association, and revoking such powers. d) Appointment and removal of Directors who are to make up the various Committees envisaged in these Rules. e) Supervising the Board's Delegated Committees. f) The appointment of Directors by co-optation if vacancies arise, up until the next General Meeting. g) The acceptance of resignations tendered by Directors. h) Drafting the financial statements and dividend policy for submission and proposal to the General Meeting, and declaring interim dividends, as the case may be. i) Defining the structure of the Group and coordinating, within the legal limits, the Group's general strategy in the interests of the Company and its subsidiaries with the support of the Strategy Committee and the CEO, and disclosing in the Annual Corporate Governance Report the respective areas of activity and any business relations between the Company and its listed subsidiaries that are part of the group, and between those companies and the other Group companies, and the mechanisms established to resolve any conflicts of interest that may arise. j) Approving investments and financing policy, particularly the approval of investments, divestments, credit lines, loans, surety or guarantee lines, and other financial facilities within the limits that the Board of Directors itself establishes, as well as investments and any other types of transactions whose specific circumstances make them strategic. k) In general, the Board's organisation powers and especially the power to amend the Rules herein. l) The powers vested in the Board of Directors by the General Meeting, which may only be delegated with the express consent of

	the General Meeting." Also, article 8 ("General Functions - Equilibrium in the development of functions "), establishes in section 1: "It is up to the Board of Directors to develop any actions that are necessary to carry out the corporate purpose established in the Bylaws, pursuant to the applicable laws." On the other hand, section 2 states that: "Delegation by the Board of powers to any of its members within the limits allowed by the law does not deprive the Board of those powers." The Board of Directors, at its meeting of 31 January 2013, delegated to Mr Juan Béjar Ochoa, effective as from 1 February 2013, a number of different kinds of powers, such as: financial powers, powers of relationship with clients and suppliers, powers related to employment, administration and disposal, powers related to companies and associations, of a legal nature and internal powers. This delegation facilitates the management of the Group and enhances the external manifestation of the Company's will.

C.1.11 Identify, if appropriate, the members of the Board who hold Director or senior executive positions in other companies that are part of the group of the listed company:

Name or Company name of Director	Name of group entity	Position
Cartera Deva, S.A.	Cementos Portland Valderrivas, S.A.	Director
EAC Inversiones Corporativas, S.L	Cementos Portland Valderrivas, S.A	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	Ethern Electric Power S.A. (Sole Corporation)	Director-Secretary
	FCC Environmental LLC	Director
	FCC Power Generation, S.L. (Sole Corporation)	Director-Secretary
	FCC Construcción, S.A.	Director-Secretary
Mr Olivier Orsini	Cementos Portland Valderrivas, S.A	Director
Mr Gustavo Villapalos Salas	Cementos Portland Valderrivas, S.A	Director

C.1.12 State, if appropriate, the directors of your company who are members of the Board of Directors of other companies listed on official securities exchanges in Spain that are not in your same group of companies, which have been communicated to your company:

Name of Director	Name of listed company	Position
Mr Marcelino Oreja Aguirre	Barclays Bank, S.A.	Director
EAC Inversiones Corporativas, S.L	Realia Business, S.A.	Director
Mr Rafael Montes Sánchez	Realia Business, S.A.	Director

C.1.13 State whether the Company has established rules about the number of directorships its Board members can hold, and describe any such rules:

YES

Explanation of the rules
Article 24.3 of the Board Rules establishes that "Before accepting any management position or Directorship at another company or entity, Directors must consult the Appointments and Remuneration Committee. Article 22.3 of these Rules establishes that "Directors must inform the Appointments and Remuneration Committee of any other professional obligations they may have, in case they might interfere in the required dedication to office, and the Board of Directors, after receiving a proposal of the Appointments and Remuneration Committee, must establish how many directorships its Board members may hold."

C.1.14 State the policies and general strategies that the Board in full session has reserved the right to approve:

	Yes	No
Investment and financing policy	x	
Definition of the structure of the group of companies	x	
Corporate governance policy	x	
Corporate social responsibility policy	x	
Strategic or business plan and the annual management and budget objectives	x	
Remuneration policy and assessment of senior executive performance	x	
Risk control and management policy and periodical follow-up of	x	

internal control and reporting systems		
Dividend and treasury share policy, especially its limits	x	

C.1.15 Indicate the overall remuneration of the Board of Directors

Remuneration of the Board of Directors (thousand euros)	3,864
Amount of the overall remuneration corresponding to pension rights accrued by the Directors (thousand euros)	2,829
Overall remuneration of the Board of Directors (thousand euros)	6,694

Note:

The amount of the overall remuneration corresponding to pension rights accrued by Directors includes the rights accrued by one of the Executive Directors as a consequence of the contracting and payment of an insurance premium, carried out by the company at the time to meet the payment of contingencies related, among other items, to death or to permanent labour disability and to retirement bonuses and pensions (see section C.1.45). During the year 2013 no contributions were made to said insurance in relation to that Director.

On 31 January 2013 Mr. Baldomero Falcones Jacquotot was removed from the Board. Mr. Falcones received 7,500 thousand euros, corresponding to the severance agreed to with the Company by the former CEO for the early termination of his contract.

C.1.16 Identify the senior executives who are not executive directors, and state the total remuneration they accrued during the year:

Name or company name	Position(s)
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 Manager of Administration
Mr Miguel Hernanz Sanjuan	General Manager of Internal Audit
Mr Víctor Pastor Fernández	General Manager of Finance
Mr José Luis Sáenz De Miera	Chairman and CEO of Cementos Portland Valderrivas
Mr José Manuel Velasco Guardado	General Manager of Communication and Corporate Responsibility
Ms Ana Villacañas Beades	General Manager of Organisation

Total remuneration of senior executives (in thousand euros)	4,191.5

Note:

In the year 2013 the following individuals lost their senior executive status: Mr Francisco Martín Monteagudo (General Manager of Human Resources), Mr José Mayor Oreja (former Chairman of FCC Construcción) and José Luis de la Torre Sánchez (former Chairman of FCC Servicios). In the case of the last two and as a consequence of the contracting and payment at the time of an insurance premium, carried out by the company to meet the payment of contingencies related, among other items, to death or to permanent labour disability and to retirement bonuses and pensions, as beneficiaries of said insurance they received an amount equivalent to 3.5 times their net annual remuneration.

C.1.17 State, if appropriate, the identity of members of the Board who are in turn members of the Board of Directors of significant shareholder companies and/or in group subsidiaries:

Name or Company name of Director	Company name of significant shareholder	Position
Cartera Deva, S.A.	B-1998, S.L.	Director
Dominum Desga, S.A.	B-1998, S.L.	Director
Dominum Dirección y Gestión, S.L.	B-1998, S.L.	Director
EAC Inversiones Corporativas, S.L.	B-1998, S.L.	Director
Mr Fernando Falcó y Fernández De Córdova	B-1998, S.L.	Director
Mr Rafael Montes Sánchez	B-1998, S.L.	Director

Describe any significant relationships, other than those stated in the preceding section, between Board members and significant shareholders and/or subsidiaries in their group:

Name or Company name of Director	Name of significant shareholder	Description of relationship
Cartera Deva, S.A.	B1998, S.L.	B-1998, S.L. shareholder agreements
Larranza XXI, S.L.	B1998, S.L.	B-1998, S.L. shareholder agreements

C.1.18 State whether there have been any amendments of the Board Rules during the year:

YES

Description of the amendments
Pursuant to the provisions in article 4 of the Rules of the Board of Directors of Fomento de Construcciones y Contratas, S.A., the Audit and Control Committee, at its meeting of 10 April 2013, unanimously resolved to submit to the Board of Directors the amendment of the Rules of the Board of Directors of the Company. The Board of Directors resolved upon this amendment on 10 April 2013. The content and scope of the amendment are provided as follows: 1. The wording has been adapted to the novelties introduced by Order ECC/461/2013, of 20 March, determining the contents and structure of the annual report on corporate governance, on the annual report on remuneration and on other reporting instruments of listed public limited

companies, savings banks and other entities issuing securities that may be negotiated on official securities markets.

The following amendments were made:

A) Article 6 (qualitative composition) section 2.a) in order to adapt the definition of independent director to that established by Article 8 of Order ECC/461/2013, of 20 March; in relation thereto, a Temporary Provision was incorporated to the Rules in order to include what was established in the Second Temporary Provision of said Order.

B) Article 45 (contents of the Corporate webpage), in order to provide the minimum contents of the Company web page established by Article 13 of Order ECC/461/2013, of 20 March,.

2. Certain technical improvements and harmonisations with other internal regulatory texts of the Company were introduced.

The following were amended:

A) Article 18 (term of office) to adapt the wording to the amendment of the Bylaws that will be proposed to the General Meeting in relation to the reduction from five (5) to three (3) years of the term of office of the members of the Board of Directors.

B) Article 40 (Executive Committee) section 6, to adapt the wording to the amendment of the Bylaws that will be proposed to the General Meeting in relation to the performance of Chairman of the Executive Committee functions by another member of the committee in the absence of the chairman or if said office is vacant.

C) Article 40 (Executive Committee) section 8, to regulate the system for calling the Executive Committee under the terms provided in the Bylaws, as well as to adapt the wording to the amendment of the Bylaws that will be proposed to the General Meeting in relation to the system for calling the Executive Committee in the absence of the chairman or if said office is vacant.

D) Article 41 (Audit and Control Committee), section 6, to regulate the system for calling and performing the functions of chairman of the Audit and Control Committee in the absence of the chairman or if said office is vacant.

E) Article 42 (Appointments and Remuneration Committee), section 6, to regulate the system for calling and performing the functions of chairman of the Appointments and Remuneration Committee in the absence of the chairman or if said office is vacant.

F) Article 43 (Strategy Committee), section 8, to regulate the system for calling and performing the functions of chairman of the Strategy Committee in the absence of the chairman or if said office is vacant.

The Audit and Control Committee, pursuant to the provisions in article 4.3 of the Rules of the Board of Directors of the Company, unanimously resolved to propose and report favourably on the proposal of amending the Rules that was submitted by the Committee to the Board so that the latter could approve it. Regarding the amendment of articles 18 and 40 of the Regulations, the efficacy thereof was conditional upon the approval by the Annual General Meeting of the Company of the amendments of the bylaws related to said provisions.

On 23 May 2013, the Annual General Meeting of the Company informed on the amendments introduced in the Rules since the last General Meeting. Also, the amendments of the bylaws (articles 29 and 36) that had a bearing on said provisions were approved.

C.1.19 State the procedures for the selection, appointment, re-election, assessment and removal of directors. List the competent bodies, the process and the criteria for each procedure.

The General Meeting is in charge of appointing and removing Board members. Directors may be re-elected indefinitely one or more times, for three-year terms.

Ms Esther Koplowitz Romero de Juseu shall in any event be entitled to appoint the majority of the members of the Board of Directors of FCC and of its subsidiaries. As a group, the Investors may appoint up to two members but never more than one-third of the total Board of Directors of FCC.

Ms Esther Koplowitz Romero de Juseu may appoint the Chairman of the Board of Directors of FCC, the CEO of FCC and at least two-thirds of the members of the Executive Committee.

Moreover, Chapter IV of the Rules of the Board of Directors, "Appointment and Removal of Directors," establishes the following:

Article 16. "Appointment, ratification or re-appointment of Directors"

"Proposals for the appointment or re-appointment of Directors submitted by the Board of Directors to the General Meeting of Shareholders for its consideration, and the appointments made by the Board using the powers of co-optation attributed to it by law, must fall upon people of recognised integrity, solvency, technical competence and experience, and must be approved by the Board based on a proposal from the Appointments and Remuneration Committee, in the case of independent Directors, and based on a prior report from the Appointments and Remuneration Committee, in the case of other Directors."

Article 18. "Term of office"

"1. Directors shall hold office for the term established in the bylaws.

2. The Directors appointed by co-optation will hold office until the next General Meeting is held. This period will not count toward the term established in the preceding paragraph.

3. Directors whose mandates expire or who cease to sit on the Board for any reason may not render services to FCC competitors for two years.

4. If the Board of Directors deems it appropriate, it may dispense former Directors from this obligation or shorten the term thereof."

Article 19. "Re-appointment of Directors"

"Prior to proposing re-appointment of any Director to the General Meeting of Shareholders, the Appointments and Remuneration Committee must issue a report evaluating the quality of work and dedication of the proposed Directors during their previous mandate."

Evaluation:

Article 38. "Meetings of the Board of Directors"

"6: The plenary session of the Board will devote its first meeting each year to an assessment of its own performance during the preceding year, evaluating the quality of its work and the efficacy of its rules and correcting any aspects which have been shown to be dysfunctional, if necessary. At that meeting, in the light of the relevant report submitted by the Appointments and Remuneration Committee, it will also evaluate the performance of functions of the Chairman of the Board and of the CEO, as well as the performance of its committees based on the reports submitted by these."

Article 20. "Removal of Directors"

"1. Directors shall be removed from office when the term for which they were appointed has elapsed or when the General Meeting decides so, exercising the powers granted to it by the law and the bylaws."

Article 21. "Nature of Board resolutions on this matter"

"Pursuant to the provisions of Article 25 of these Rules, the Directors being proposed for appointment, re-appointment or removal may not participate in the debates or vote on these issues."

C.1.20 State whether the Board of Directors has evaluated its activities during the year:

YES

If applicable, explain to what extent that self-evaluation has given rise to important changes in its internal organisation and in the procedures applying to its activities:

Description of Amendments
The Board of Directors of Fomento de Construcciones y Contratas, S.A. issued, on 31 January 2013, a report evaluating the quality and efficiency of its performance and of its Committees in relation to the year 2012, in order to comply with the duty imposed by Article 38.6 of the Rules of the Board of Directors. All of the members of the Board of Directors play an active role in preparing the report, taking into consideration the comments, appraisals, opinions and suggestions of all of them in that process. In the year 2012 the consultancy firm Spencer Stuart collaborated in this task: after analysing the replies to the questionnaire sent to each of the Directors and interviewing several of them, the firm drafted the "self-evaluation" document that accompanied the report for 2011, which was passed by the Board of Directors at its meeting of 27 February 2012. The document drafted by Spencer Stuart included a number of recommendations to improve the performance of the Board, which were considered by the Board at its meeting on 27 February, and a mandate was issued for the Appointments and Remuneration Committee to see to the effective implementation of the recommendations and to propose to the Board any actions it deemed suited for such purpose. Fulfilling the above mandate, after being submitted by the Chairwoman of the Appointments and Remuneration Committee, at the meeting of the Board of

Directors held on 10 May 2012 a resolution was passed (Resolution 25/2012) whereby the document submitted by that Committee was approved.

Since only 11 months had elapsed since the implementation of the measures (considering that the self-evaluation takes place at the first meeting of the year), it does not seem necessary to resort to an external consultant again this year.

The evaluation process was carried out via the appraisal of a number of aspects with a bearing on the functioning, efficiency and quality of the performance and decision-making of the Board of Directors, as well as the members' contributions to the performance of the functions and the achievement of the objectives entrusted to the Board.

Also, the respect of and compliance with the bylaws, the Rules of the Board of Directors and, generally, the Company's Rules of Corporate Governance, including the above-mentioned rules that were approved on 10 May 2012, by the Board of Directors and its members have been taken into account.

C.1.21 State the reasons for which directors may be forced to resign.

Article 20 of the Rules of the Board establishes the following:

1. Directors must step down from the Board when their mandates have expired or when so decided by the General Meeting of Shareholders making use of the powers vested in it by law and by the Bylaws."

2. The Directors must tender their resignation to the Board of Directors and officially resign at the Board's request in the following cases:

a) In the case of executive directors, when they no longer occupy the positions or perform the functions by virtue of which they were appointed.

b) In the case of nominee directors, when the shareholder whose interests they represent disposes of its entire holding in FCC or reduces it to such a level that its number of nominee directors must be reduced.

c) When they fall under a situation of incompatibility or legal disqualification provided by law.

d) When the Board, by a two-thirds majority, asks the director to resign:

- if he or she receives a severe reprimand from the Board due to breach of his or her duties as director, based on a proposal or report by the Appointments and Remuneration Committee or

- when his or her permanence on the Board may jeopardise the Company's credibility and reputation; directors must inform the Board of any criminal charges against them and any subsequent events during trials. In any event, if any director is tried for any of the corporate crimes described in Article 213 of the Capital Companies Act, the Board will examine the case as soon as possible and, based on the specific circumstances, will decide whether the director must resign or not, and it must give a justification in the Annual Corporate Governance Report.

C.1.22 Explain whether the functions of the Company's chief executive are performed by the Chairman of the Board. If so, state the measures taken to limit the risk of a single person accumulating power:

NO

Risk-limiting measures

State whether the Company has established rules to empower an independent Director to request a Board meetings or the inclusion of new items on the agenda; to coordinate and give voice to the concerns of external Directors; and to lead the Board's evaluation; detail any such rules:

YES

Explanation of the rules
Article 34.3 of the Rules of the Board establishes the following: "When a Company's Chairman is also its chief executive or first executive, an independent Director should be empowered by the Board to request the calling of Board meetings or the inclusion of new business on the agenda, to coordinate and give voice to the concerns of external Directors, and to lead the Board's evaluation of the Chairman".

C.1.23 Is a supermajority, other than the legal majority, required in some decisions?

NO

If so, describe the differences.

Description of differences

C.1.24 Detail whether there are specific requirements, other than those relating to directors, to be appointed Chairman.

NO

Description of requirements

C.1.25 State whether the chairman has a casting vote:

NO

Issues on which there is a casting vote

C.1.26 State whether the Bylaws or the Rules of the Board establish an age limit for directors:

NO

Age limit for Chairman	Age limit for CEO	Age limit for Directors
-	-	-

C.1.27 State whether the Bylaws or the Rules of the Board establish a term limit for independent directors:

YES

Maximum number of years in office	12 years

C.1.28 State whether the bylaws or the rules of the Board of Directors establish specific rules for delegating votes on the Board of Directors, how this is done and, in particular, the maximum number of delegations to one same Director, as well as whether it is compulsory to delegate one's vote to a Director of the same class. If so, give a brief description.

There are no are formal processes for delegating votes on the Board of Directors.

C.1.29 State the number of Board of Directors meetings held in the year. Also, state the number of times that the Chairman did not attend the Board meeting. Proxies granted with specific instructions are counted as attendances:

Number of meetings of the Board of Directors	13
Number of Board meetings without the attendance of its Chairman	0

Indicate the number of meetings held by the various Board Committees in the year:

Number of Executive or Delegated Committee meetings	8
Number of Audit Committee meetings	9
Number of Appointments and Remuneration Committee meetings	11

C.1.30 State the number of Board of Directors meetings held in the year that were attended by all its members. Proxies granted with specific instructions are counted as attendances:

Attendance by Board members	229
% of attendance over the total votes during the year	89.52

C.1.31 State whether the individual and consolidated financial statements that are presented for Board approval have been certified:

YES

Indicate any person(s), if applicable, who have certified the company's individual and consolidated financial statements for approval by the Board:

Name	**Position**
Mr Juan Béjar Ochoa	CEO
Mr Juan José Drago Masià	General Manager of Administration
Mr Víctor Pastor Fernández	General Manager of Finance

C.1.32 Detail whether the Board of Directors has established any mechanisms, to avoid any qualifications in the audit report on the individual and consolidated financial statements that it has approved to be presented to the General Meeting.

The Audit and Control Committee has among its functions that of revising the process of drafting the economic and financial reports that FCC Group publishes from time to time. This revision is particularly important in the case of the annual report; therefore, prior to the Board of Directors' approval of the 2013 financial statements, the Audit and Control Committee has thoroughly examined those statements and requested that the external auditor on the Committee explain the conclusions of its review so that, once the statements were approved by the Board, the external auditor's report would contain no qualifications.

C.1.33 Is the Secretary of the Board a Director?

NO

Note:
Mr Francisco Vicent Chuliá was appointed Secretary of the Board of Directors at the Board meeting held on 26 October 2004.

C.1.34 Describe the procedures for appointment and removal of the Secretary of the Board, stating whether the Appointments Committee was consulted and if the appointment or removal was approved by the full Board:

Appointment and removal procedure
Article 36 pf the Board Rules (Secretary of the Board. Functions. Vice-secretary of the Board) states that the Secretary of the Board cannot be a director. His/her appointment and removal must be approved by a full Board meeting based on a proposal by the Appointments and Remuneration Committee. Also, Article 42 of the Rules (Appointments and Remuneration Committee) establishes in section 3 i) that the Appointments and Remuneration Committee shall have the authority to report, advise and make proposals within its functions, in particular "j) Reporting on the appointment and removal of the Secretary of the Board." Mr Francisco Vicent Chuliá was appointed non-voting Secretary of the Board at a Board meeting held on 26 October 2004. The current Appointments Committee did not exist at the time. The appointment was a unanimously resolution.

	Yes	No
Is the Appointments Committee consulted on the appointment?	x	
Is the Appointments Committee consulted on the removal?	x	
Does the full Board approve the appointment?	x	
Does the full Board approve the removal?	x	

Is the Board Secretary entrusted in particular with ensuring compliance with corporate governance recommendations?

YES

Comments
Article 36.2 of the Rules of the Board establishes that the Secretary shall especially ensure that the Board's actions: (i) are adjusted to the letter and spirit of the Laws and rules, including those approved by regulatory bodies; (ii) are in accordance with the Bylaws and the Rules of the General Meeting, the Board and any others that the Company may have; (iii) and that they bear in mind the recommendations on good governance included in the Bylaws and Rules of the Company.

C.1 35 State the mechanisms, if any, established by the Company to maintain the independence of external auditors, financial analysts, investment banks and rating agencies.

These mechanisms are included in Article 41.4 of the Rules of the Board, which states as follows:

"4. The key function of the Audit and Control Committee is to support the Board of Directors in its supervisory duties by periodically reviewing the processes used to prepare the financial information, the internal controls and the independence of the external auditors.

In particular, the matters that the Board of Directors may entrust to the Audit and Control Committee include, but are not limited to, the following:

a) Informing the General Meeting of Shareholders on the questions raised by shareholders which fall within its scope of authority.

b) Liaising between the Board of Directors and the Company's external Auditor, assessing the results of each audit, with the following additional duties with respect to the external Auditor: (i) Making recommendations to the Board of Directors for the selection, appointment, re-election and removal of the external Auditor, and the terms and conditions of his or her engagement; (ii) receiving regular information from the external Auditor on the progress and findings of the audit programme, and checking that senior executives are acting on its recommendations; (iii) discussing with the external Auditors any significant weaknesses found in the internal control system as a result of the audits conducted; (iv) ensuring the independence of the external Auditor and, in particular, establishing appropriate measures to ensure that: 1) contracting consulting and advisory services with that Auditor or a company of its group does not jeopardise its independence, to which end the Committee will receive an annual report from the Auditors confirming in writing their independence in respect of the Company or the entities directly or indirectly related to it and information on any additional services of any kind rendered to the companies by the Auditors or by persons or entities related to them, as provided for in the Auditing Act; and 2) the Company issues a relevant event to the CNMV related to the change in Auditor, with a statement about any disagreements with the outgoing Auditor and their nature; where the external Auditor resigns, the Committee must examine the reasons; (v) and seeking to ensure that the Company's Auditor takes responsibility for auditing the companies comprising the Group.

c) Issuing a report each year, prior to the publication of the audit report, expressing an opinion on the independence of the Company's Auditors or auditing companies. This report must necessarily address any additional services of the kind referred to in section b) (iv) 1 above.

d) Supervising the Company's internal audits that oversee the good operation of the information and internal control systems; the head of internal audit is obliged to present an annual work plan to the Committee and inform it directly of any incidents arising in the course of implementing the plan, as well as submitting a report on activities to the Committee at the end of each year.

e) Supervising and analysing the risk control and management policy, identifying at least: (i) the different types of risk to which the Company is exposed, with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks; (ii) the determination of the risk level the Company sees as acceptable; (iii) the measures in place to mitigate the impact of identified risks, should they occur; (iv) and the internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks, and submission to the Board for approval.

f) Supervising the preparation and presentation of the annual financial statements and management report of the Company and the consolidated group, and of the financial information released periodically to the markets, checking for compliance with legal requirements and the correct application of generally accepted accounting principles, and informing the Board before it adopts any of the following decisions: (i) the financial information that the Company must release periodically by virtue of being listed, ensuring that the interim financial statements are drawn up in accordance with the same accounting principles as the annual financial statements and, to this end, considering the advisability of a limited review by the Company's external Auditor; (ii) and the creation, or acquisition of holdings in special purpose vehicles or entities resident in countries or territories considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the FCC group.

g) With respect to internal control and reporting systems: (i) monitoring the preparation and the integrity of the financial information prepared on the Company and, as the case may be, the Group, checking for compliance with legal requirements, the accurate definition of the consolidation perimeter, and the correct application of accounting principles; (ii) reviewing internal control and risk management systems on a regular basis, to ensure that the main risks are properly identified, managed and disclosed; (iii) monitoring the independence and efficacy of the internal audit function; proposing the selection, appointment, re-election and removal of the head of internal audit; proposing that department's budget; receiving regular reports on its activities; and verifying that senior executives are acting on the findings and recommendations of its reports; (iv) periodically receiving information from the Response Committee and the Management Control and Risk Management Department, respectively, on how they carry out their activities and on how internal controls work; (v) and ensuring that the internal codes of conduct and the rules of corporate governance comply with the requirements of law and are appropriate for the Company, and reviewing compliance, by the persons governed by those codes and governance rules, of their obligations to inform the Company.

h) Issuing reports and proposals as requested by the Board of Directors or the Chairman of the Board and those it deems appropriate for the best performance of its functions, particularly the report on proposed amendments to these Rules, as provided in Article 4.3.

i) Deciding on requests for information presented by directors, by virtue of Article 30.3 of these Rules, to the Committee, and requesting the inclusion of any items on the agenda of Board meetings, in the conditions and time periods established in Article 38.3 of these Rules."

C.1 36 State whether the Company changed its external auditor during the year. If appropriate, identify the outgoing and incoming auditors:

NO

If so, identify the incoming and outgoing auditor:

Outgoing auditor	Incoming auditor

If there was a disagreement with the outgoing auditor, provide a description thereof:

Explanation of disagreement

C.1 37 State whether the audit firm performs other work for the Company and/or its group other than auditing and, if so, state the fees received for such work and those fees as a percentage of total fees billed to the Company and/or its group:

YES

	Company	Group	Total
Amount of other non-audit jobs (thousand Euros)	50	179	229
Amount of non-audit jobs / total amount billed by audit firm (in %)	16.821	6.419	7.422

C.1 38 State whether the auditors' report on the previous year's financial statements had any reservations or was qualified. If it was, state the reasons given by the Chairperson of the Audit Committee to explain the content and scope of the qualification or reservation.

NO

Explanation of the reasons

C.1 39 State the number of consecutive years that the current audit firm has been auditing the financial statements of the Company and/or its group. Also, indicate the number of years audited by the current audit firm as a percentage of the total number of years in which the financial statements have been audited:

	Company	Group
Number of consecutive years	12	12

	Company	Group
Number of years the current audit firm has audited / number of years the Company has been audited (as a %)	50	50

C.1 40 State whether there is a procedure for directors to engage external consultants and, if so, provide details:

YES

Detail the procedure
Article 31 "Expert assistance" of the Rules of the Board states that: "1. In order to assist them in performing their duties, external directors are entitled to obtain the necessary assistance from the Company to perform their duties and, where necessary, to obtain advice, at FCC's expense, from legal, accounting and financial consultants and other experts. 2. Requests to engage external consultants or experts must be referred to the Chairman of FCC and will be approved by the Board of Directors if it considers that: a) it is necessary for the proper performance by independent directors of their assigned duties, b) the cost is reasonable, in view of the importance of the problem and the assets and revenues of FCC, and c) the technical assistance received cannot be properly provided by internal FCC experts or technical personnel. 3. Requests for expert assistance by any of the Board Committees should not be denied except when a majority of the Board members considers that the conditions envisaged in paragraph 2 of this article are not met."

C.1 41 State whether there is a procedure for directors to have the necessary information to prepare for the meetings of the governing bodies with sufficient time and, if so, provide details:

YES

Detail the procedure
Article 38 "Meetings of the Board of Directors" of the Rules of the Board defines the procedure as follows: "1. The Board of Directors must meet with the necessary frequency to properly perform its functions, and whenever the interests of FCC so require, in accordance with a calendar and issues set at the beginning of the year, to which each director, along with any of the Board's Committees, may propose the addition of other items not initially envisaged in the agenda, such proposal must be made not less than thirteen days prior to the date scheduled for the meeting. The calendar of the ordinary meetings will be set by the Board at the beginning of each year. The calendar may be modified by

decision of the Board itself or of the Chairman, who will notify the directors of the change at least ten days in advance of the original meeting date, or of the modified meeting date if it is earlier.

2. The announcement of the ordinary meetings will be sent by post, fax, e-mail or telegram and will be authorised with the signature of the Chairman or his alternate or the Secretary or Vice-Secretary, by order of the Chairman.

Notwithstanding the provisions of Article 30 of the Bylaws, every effort will be made to announce the meetings not less than ten days in advance. Along with the announcement of each meeting, the directors will be provided with the meeting agenda and the pertinent documentation to enable them to form an opinion and if applicable, to vote on the issues submitted to them for their consideration.

In emergency situations, at the Chairman's discretion, an immediate meeting of the Board of Directors may be called, in which case the meeting agenda will be limited to the urgent matters.

3. The Chairman will decide the meeting agenda. The Directors and the Board Committees may ask the Chairman to include items on the agenda in the terms envisaged in section 1 of this article, and the Chairman will be obliged to include them.

When a specific item is included on the meeting agenda as requested by the Directors, then the Directors who requested the inclusion of that item must forward the pertinent documentation along with their request or identify the pertinent documentation so that it can be forwarded to the rest of the Board members.

In view of the Directors' duty of confidentiality, every effort will be made to ensure that the importance and confidential nature of the information is not used as a pretext for breaching this rule, except under exceptional circumstances at the Chairman's discretion.

4. Board meetings may be held via multi-conference call, videoconference or any other analogous system so that one or more directors can attend the meeting via that system. For that purpose, in addition to stating the location where the meeting is physically held, which is where the Board Secretary must be located, the announcement must state that directors can attend via conference call, videoconference or an equivalent system, indicating and making available the technical means for this purpose, which in all cases must enable direct, simultaneous communication among attendees. The Secretary of the Board of Directors must enter, in the minutes of meetings held in this way, in addition to the names of the directors who physically attended or if appropriate, those represented by another director, those who attended via multi-conference call, videoconference or an equivalent system.

C.1 42 State whether the Company has rules obliging directors to inform and, if appropriate, to resign in any circumstance that might harm the Company's name or reputation, and describe any that exist:

YES

Explain the rules:
According to Article 29 of the Rules of the Board of Directors' duty of disclosure, "Directors must disclose the following to FCC's Appointments and Remuneration Committee through the Corporate Responsibility Department or any other that takes its place: d. Legal, administrative, or any other type of

claim which, due to its significance, could have a serious effect on the reputation of FCC." Also, article 20.2.d) on Removal of Directors states that 'Directors must tender their resignation to the Board of Directors and, if the latter sees fit, resign in the following cases: d. When the Board requests the resignation by a majority of at least two thirds of its members: - When their permanence on the Board may jeopardise the Company's credibility and reputation, and Directors must inform the Board of any criminal charges against them and any subsequent events during trials. In any event, if any Director is indicted or tried for any of the crimes stated in Article 213 of the Capital Companies Act, the Board will examine the case as soon as possible and, based on the specific circumstances, will decide whether or not the Director must resign, and it must give a justification in the Annual Corporate Governance Report.

C.1.43 State whether any member of the Board of Directors has informed the Company that he has been charged with, or tried for, any of the crimes stated in Article 213 of the Capital Companies Act:

NO

Name of Director	Criminal Case	Comments

State whether the Board of Directors has analysed the case. If it has, give a reasoned explanation on the decision made regarding whether it is fit for the Director to remain in office, or if applicable, explain the action taken by the Board of Directors up until the date of this report or those that it plans to carry out.

Decision or action taken	Explanation

C.1.44 Detail the significant agreements entered into by the company which will enter into force, be amended or terminated in the event of a change of control of the company following a takeover bid, and the effects thereof.

There are none.

C.1.45 State on an aggregated basis and indicate, in detail, any agreements between the Company and its administration and management officers or employees providing severance, guarantee or golden parachute clauses, whenever they resign or are subject to wrongful dismissal or if their agreement is terminated due to a takeover bid or other type of transaction.

Number of beneficiaries	4
Type of beneficiary	**Description of the resolution**
Second Vice-president and CEO, Company Secretary (and Director), and Chairman of FCC Construcción, S.A.	Notwithstanding their director status, the two Executive Directors (the second vice-president and CEO, as well as the company secretary, who is also a director) have contractual arrangements with the company that regulate the performance of their managerial and executive functions. In both cases they are permanent contracts, which in general, the regulations applicable are: (i) agreements for the provision of services, in the case of the second vice-president and CEO, and (ii) senior executive employment agreements, in the case of the company secretary. The contracts of the CEO, the company secretary and the chairman of FCC Construcción may be terminated by either party, and under certain circumstances said officers shall have the right to severance provided that the termination of the contractual relationship is not a consequence of non-performance of their functions, under the following terms: • Second vice-president and CEO: If the contract is terminated prior to 31/01/2015: Two annuities (average annual fixed + variable remuneration + average variable triennial) plus the triennial variable bonus that is accrued and not collected. From this sum all the amounts will be deducted, for whatever item, received after 1 February 2013. The severance amount cannot be lower than one annuity. Termination between 31/01/2015 and 30/06/2015: A fixed annuity (€2.5 M), plus: - The average variable annual remuneration of the last 2 years. - The average triennial annual remuneration of the last 2 years. - The current triennial remuneration accrued and not collected. As from 30/06/2019: a figure equivalent to the minimum established by Law for senior executives. • Company Secretary (and director) and chairman of FCC Construcción, S.A.: The Company, with the authorisation of the Executive Committee, contracted and paid an insurance premium in order to meet the payment of the contingencies related, among other items, to death or to permanent labour disability, to retirement bonuses and pensions and other concepts in favour of some of the executive directors and senior executives.

	In particular, the contingencies giving rise to severance pay are those that entail the termination of the employment relationship for any of the following reasons: a) Unilateral decision by the Company. b) Winding up or disappearance of the parent company for any reason, including merger or spin-off. c) Death or permanent disability. d) Declaration of physical disability or legal incompetence for any other reason. e) A substantial change in professional conditions. f) Resignation, upon reaching the age of 60, at the executive's request and with the Company's consent. g) Resignation at age 65, by unilateral decision of the executive. As of 1 December 2013 an amount of 3.5 net annuities of wages were accumulated in the insurance premium for both the above people.
Director General of Administration	Two gross annuities in the event of wrongful dismissal.

Indicate whether these contracts have to be notified to and/or approved by the Company's or group's bodies:

	Board of Directors	General Meeting
Body that authorises the clauses	x	

	Yes	No
Is the General Meeting informed of the clauses?	x	

C.2 Board of Director Committees

C.2.1 Describe all the Board of Director Committees, their members and the proportion of nominee and independent directors among them:

EXECUTIVE OR DELEGATE COMMITTEE

Name	Position	Type
Mr Juan Béjar Ochoa	Chairman	Executive
Ms Esther Alcocer Koplowitz on behalf of Dominum Desga, S.A.	Member	Nominee
Ms Alicia Alcocer Koplowitz on behalf of EAC Inversiones Corporativas, S.L.	Member	Nominee
Mr Fernando Falcó y Fernández de Córdova	Member	Nominee
Mr Jaime Llantada Aguinaga on behalf of Cartera Deva, S.A.	Member	Nominee
Mr Francisco Vicent Chuliá	Non-member Secretary	
Mr Felipe B. García Pérez	Non-member	Executive

	Vice-secretary	

% of Executive Directors	20
% of Nominee Directors	80
% of Independent Directors	0
% of other External Directors	0

AUDIT COMMITTEE

Name	Position	Type
Mr Gustavo Villapalos Salas	Chairman	Independent
Ms Esther Alcocer Koplowitz on behalf of Dominum Desga, S.A.	Member	Nominee
Ms Alicia Alcocer Koplowitz on behalf of EAC Inversiones Corporativas, S.L.	Member	Nominee
Mr Gonzalo Anes y Álvarez De Castrillón	Member	Independent
Mr Fernando Falcó y Fernández de Córdova	Member	Nominee
Mr José María Verdú Ramos	Non-member Secretary	-

% of Executive Directors	0
% of Nominee Directors	60
% of Independent Directors	40
% of other External Directors	0

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Type
Ms Esther Alcocer Koplowitz on behalf of Dominum Desga, S.A.	Chairman	Nominee
Ms Alicia Alcocer Koplowitz on behalf of EAC Inversiones Corporativas, S.L.	Member	Nominee
Ms Carmen Alcocer Koplowitz on behalf of Dominum Dirección Y Gestión, S.L.	Member	Nominee
Mr Gonzalo Anes y Álvarez De Castrillón	Member	Independent
Mr Fernando Falcó y Fernández de Córdova	Member	Nominee
Mr Jaime Llantada Aguinaga on behalf of Cartera Deva, S.A.	Member	Nominee
Mr Rafael Montes Sánchez	Member	Nominee
Mr Olivier Orsini	Member	Independent
Mr Gonzalo Rodríguez Mourullo	Member	Independent
Mr Gustavo Villapalos Salas	Member	Independent

Mr José María Verdú Ramos	Non-member Secretary	-

% of Executive Directors	0
% of Nominee Directors	60
% of Independent Directors	40
% of other External Directors	0

STRATEGY COMMITTEE

Name	Position	Type
Ms Esther Koplowitz Romero de Juseu on behalf of B-1998, S.L.	Chairman	Nominee
Ms Esther Alcocer Koplowitz on behalf of Dominum Desga, S.A.	Member	Nominee
Ms Alicia Alcocer Koplowitz on behalf of EAC Inversiones Corporativas, S.L.	Member	Nominee
Ms Carmen Alcocer Koplowitz on behalf of Dominum Dirección y Gestión, S.L.	Member	Nominee
Mr Fernando Falcó y Fernández de Córdova	Member	Nominee
Mr Jaime Llantada Aguinaga on behalf of Cartera Deva, S.A.	Member	Nominee
Ms Lourdes Martínez Zabala on behalf of Larranza XXI, S.L.	Member	Nominee
Mr Rafael Montes Sánchez	Member / Secretary	Nominee
Mr Gustavo Villapalos Salas	Member	Independent

% of Executive Directors	0
% of Nominee Directors	88.889
% of Independent Directors	11.111
% of other External Directors	0

C.2.2 Fill in the table below on the number of female Directors on the Board Committees during the last four years:

	Number of Female Directors			
	FY t Number %	FY t-1 Number %	FY t-2 Number %	FY t-3 Number %
Executive Committee	2 29%	2 33%	2 33%	2 33%
Audit Committee	2 40%	2 40%	2 40%	2 40%
Appointments and Remuneration Committee	3 30%	3 33%	3 33%	3 33%

Strategy Committee	5 55%	5 50%	5 50%	4 40%

C.2.3 State whether the following functions are attributed to the Audit Committee:

	Yes	No
Monitor the preparation and the integrity of the financial information prepared on the Company and, where appropriate, the group, checking for compliance with legal requirements, the accurate definition of the scope of consolidation, and the correct application of accounting principles.	x	
Periodically check the internal control and risk management systems, in order that the principal risks are identified, managed and announced adequately.	x	
Monitor the independence and efficacy of the internal audit function; propose the selection, appointment, re-appointment and removal of the head of internal audit; propose the department's budget; receive regular report-backs on its activities; and verify that senior executives are acting on the findings and recommendations of its reports.	x	
Establish and supervise a mechanism whereby employees can report, confidentially and, if necessary, anonymously, any irregularities they detect, in particular financial or accounting irregularities, with potentially serious implications for the Company.	x	
Make recommendations to the Board for the selection, appointment, re- appointment and removal of the external auditor, and the terms and conditions of his/her engagement.	x	
Receive regular information from the external auditor on the progress and findings of the audit programme, and check that senior management are acting on its recommendations.	x	
Monitor the independence of the external auditor	x	

C.2.4 Give a description of the rules of organisation and functioning, together with the responsibilities attributed to each one of the Board committees.

EXECUTIVE COMMITTEE:

Its rules are determined by Article 36 of the Bylaws of FCC, which are extracted below:

"The Executive Committee will be convened by the Chairman, on its own initiative or upon the request of two Committee members. The notice will be sent by letter, telegram, e-mail or fax to each of the Committee members at least 48 hours in advance of the meeting date. However, the Executive Committee may be convened immediately for reasons of urgency, in which case the meeting agenda will be limited to the issues which caused the urgency."

"The meetings shall be held at the Company's registered offices or another location designated by the Chairman and stated in the notice.

In order for the Executive Committee to be quorate, there must be a majority of members present or represented.

Absent members may be represented by another member of the Executive Committee by notifying the Chairman in writing.

The deliberations will be directed by the Chairman who will give the floor to the attendees who request to speak.

If the Chairman of the Executive Committee is absent, or if the position is vacant, his/her functions will be exercised by a Committee member chosen by majority vote of those in attendance.

Resolutions will be passed by absolute majority of the Committee members.

In the event of a tie, the matter will be forwarded to the Board of Directors. In this case, the members of the Executive Committee will request that a meeting be convened as provided for in Article 30 of the Bylaws, [...]"

Additionally, Article 40 of the Rules of the Board of Directors establishes that:

"2. The Board of Directors will designate the directors to form part of the Executive Committee, ensuring as far as possible that its structure is similar to that of the Board itself in terms of the various categories of director. The Secretary of the Board will also be the secretary of the Executive Committee.

3. The Executive Committee will be composed of a minimum of five and a maximum of ten members.

4. The members of the Executive Committee will step down from the Committee when they cease to be directors or when decided by the Board.

5. Any vacancies arising will be filled as quickly as possible by the Board of Directors.

6. In the absence of the Chairman of the Executive Committee, or if this position is vacant, a Committee member will be chosen to perform his/her functions.

7. The Executive Committee will hold ordinary meetings in the months when a Board of Directors meeting is not scheduled, apart from the month of August, and it may meet on an extraordinary basis when required by the Company's interests. Along with the announcement of each meeting, the members of the Executive Committee will be provided with the pertinent information they need to form an opinion and vote.

8. The Executive Committee will be convened by the Chairman, on his/her own initiative or upon the request of two Committee members. The notice will be sent by letter, telegram, e-mail or fax to each of the Committee members at least 48 hours in advance of the meeting date and not less than 10 days. The Executive Committee may be convened immediately for reasons of urgency, in which case the meeting agenda will be limited to the issues which caused the urgency. Along with the announcement of each meeting, the members of the Executive Committee will be provided with the pertinent information they need to form an opinion and to vote [...].

9. The Executive Committee will be quorate when at least the majority of its members are present or represented at the meeting.

10. The Executive Committee, through its Chairman, will inform the Board of the business transacted and the decisions made by the Committee, and a copy of the minutes of each meeting will be given to each director.

11. In all other matters, the Executive Committee will be governed by the pertinent provisions of the Bylaws and, specially, by the provisions relating to the Board of Directors contained in the Bylaws and these Rules."

AUDIT AND CONTROL COMMITTEE:

Its functions are governed by Article 41 of the Board Rules. It must comprise at least three Directors designated by the Board of Directors taking into account their knowledge and experience of accounting, auditing or risk management; all of its members will be external Directors, and the Committee will appoint a Chairman from among its members, who will hold office for no more than four years; it may also appoint a Vice-Chairman. The term of the members of the Committee may not exceed their terms as Directors, notwithstanding the possibility that they may be re-appointed indefinitely so long as they are also re-appointed as Directors.

At least one of the members of the Audit and Control Committee must be an independent Director and will be appointed based on his/her accounting and/or auditing expertise and experience.

The Secretary and Vice-Secretary, if any, shall be chosen by the Committee and need not be Board members.

The members of the Committee may obtain advice from external professionals. These advisors will attend the meetings and may speak but not vote.

The key function of the Audit and Control Committee is to support the Board of Directors in its supervisory duties by periodically reviewing the processes used to prepare the financial and economic information, the internal controls and the independence of the external auditors.

Its main responsibilities include:

- Informing the General Meeting of Shareholders on the questions raised by shareholders which fall within its scope of authority.

- Liaising between the Board of Directors and the external auditor, evaluating the results of each audit.

- Supervising the Company's internal auditing services.

- Analysing the risk control and management policy.

- Supervising the process of drafting the individual and consolidated financial statements and management reports and the regular financial disclosures to the markets.

- Issuing a report each year, prior to the publication of the audit report, expressing an opinion on the independence of the Company's auditors. This report must necessarily address any additional services rendered.

- Issuing reports and proposals as requested by the Board of Directors or the Chairman of the Board and those it deems appropriate for the best performance of its functions, particularly the report on proposed amendments to the Board Rules.

APPOINTMENTS AND REMUNERATION COMMITTEE:

This Committee is organised and governed by Article 42 of the Rules of the Board of Directors.

"1. The FCC Board of Directors shall permanently establish an Appointments and Remuneration Committee. It will be composed of a minimum of three (3) Board members appointed by the Board of Directors. The majority of its members will be external directors and the Chairman will be appointed from among the latter. The term of the members of the Appointments and Remuneration Committee may not exceed their terms as directors, notwithstanding the possibility that they may be re-elected indefinitely so long as they are also re-elected as directors.

2. The Appointments and Remuneration Committee will regulate its own functioning pursuant to the Corporate Bylaws and these Rules. The Committee will designate a Secretary, who need not be a member of the Committee, to aid the

Chairman and to ensure the smooth operation of the Committee, duly reflecting, in the meeting minutes, the development of the deliberations, the contents of the deliberations and the resolutions adopted; the minutes must be signed by the members of the Committee who attended the meeting in question. The members of the Appointments and Remuneration Committee will step down from the Committee when they step down as directors or when decided by the Board of Directors.

There shall be a quorum at the Appointments and Remuneration Committee meetings when the majority of its members are present or represented; its resolutions are to be passed by an absolute majority of the members present or represented and the Chairman shall have a casting vote in the event of a tie.

3. The Appointments and Remuneration Committee will have the powers to inform, advise and propose within its areas of competence, and it will have the following functions in particular, in addition to those already indicated in these Rules:

a) Evaluating the skills, knowledge and experience needed on the Board, defining the roles and capabilities required of the candidates to fill each vacancy, and deciding the time and dedication necessary for them to properly perform their duties. Any Director member may suggest Directorship candidates to the Appointments and Remuneration Committee for its consideration.

b) Examining or organising appropriately the succession of the Chairman and Chief Executive and, as the case may be, making recommendations to the Board so the handover proceeds in a planned and orderly manner.

c) Proposing the appointment and re-appointment of independent Directors and advising on proposals for the appointment and re-appointment of the other Directors.

d) Advising on proposals to maintain independent Directors in their positions after 12 years and advising on proposals for the removal of independent Directors, in accordance with Article 20.3.

e) Advising on the appointment and removal of senior executives proposed to the Board by the chief executive, and proposing the candidates for senior executive positions in the Company, in addition to those envisaged in Article 2.2 of these rules, and making the proposals for reprimands envisaged in Article 20.2. d) of these Rules. The Committee will also issue a report before any appointment to a position or office whose annual remuneration is equal to or greater than the figure established by the Appointments and Remuneration Committee and reported to the Board of Directors in each case.

f) Overseeing compliance with the Company's remuneration policy and, in particular, proposing to the Board of Directors the remuneration policy for directors and senior executives, the remuneration of the executive directors and the other conditions of their contracts, and the basic conditions for the senior executives' contracts, advising and proposing on multi-year incentive plans for the Company's senior executives, particularly those related to the value of the shares. It may also propose to the Board of Directors the distribution among the Directors of the remuneration arising from their membership of the Board that is resolved by the General Meeting of Shareholders, pursuant to the provisions in the Corporate Bylaws and in these Rules.

g) Preparing and maintaining a record of the status of Directors and senior executives of FCC.

h) Ensuring that the procedures for filling vacancies on the Board are not subject to implicit bias against the selection of female Directors, so as to ensure that the Company deliberately seeks and short-lists women with the necessary professional profile, and the Annual Corporate Governance Report must disclose the reason why there are few or no female Directors and the initiatives adopted to correct this situation.

i) Advising on the proposed appointment of members of the Board of Directors Committees.

j) Advising on the appointment and removal of the Secretary of the Board.

k) Verifying the qualifications of the Directors under Article 6.4.

l) Receiving the information provided by Directors under Article 24.2 of these Rules.

m) Advising, if applicable, on any professional or commercial transactions referred to in Article 25.3 of these Rules.

n) Advising on the use, for the benefit of a Director, of business opportunities or assets of FCC which have been previously studied and ruled out by the FCC Group, as referred to in Article 27.1 and 27.3 of these Rules.

o) Receiving and safeguard the registration of situations mentioned in section e) above and the personal information furnished by the Directors, as established in article 29 of these Rules.

p) Requesting, as the case may be, the inclusion of items on the Agenda of Board meetings, under the conditions and in the terms provided in article 38.3 of these Rules.

When dealing with matters referring to the Executive Directors and Senior Executives, the Appointments and Remuneration Committee will consult with the Chairman and the Chief Executive of the Company.

4. The Appointments and Remuneration Committee will regulate its own operations with regard to all matters not stipulated in the Bylaws and these Rules, whose provisions relating to the operation of the Board of Directors will apply specifically insofar as this is possible considering the nature and functions of the Committee.

5. The Appointments and Remuneration Committee will have access to all the documentation and information needed to perform its functions. The members of the Appointments and Remuneration Committee may be assisted during their meetings by up to two advisers per Committee member, as required. Such advisors may attend meetings but not vote, and the provisions of Article 31 of these Rules will apply to them.

6. The Committee will meet periodically, at least once per quarter, and when convened by the Chairman or requested by two Committee members. On a yearly basis, the Committee will draft an action plan for the coming year which it will submit to the Board.

In the absence of the chairman of the Appointments and Remuneration Committee, or if the position becomes vacant, the Committee may be convened by the member of greatest seniority or, if there is equal seniority between members, by the oldest one. In the event of legal persons, the age of the individual representing them will be taken into account.

7. Discussions will be directed by the chairman, who will give the floor to the attendants wishing to speak.

In the absence of the chairman of the Appointments and Remuneration Committee, or if the position becomes vacant, his functions will be performed by the member chosen for such purpose by a majority of those attending the meeting."

STRATEGY COMMITTEE:

This Committee is governed by Article 43 of the Rules of the Board of Directors.

"1. [...] It shall be made up by the Directors appointed by the Board of Directors for a period not to exceed their terms as Directors, notwithstanding the possibility that they may be re-appointed indefinitely to the extent that they are also re-appointed as Directors. The majority of the members of the Strategy Committee will be external Directors.

2. The Strategy Committee will choose a Chairman from among its non-executive members. The Committee will also designate a Secretary, who need not be a member of the Committee, to aid the Chairman and provide for the smooth operation of the Committee, duly reflecting, in the meeting minutes, the business transacted, the discussions and the resolutions adopted.

3. The members of the Strategy Committee will step down from the Committee when they cease to be Directors or when it is decided by the Board."

4. It is a function of the Strategy Committee to assist the Board of Directors in determining the Group's strategy based on the guidelines set out by the Board, preparing such reports and proposals as may be necessary.

5. In particular, the Strategy Committee will inform the Board of proposals regarding investments, divestments, agreements of association with third parties, development of new lines of business and financial transactions which, because of their relevance, in the opinion of the Board may affect the Group's strategy; it will also inform the Board of any other matters which it may submit because they are not allocated to any of the other Committees.

6. To perform its functions optimally, the Strategy Committee may seek the advice of external professionals, in which case the provisions of Article 31 of these Rules will apply.

7. The members of the Strategy Committee may be assisted during their meetings by up to two advisers per Committee member, as required. These advisers may speak at the meetings but may not vote.

8. The Strategy Committee will meet periodically and as convened by the Chairman or requested by two Committee members. On a yearly basis, the Committee will draft an action plan for the coming year which it will submit to the Board.

In the absence of the chairman of the Strategy Committee, or if the position becomes vacant, the Committee may be convened by the member of greatest seniority or, if there is equal seniority between members, by the oldest one. In the event of legal persons, the age of the individual representing them will be taken into account.

9. Discussions will be directed by the chairman, who will give the floor to the attendants wishing to speak.

In the absence of the chairman of the Appointments and Remuneration Committee, or if the position becomes vacant, his/her functions will be performed by the member chosen for such purpose by a majority of those attending the meeting."

10. The minutes of each Committee meeting will be drafted and signed by the Committee members in attendance.

11. Any member of FCC Group's management team or personnel who is asked to attend the Strategy Committee's meetings will be obliged to attend, collaborate and provide the information at his/her disposal.

12. The Strategy Committee will have access to all the documentation and information needed to perform its functions.

13. The Strategy Committee will regulate its own operations with regard to all matters not stipulated in the Bylaws and these Rules, whose provisions relating to the operation of the Board of Directors will apply specifically insofar as this is possible considering the nature and functions of the Committee."

C.2.5 Indicate, as the case may be, whether the Board Committees are regulated, where the regulations are available to be queried, and any amendments made during the year. Also, indicate whether an annual report on each Committee's activities has been drafted voluntarily.

The Rules of the Board, amended on 10 April 2013, regulates in its articles the functioning of the various Board Committees: Executive Committee (Article 40), Audit and Control Committee (Article 41), Appointments and Remuneration Committee (Article 42), and Strategy Committee (Article 43).

Pursuant to article 38.6 of the Rules of the Board, "the Board in full session will dedicate the first of its meetings in the year to evaluate the quality and efficiency of its own performance during the previous year, valuing the quality of its work, evaluating the efficacy of its rules and, where applicable, correcting aspects found to be dysfunctional. Also, based on a report drawn up by the Appointments and Remuneration Committee, that meeting will assess the performance of the Chairman of the Board and the Company's chief executive, and the performance of the Committees on the basis of the reports issued by them."

Regarding the self-evaluation of the Board and of its Committees, see section C.1.20 herein.

C.2.6 State whether the executive or delegated Committee's composition reflects the participation of the different Directors within the Board based on their type:

NO

If not, detail the composition of the Delegated or Executive Committee
The Executive Committee is made up by 80% of External Directors and 20% of Executive Directors, whereas the Board of Directors has 88.9% of External Directors and 11.1% of Executive Directors. The Board of Directors has six Independent Directors, of which none are members of the Executive Committee.

D – RELATED PARTY AND INTRA-GROUP TRANSACTIONS

D.1 Identify the body authorised to approve related party and intra-group transactions and the procedure for such approval.

Body authorised to approve related-party transactions
The authorised body is the Board of Directors via the Appointments and Remuneration Committee. Article 25 of the Rules of the Board of Directors establishes that: "1. Directors must refrain from attending and taking part in the discussions affecting related-party transactions and generally matters in which they may be directly or indirectly involved, and from voting on the corresponding decisions, and they must not delegate their vote and leave the assembly room while the Board discusses the matter and votes. An indirect interest on the part of the Director is considered to exist when that matter affects a related party. 2. Directors must give due advance notice to the Board, via the Corporate Responsibility Department or any other that takes its place, of any situation that may give rise to a conflict of interest with the Company or any of the companies in the FCC group or their related companies. 3. In the following cases, the prior written consent of the Board of Directors of FCC, which may not be delegated, based on a favourable report from the Appointments and Remuneration Committee, will be required for the following cases: a) Provision by a Director or a related party to companies of the FCC Group of professional services other than those deriving from executive Directors' employment relationship. b) Sale or disposal by any other means, for good and valuable consideration of any type of supplies, materials, goods or rights in general by a Director, significant shareholder or shareholder represented on the Board, or their related parties, to companies of the FCC Group. c) Transfer of supplies, materials, goods or rights in general outside the seller's normal course of business by a company of the FCC Group to a Director, significant shareholder or shareholder represented on the Board, or their related parties d) Provision of works or services or the sale of materials by companies of the FCC Group to a Director, significant shareholder or shareholder represented on the Board, or their related parties, in the normal course of the former's business, at lower than market prices. The request for authorisation will be submitted to the Corporate Responsibility Department, which will in turn ask the FCC area involved for a report, which will subsequently be sent together with the application to the Appointments and Remuneration Committee. 4. The authorisation referred to in the item above will not be necessary for related-party transactions that fulfil all of the following three conditions: a) They are governed by standard form agreements applied on an across-the-board basis to a large number of clients.

b) They are performed at market prices or rates generally set by the person supplying the goods or services. c) Their amount is not more than 1% of the Company's annual revenues. 5. In any event, all material transactions of any kind between Directors and FCC, its subsidiaries or associated companies must be disclosed in the Annual Corporate Governance Report. This obligation extends to material transactions between the Company and its significant shareholders (direct and indirect). 6. For the purpose of the provision herein, related parties will be deemed to be those included in article 231 of the Capital Companies Act."

Procedure for approving related-party transactions

Explain whether the approval of related-party transactions has been delegated, stating the body or persons to whom it has been delegated, as the case may be.

This has not been delegated.

D.2 Detail any significant transactions due to the amount or subject matter thereof between the Company or entities in its group and significant shareholders of the Company:

Name or company name of significant shareholder	Name or company name of group company or entity	Nature of relationship	Type of transaction	Amount (thousand euros)
B-1998, S.L.	FCC Medio Ambiente, S.A.	Contractual	Provision of services	2.067
B-1998, S.L.	Servicios Especiales de Limpieza, S.A.	Contractual	Provision of services	0.918

D.3 Detail any significant transactions due to the amount or subject matter thereof between the Company or entities in its group and administrators or executives of the Company:

Name or company name of the administrators or executives	Name or company name of the related party	Relation	Nature of the transaction	Amount (thousand euros)
B-1998, S.L.	FCC Medio Ambiente, S.A.	Contractual	Cleaning services	2.067
B-1998, S.L.	Servicios Especiales de Limpieza, S.A.	Contractual	Cleaning services	0.918

D.4 Detail the significant transactions between the Company and other companies in the group, except those that are eliminated in consolidation or do not form part of the Company's normal operations with regard to their purpose and conditions:

In any event, any intra-group transactions with entities established in countries or territories deemed to be tax havens must be reported:

Name of group entity	Brief description of transaction	Amount (thousand euros)
-	-	-

Note:

There are many transactions between group companies in the ordinary course of their business which are eliminated in the process of drawing up the consolidated financial statements.

D.5 Indicate the amount of the transactions with related parties.

D.6 Describe the mechanisms established to detect, determine and resolve possible conflicts of interest between the Company and/or the group and its directors, executives or significant shareholders.

Article 25.2, 25.3, 25.4, 25.5 and 25.6 of the Rules of the Board of Directors establishes that Directors must give due advance notice to the Board, via the Corporate Responsibility Department or any other that takes its place, of any situation that may give rise to a conflict of interest with the Company or any of the companies in the FCC group of companies or their related companies. Under Article 25.3, "In the following cases, the prior written consent of the Board of Directors of FCC, which may not be delegated, based on a favourable report from the Appointments and Remuneration Committee, will be required:

a. Provision by a Director or a related party to companies of the FCC Group of professional services other than those deriving from executive Directors' employment relationship.

b. Sale or disposal by any other means, for good and valuable consideration of any type of supplies, materials, goods or rights in general by a Director, significant shareholder or shareholder represented on the Board, or their related parties, to companies of the FCC Group. For this purpose, related party is as defined in Article 127 ter 5 of the Public Limited Companies Act.

c. Transfer of supplies, materials, goods or rights in general outside the seller's normal course of business by a company of the FCC Group to a Director, significant shareholder or shareholder represented on the Board, or their related parties

d. Provision of works or services or the sale of materials by companies of the FCC Group to a Director, significant shareholder or shareholder represented on the Board, or their related parties, in the normal course of the former's business, at lower than market prices.

4. The authorisation referred to in the preceding item will not be necessary for related-party transactions that fulfil all of the following three conditions:

a) They are governed by standard form agreements applied on an across-the-board basis to a large number of clients.
b) They are performed at market prices or rates generally set by the person supplying the goods or services.
c) Their amount is not more than 1% of the Company's annual revenues.

5. In any event, all material transactions of any kind between Directors and FCC, its subsidiaries or associated companies must be disclosed in the Annual Corporate Governance Report. This obligation extends to material transactions between the Company and its significant shareholders (direct and indirect).

Under Article 25.1, "An indirect interest on the part of the Director is likewise considered to exist when that matter affects a related party."

Note:
The Director Mr Henri Proglio is also the chairman of Electricité de France (EDF). The rest of the members of the Board of Directors of the Company have declared that they do not hold office or holdings in the capital of entities with the same, similar or supplementary business as that making up the corporate purpose of Fomento de Construcciones y Contratas, S.A.

D.7 Is more than one Group company listed in Spain?

YES

Identify the subsidiaries that are listed in Spain:

Listed subsidiaries
Cementos Portland Valderrivas, S.A.

Has a public definition been established describing precisely the respective business relationships between the parent company and the listed subsidiary, and between the listed subsidiary and other group companies?

NO

Define any business relationships between the parent company and the listed subsidiary, and between the listed subsidiary and other group companies

Identify the mechanisms in place to resolve possible conflicts of interest between the listed subsidiary and other group companies:

Mechanisms for resolving conflicts of interest

E - RISK CONTROL SYSTEMS

E.1 Explain the scope of the Company's Risk Management System.

FCC Group has an integrated Risk Management Model, which is gradually being extended and will enable the Company to deal effectively with all of the risks to which its business operations are exposed, as it operates in different geographic areas, activities and legal environments which, in turn, entail different risk levels inherent to the activities in which it carries out its operations.

The chosen model includes devising an advance Risk Map using Enterprise Risk Management (Coso II) methodology, which provides senior executives with valuable information and contributes to the definition of FCC Group's strategy.

FCC Group's risk management philosophy is consistent with its business strategy, seeking the maximum efficiency and solvency at all times, for which purpose it has established strict criteria for the control and management of risks, consisting of identifying, measuring, analysing and controlling the risks incurred in the Group's operations, and the risk policy is appropriately integrated within the Group's organisation.

Given the singularity of each one of FCC Group's business areas, the risk management is carried out in each of the areas, drawing up a Risk Map for each one and, subsequently, based on the information that is reported, FCC Group's consolidated Risk Map is drawn up.

With this policy, risk management takes place in each of the business areas, via:

- The identification of key risks for FCC Group based on their potential threat to achieving the organisation's objectives, at the level of each of the business areas.
- Evaluating risks. The risk evaluation scales are defined in terms of the potential impact they could have if they were to materialise and the likelihood that they will occur.
- The identification of the controls and procedures to mitigate the economic impact of the risks and the likelihood of their occurrence.
- The identification of an owner proprietor for each of the identified risks, as the first person in charge of keeping the adequate level of internal control.
- Additionally, for risks exceeding the Accepted Risk for each sector of activity, the necessary action plans are established with corrective measures to keep their critical levels within the Accepted Risk area. These action plans include the measures needed to reinforce existing controls and they even incorporate new controls thereto.
- The implementation of specific procedures to carry out Risk Management in each of the business areas, ensuring that it is part of the decision-making process.

Additionally, the results of the Continuous Risk Management are communicated to the Audit Committee, the highest body in charge of supervising the management of the Group's Risks, as set out in the Group's Rules of the Board of Directors.

In this way, the policy will allow FCC Group to:

- Take steps to prevent the materialisation (probability of occurrence) or to minimise their economic impact, by identifying the key risks in advance, whenever an area is identified where internal control may be enhanced.
- Relate the goals sought by the Group both with the risks that could prevent the execution thereof and with the necessary control activities to prevent the materialisation or to minimise the economic impact if the risks materialise.
- Ensure that the legal regulations in force are fulfilled, as well as the Group's rules and internal procedures.
- Review that the processes for preparing financial reports are adequate to

ensure the reliability and integrity of said information.
- The safeguarding of assets.

By following the best business practices in this field and applying the Coso II methodology, the Group has classified its risks as follows:

- Strategic risks: These are the risks related to the Group's strategy and hence managed on a priority basis. These risks are related to the markets/countries/sectors where the FCC Group operates. Also included in this category are reputational, innovation and economic planning risks.
- Operating risks: These risks are related to operations management and the value chain of each one of the business areas where the FCC Group operates. They include the risks related to tender and contracting processes, selection of partners, subcontractors and suppliers, human resources management and ongoing personnel training.
- Compliance risks: These are the risks affecting internal and external regulatory compliance, including those relative to the compliance with the FCC Group code of ethics, compliance with applicable laws regarding legal, fiscal, ICFR, data protection, quality, environment, IT security and occupational risk prevention matters.
- Financial risks: Risks associated with the financial markets and with the generation and management of cash. Financial risks include those related to liquidity, cash management, access to financial market, exchange rates and interest rates.

E.2 Identify the company bodies in charge of drawing up and executing the Risk Management System:

- **Executive Committee**

The Board may permanently delegate in the Executive Committee all the powers of the Board of Directors with the exception of those which are reserved by law, the bylaws, or the Rules of the Board. Like the plenary Board, the Committee ensures that FCC Group's organisation structure, planning systems and operations management processes are designed to deal effectively with the different risks to which FCC Group's business is exposed.

- **Audit and Control Committee**

According to article 41 of the Rules of the Board of Directors and as established in Recommendation 50 of the Unified Code of Corporate Governance for Listed Companies, the principal function of the Audit Committee is to support the Board of Directors in its supervisory and oversight efforts, particularly with regard to risk management and control policies, the monitoring of the Risk Maps and the action plans needed to mitigate the most relevant risks that are identified, and the supervision of the Company's internal audit services.

- **Strategy Committee**

The Strategy Committee supports the Board of Directors in determining the Group's strategy based on the guidelines agreed by the Board, preparing the corresponding reports and proposed agreements in this regard. The Strategy Committee is responsible for ensuring that the objectives of the strategy plan can be achieved by the Company assuming an acceptable level of controlled risk so as to protect the interests of shareholders, other stakeholders and society in general, as well as the

Group's reputation.

- **Steering Committee**

The Steering Committee is chaired by the Chairman of FCC Group and composed of members assigned to the Committee by the plenary Board of Directors. Its functions include reviewing FCC Group's consolidated financial information on a monthly basis, especially when the information must be reported to the CNMV.

- **Risk Committee of each one of the business areas**

This committee monitors from time to time the risk exposure level of each one of the FCC Group business areas, analysing the relevant risks that may affect the forecasts and goals to be reached by each of them.

- **Response Committee**

This committee is in charge of supervising the proper functioning of the Whistleblowing Channel, assessing possible improvements of the controls and systems established in the Company, processing communications in order to solve them, encouraging the knowledge of the Code of Ethics and regularly drawing up reports on the level of compliance therewith. It may establish corrective actions and, if it considers it necessary, penalties.

E.3 State the main risks that may affect achieving the business goals.

1. **Strategic risks**

Strategic planning/Market/Country

FCC Group's strategic planning process identifies the objectives to be met in each business area based on the improvements to be introduced, the market opportunities present and the level of risk considered acceptable. On the basis of this process, the Group designs operating plans specifying the targets to be achieved each year.

To mitigate the market risks inherent to each line of business, the Group maintains a diversified position between businesses related to infrastructure construction and management, environmental services, energy and others. In the field of geographic diversification, in 2013 foreign activity accounted for 42% of total sales, being particularly important in the Group's most significant areas, infrastructure construction and environmental services.

Technological capacity/Innovation

FCC Group is aware that its success in the highly competitive markets where it operates depends on offering clients added value through technical and economic capabilities. In this regard, FCC Group is very active in the field of technological research and innovation and also places a great deal of importance on the on-going training of its personnel.

FCC Group has outsourced the management of its information infrastructure and telecommunications systems. FCC Group has also implemented a common information system which is intended to cover its individual financial reporting needs on the one hand and to standardise the process of consolidating the Group's economic-financial information on the other. Furthermore, the Group is currently in the process of implementing a scorecard that will automatically provide management indicators, which will increase the quantity and quality of the information available to Senior Executives.

Reputation management / Corporate governance

Reputation management is part of FCC Group's Code of Ethics and of the work developed in matters related to Corporate Responsibility and ethics. Social responsibility policies are an inherent part of FCC Group, for which conducting business requires a comprehensive commitment to the society it is part of.

Once again in 2013, the Company's corporate responsibility management and results have been recognised by a number of renowned independent observers. Among these are the selective responsible investment indexes DJSI Stoxx, FTSE4good and FTSE Ibex 35.

The Spanish Carbon Disclosure Project (CDP) report also recognised FCC for its risks and opportunities analysis system in the climate change field.

2. Operating risks

Tendering and contracting.

The risks and opportunities arising during the tendering and contracting process constitute one of the main challenges faced by FCC Group. In this respect, the Group is in the midst of a process of redefining the specific processes related to managing risks in the tender and contracting stages. The Company has formally established policies and procedures that focus on technical quality technological capacity, economic viability and competitive bidding. The process of preparing, presenting and monitoring bids must be authorised at various levels within the organisation, the main bid preparation tasks are entrusted to the highly qualified technical staff of the specific departments.

Selection of partners, subcontracting and suppliers

The Group has a rigorous process for selecting the partners with whom it works in different business areas, which consists of applying the procedures contained in FCC Group's General Standards Manual.

The risks associated with subcontracting are controlled by uniformly applying the subcontracting model established by the FCC Group in accordance with the aforementioned General Standards Manual, which establishes a protocol of action indicating the minimum requirements for FCC Group companies to be able to subcontract public or private sector contracts.

The Human Resources Manual also defines the labour responsibilities assumed by the FCC Group in connection with the personnel subcontracted for projects or services.

Personnel management and ongoing personnel training

FCC Group is working on an ambitious project to modernise its IT and personnel management systems, incorporating all the information into a single, global database for the entire Group in order to support and facilitate the human resources management process.

The project also includes a SAP computer tool to design and implement the payrolls of all FCC Group companies in Spain in order to enhance the security, quality and uniformity of the payroll process.

FCC Group has training procedures in place in Spain and specific subsidiaries which take the form of structured training plans based on both regularly scheduled basic and refresher training courses as well as 'ad hoc' training to cover specific needs as they arise. In particular, FCC Group develops training plans for all personnel involved in the preparation of the Group's financial statements. This plan is constantly being updated to adapt to the business and regulatory environments in which FCC Group's companies are operating and to stay abreast of changes to International Financial Reporting Standards and the regulation and evolution of internal controls on financial reporting.

In the 2013 Corporate Training Plan specific training has been included related to Risk Management, including risks associated to ICFR and its evaluation, as well as criminal risks derived from the responsibility of legal entities.

3. Regulatory and compliance risks

Regulatory or Compliance risks are those arising from the breach of requirements and limitations established by Law and by the specific regulations applying to each business sector, as well as the breach of professional obligations or codes of conduct and contractual obligations.

Risks arising from the breach of the Code of Ethics

FCC Group has a Code of Ethics in place that regulates the guiding principles of Group employees' conduct and the relations between Group employees and other stakeholders. Compliance with the Code of Ethics is mandatory for all Group employees and for those third parties who accept it voluntarily.

FCC Group's Code of Ethics is a tool for guiding the Group's actions in matters of a social, environmental or ethical nature of certain significance. The Group offers an online training tool for the Code of Ethics.

Persons bound by the Code of Ethics have the obligation to report any breaches of the Code. To do so, they may use the established channels and procedures to report incidents confidentially, in good faith and without fear of reprisals. FCC Group has established a general communication procedure for matters related to the Code of Ethics.

As a result of the incorporation of criminal liability of legal persons to the Spanish Criminal Code in 2010, FCC Group, by creating a working group made up by the General Internal Auditing Management, the General Legal Counsel Management and the General Administration Management, with the collaboration of KPMG, decided to carry out a comprehensive study of the identification of the controls needed to mitigate the risk of employees committing any of the crimes incorporated following the reform.

The following work was carried out:

- Study of the FCC Group internal control general framework: components of the control environment, risk management, control, reporting, communication and supervision activities; the working group especially focuses on all the existing protocols on the use of information technology at FCC and on its policy on the use of technological means and its IT security policies, among others.
- Identification of the relevant crimes that may be applicable in FCC Group's business environment, especially in the fields of ethics and integrity, segregation of functions, and authorisations of payments, among others.
- Assessment of the risk of each of the identified behaviours materialising, in terms of impact and probability.
- Identification and setting priorities regarding the main controls and actions aimed at preventing, detecting, publishing and correcting said behaviours.
- Evaluation of the strength of the controls and key actions.
- Identification of areas of improvement for the management of the risk of crimes being committed and the establishment of specific action plans.

As a result of this process, FCC Group has drafted a Crime Response and Prevention Manual which is explained in the following section on legal risk management. In addition to this, the response protocols when a crime is committed were defined.

Also, in the light of the reform of the Criminal Code in this area, the Group is currently carrying out impact studies.

Legal risks

FCC Group has procedures in place to guarantee compliance with the regulations governing each one of the economic activities developed by the Group. The different specialised departments stay abreast of regulatory changes, advising the Group's units accordingly and issuing standards as needed to standardise the Group's criteria and guarantee compliance with the law.

For operations outside Spain, the FCC Group seeks legal advice from local professionals in relation to the specific laws and regulations that affect the Group's business in each country.

Regarding the recent reform of the Criminal Code in relation to the criminal liability of legal entities, FCC Group has drafted a Crime Response and Prevention Manual which has two clearly differentiated parts:

- The first part deals with prevention and consists of identifying and updating any behaviour within the Group that may involve the risk of committing a crime and then planning and implementing controls to mitigate these risks. To do so, the Group has set up certain oversight bodies and mandatory procedures. During the year 2013 a report was drawn up on the functioning of the internal controls established in the catalogue of crime and risk behaviour priorities.
- The second part deals with the bodies and procedures implemented to respond to behaviours which could constitute the commission of a violation within FCC Group, especially behaviour which could be interpreted as illegal.

Risks arising from the breach of fiscal regulations

Within the context of the delegation of powers agreed by the Board of Directors and the Chairman and the business model established in the FCC General Guidelines and the Financial-Economic Manual, in addition to the specific powers vested in the person responsible for the Fiscal Division, the functions of this Division include: proposing criteria relative to the Group's fiscal policies as well as to advise on and coordinate their application, with fiscal efficiency, in corporate acquisitions and reorganisations operations and for those presented by the different business areas in connection with their activities.

In addition, in order to minimise fiscal risks and ensure proper reporting and control on fiscal risks, FCC, along with other large Spanish Corporations and the Spanish tax authorities, is a signatory to the Code of Good Tax Practices approved by the Large Companies Forum, and it complies with the contents thereof. In compliance with the terms of the Code, the Tax Division reports to the Audit and Control Committee on the Group's tax policies through the General Administration Management to the Audit and Control Committee on the Groups tax policies.

Internal Control over Financial Reporting (ICFR)

Publicly listed companies are obliged to disclose information in the Annual Corporate Governance Report (ACGR) on their Internal Control System over Financial Reporting (hereinafter ICFR). Also, the Audit Committees of publicly listed companies have assumed new internal control responsibilities.

In this regard and in connection with the good practices proposed in the report published by the CNMV, FCC Group has prepared an ICFR Report for 2013 which is part of this Annual Corporate Governance Report and it has been subject to an external audit.

Personal data protection systems

The processing of personal data, primarily for compliance with the Data Protection Act (LOPD) is specifically regulated in the markets where FCC operates. To manage the risk of non-compliance, there is a programme that measures the impact on each business area and then establishes the necessary legal, organisational and technical controls in each case.

Quality assurance systems

FCC Group has formally implemented quality management systems in all of its business areas, which are deeply rooted in the organisation. These systems have been

UNE-EN ISO 9001 certified and regularly pass the periodic audits performed by external professionals.

The quality control committees in the different areas of the Group are the supreme executive bodies with the authority to establish guidelines, oversee compliance and review systems

Environmental risks

FCC Group has implemented environmental management systems in the different business areas, which underscore the following:

a) Compliance with the environmental regulations applicable to the activities of each area.
b) Establishment and attainment of continuous improvement targets beyond those required by prevailing legislation or contracts.
c) Minimising environmental impacts through proper operational control.
d) An ongoing analysis of risks and possible improvements.

These management systems have been implemented in the different business units according to UNE-EN and the Group has obtained ISO 14001 certification for its Environmental Management System.

Information security systems

FCC Group has an operating unit entrusted with analysing and mitigating the factors that could lead to a security failure in its information systems.

For each new project that involves changes to FCC Group's information system, the risks are analysed to determine the specific threats and define the pertinent measures. With regard to information processing risk, FCC Group has established a Corporate Information Security Policy laying down common information management criteria to mitigate those risks which could affect the confidentiality, availability and integrity of information. These criteria are based on the internationals standards of the International Standardisation Organisation (ISO) set out in the ISO 27000 family standards.

As a consequence of this policy, the Company has defined a Code for the use of technological means and different protocols for managing incidents in relation thereto. Controls have been implemented to guarantee user access to the resources for which they are authorised based on their need to know and their assigned roles.

FCC Group has a monitoring system known as 'Data Leak Prevention' to detect and prevent the risk of classified data leaks through information systems.

FCC Group has a Security Operation Centre (SOC) that operates 24/7 to address the growing threat of attacks from the internet and possible information leaks.

As mentioned above, FCC Group has outsourced the rendering of information infrastructure management services. Furthermore, investments are being made to standardise the architecture of FCC's systems and to remove any differences between the environments managed by Group companies in terms of availability and integrity.

FCC has thus guaranteed the efficient use of its information systems while ensuring the most effective operation and management of such systems based on best practices model for information technology service management (ITSM).

Occupational risks

One of FCC Group's priorities is to guarantee top level health and safety of its personnel and to strictly comply with all labour legislation, as evidenced by the Occupational Risk Prevention Policy approved by the Board of Directors. To achieve this, occupational risk prevention systems have been implemented in all business areas and the Group companies received OHSAS 18001 certification, successfully passing the periodic audits conducted by external professionals.

For standardisation purposes and as a global management instrument to ensure that the organisation's standards are met, FCC Group has a Corporate Occupational Health and Safety Manual that entered into force in 2012, the guidelines of which are being incorporated into existing management systems. This is aimed at permanently reducing occupational accidents with a horizon of 'Zero Accidents'.

The certification of the occupational risk prevention management systems has been incorporated as a global strategic objective in Human Resources.

4. Financial risks

Financial risk refers to changes in the value of financial instruments contracted by FCC Group due to political, market and other factors, and the effect of such changes on the financial statements. FCC Group's risk management philosophy is consistent with its business strategy, seeking the maximum efficiency and solvency at all times, for which purpose it has established strict criteria for the control and management of financial risks, consisting of identifying, measuring, analysing and controlling the risks incurred in FCC Groups operations, and the risk policy is appropriately integrated within the Groups organisation.

Given the Group's activities and the operations through which it executes these activities, it is currently exposed to the following financial risks:

Capital risk

FCC Group manages its capital to ensure in a reasonable manner that FCC Group companies are able to continue as profitable businesses, while maximising shareholder returns.

FCC Group's overall strategy continues to focus on geographical diversification, developing and expanding activities in OECD countries and selectively in emerging economies.

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

Interest rate risk

With the purpose of being in the most adequate position for the interests of FCC Group, an active interest rate risk management policy is followed, continuously monitoring the market and taking different positions mainly according to the assets that are financed.

Exchange rate risk

A noteworthy consequence of 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. 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 relevant ratio for measuring solvency and repayment capacity is: the Net Debt/EBITDA ratio.

Liquidity risk

This risk exists due to timing differences between the resources generated by the activity and required funding needs.

To properly manage this risk, FCC monitors the maturity dates on the policies and financing agreements of all Group companies very closely in order to negotiate the renewals in a timely manner under the best conditions the market has to offer. The conditions of the financing are analysed on a case-by-case basis and if they are found not to be advantageous to the Group alternatives are considered.

FCC Group is present in various markets in order to facilitate obtaining financing and to mitigate liquidity risk.

Concentration risk

This risk arises from the concentration of financing transactions with common characteristics and is broken down as follows:

- Sources of financing: In order to diversify this risk, FCC Group works with a great number of domestic and international financial institutions to obtain financing.
- Markets/geographical area (Spain, abroad): FCC Group operates in a wide variety of markets in Spain and other countries; the Group's debt is denominated primarily in euros and the remainder in different international markets with other currencies.
- Products: FCC Group uses diverse financial products: loans, credit facilities, obligations, syndicated operations, assignments, discounts, etc.
- Currency: FCC Group finances its operations using a number of different currencies depending on the country where the investment is being made.

Credit risk

Rendering services to or accepting orders from clients whose financial soundness is not guaranteed at the time of acceptance or which cannot be evaluated by FCC Group, as well as situations that may occur during the rendering of the service or fulfilment of the order that can affect a client's financial situation, can give rise to the risk of outstanding balances not being paid.

FCC Group obtains commercial reports and evaluates the financial solvency of clients before entering into agreements with them and then monitors their solvency on a regular basis. There is a procedure in place for dealing with cases of insolvency. For public sector clients, FCC Group has a policy of not accepting work that does not have an assigned budget and prior economic approval. Proposals for work that exceed a particular payment deadline must be authorised by the Director of Finance. Defaults are also monitored continuously with specific bodies such as risk committees.

Risk-hedging financial derivatives

Generally speaking, the financial derivatives contracted by FCC Group are treated, from an accounting perspective, as provided for in the rules governing accounting hedges, as explained in the Notes to the Consolidated Financial Statements. The main financial risk hedged by the FCC Group using derivatives is the variability of the floating interest rates to which the various Group companies' borrowings are indexed. The valuation of the financial derivatives was carried out using generally accepted methods and techniques by experts in the field that are independent from the Group and from its financing entities.

E.4 State whether the company has a risk tolerance level.

FCC Group has incorporated the establishment of Accepted Risk levels for each Business Unit within its Risk Management System.

For risks exceeding the Accepted Risk for each sector of activity, the necessary action plans are established with corrective measures to keep their critical levels within the Accepted Risk area. These action plans include the actions needed to reinforce existing controls and they even incorporate new controls thereto.

E.5 State what risks materialised during the year:

- **Risks that materialised in the year:** Limitations on access and refinancing in financial markets.

Underlying circumstances:

The current financial and economic crisis has caused difficulties in terms of access of financing sources for the Group, as well as for refinancing existing loans in the best possible conditions, with the subsequent negative effect on the Group's financial statements.

How the control systems operated and response plans:

After presenting the new Strategic Plan on 20 March 2013, the company embarked on a global refinancing process involving all of the parent company's syndicated loans and a significant part of the bilateral financing, which contemplates obtaining liquidity lines and extending the current maturities.

Accordingly, there has been an intensive negotiation process throughout 2013 with the major financial suppliers; it ended successfully, reaching an agreement aligned with the fulfilment of the goals contemplated in FCC Group's Strategic Plan, which will start to have an important positive effect on the Group's accounts as from 2014.

- **Risks that materialised in the year:** Adaptation of FCC Group's personnel to planned operations/flexibility of personnel costs.

Underlying circumstances:

The current financial and economic crisis has caused a decline in the Group's turnover, equally affecting the rest of the market operators. This circumstance has led to a loss of efficiency per production unit, which has been seen on the Group's financial statements over the last few years.

How the control systems operated and response plans:

During the year 2013, FCC Group adjusted the Group's structure to the current market demand conditions, by way of various personnel restructuring measures. The Group managed to effectively adjust the headcount to the expected production requirements, which will entail production efficiency improvements that will be noticeable on the Group's financial statements as from 2014.

- **Risks that materialised in the year:** Insecurity in terms of legislation on the Energy Sector.

Underlying circumstances:

Recent legislative changes in the field of Energy, such as the reduction of subsidies for premiums in wind power and the elimination of photovoltaic power rates, have caused the reduction of future revenues from the production of renewable energies, with the subsequent negative impact on the business models.

How the control systems operated and response plans:

After performing a thorough analysis of the returns to be had from the energy projects in the new legislative scenarios, FCC Group made the corporate decision to divest from this activity during 2013.

- **Risks that materialised in the year:** Reprogramming of construction works.

Underlying circumstances:

The current financial and economic crisis has caused a delay in public-sector investment, leading to reprogramming of several construction works in Spain and abroad, with substantial effects on the outcome thereof due to clients' non-fulfilment of their commitments and FCC Group's continuous efforts to meet those commitments.

How the control systems operated and response plans:

In this situation, FCC Group carried out several actions to optimise the costs at each of the facilities, in an effort to adapt to the new deadline commitments, claiming whatever was required from each client in each case. On the other hand, the trade relationship with our clients made it possible to reach an understanding.

- **Risks that materialised in the year:** Delayed payments by certain public-sector clients for the provision of urban environmental services and for construction works executed in Spain.

Underlying circumstances:

Both the entry into force of the Organic Act on the control of trade debts in the Public Sector, so that invoices are paid meeting the legal payment terms, and the new financing plan approved in 2013, allowing to pay suppliers and cancel due liabilities yet to be paid made it possible to bring down the effects of this risk.

How the control systems operated and response plans:

The permanent monitoring and control committees remain in place in order to minimise the volume of generated assets, thereby reducing the associated financial cost and consolidating the gradual reduction in the future. All this has allowed a substantial additional reduction of the average payment period by those clients in Spain throughout 2013 that will continue in 2014.

- **Risks that materialised in the year:** Cut-backs in investments forecast by Public Administration bodies.

Underlying circumstances:

As a consequence of the current economic and financial crisis, there have been cuts and investment restrictions for the construction of infrastructures in Spain.

Budget adjustments required due to the implementation of the Budget Stability Act have led to reviews of services rendered to levels sustainable according to clients' budget availability.

This has led to a lower demand for cement, with a significant decline of sales and EBITDA.

How the control systems operated and response plans:

This situation has been mitigated by selective increased presence abroad and by incorporating new contracts, focusing on a few select territories and complex civil works with high added value, with a growth of the portfolio of works abroad.

The continuing sales relationship with clients involved has allowed for the modulation of the services rendered without losing orders and market share in Spain has been maintained.

Also, a restructuring plan has been implemented in 2013 in the cement area that is achieving an adjustment of the operating and production capacity.

- **Risks that materialised in the year:** Country risk. Existence of certain unstable geographic markets.

Underlying circumstances:

The existence of certain unstable geographic markets in which FCC Group operated led to an ongoing re-planning of works abroad, with a negative impact on the Group's financial statements.

How the control systems operated and response plans:

During 2013 FCC Group carried out a thorough strategic, operational and financial reorganisation in the markets where these risks materialised, aimed at mitigating those risks.

In this way and as part of the Group's strategy starting in 2013, a selective increase of the Group's presence abroad is being carried out, incorporating new contracts and focusing on a few select territories and in complex civil works with high added value.

- **Risks that materialised in the year:** General decline of activity.

Underlying circumstances:

The current financial and economic crisis has caused a widespread decline of economic activity, which has reduced the turnover but has not affected the market share in the sectors where the Group operates.

How the control systems operated and response plans:

In the light of this situation, FCC Group took several measures to adapt its production capacity to the market situation, foreseeing possible greater adverse effects on its financial statements. These measures were related to personnel and the restructuring of assets and divestments.

- **Risks that materialised in the year:** Impairment of intangible assets.

Underlying circumstances:

The current financial and economic crisis has caused a loss of value of some of FCC Group's investments.

How the control systems operated and response plans:

FCC Group recognised, in 2012 and 2013, significant impairments of certain goodwill, adapting the Group's assets to its true recovery capacity.

- **Risks that materialised in the year:** Loss of value of investments.

Underlying circumstances:

In June 2013, Alpine, the construction subsidiary operating in central and Eastern Europa filed for bankruptcy and was then liquidated. This occurred after the impairment of its activity was clear, especially starting in the second quarter of the year, with the subsequent incapacity to meet the obligations stemming from its refinancing agreements signed on 30 March 2013.

How the control systems operated and response plans:

FCC Group full reflected the impact of this situation on its financial statements, by valuing all Alpine's assets at zero in the first quarter of 2013, without estimating any additional effects.

E.6 Explain the response and monitoring plans for the Company's main risks.

As established in the eighth recommendation of the Unified Code of Good Governance for Listed Companies published by the CNMV, and as described in the eighth article of the Rules of the Board of Directors of the Company approved in December 2013, among the Group's general policies and strategies that are reserved for the approval of the Board of Directors due to their impact on the Group's business, are the risk control and management policies and the regular monitoring of internal reporting and control systems.

In order to develop its responsibilities in this field, the Company's Board of Directors essentially relies on the various Committees and Bodies described in section E.2. In this respect, the Audit Committee, as stated also in the Rules of the Board of Directors approved in December 2013, has among its functions the monitoring and analysis of the risk management and control policy. This policy must identify the different types of risks to which the Company is exposed, with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks; the determination of the risk level the Company sees as acceptable; the measures in place to mitigate the impact of risks identified, should they occur; and the internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks, and submission to the Board for approval.

One of the major risks for FCC Group in 2013 was the inherent risk related to the construction business both in Spain and abroad. In this respect the response plans established by the Group are part of a global restructuring process for the construction business, and were as follows:

- Construction in Spain: Adjustments of the production means to the actual needs of the market, preventing the impairment of returns:
    - Adaptation of headcount to the current market situation.
    - Reduction of the sales structure, adapting it to the current market situation.
- Construction abroad: Returns are boosted by focusing on specific territories, selecting the most profitable works and markets, as well as on the growth of the industrial business in select territories. In addition to this, just like in Spain the sales structure is being reduced, adapting it to the current market situation.

The rest of the response plans carried out by FCC Group for each of the risks materialised in 2013 are set out in the preceding heading E 5.

F INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IN RELATION TO THE FINANCIAL REPORTING PROCESS (ICFR)

Describe the mechanisms in the control and risk management systems in relation to the financial reporting process (ICFR) at your company.

F.1 The Company's control environment

Indicate, at least the following, specifying the main characteristics thereof:

F.1.1. The bodies and/or functions responsible for: (i) the existence and maintenance of an adequate and effective ICFR system; (ii) the implementation thereof; and (iii) supervision thereof.

The bodies and functions that are responsible within FCC Group for the existence, maintenance, implementation and supervision of an adequate and effective ICFR, and the responsibilities attributed to these bodies, are the following:

Board of Directors

As set out in article 8 of the Regulations of the Board of Directors of FCC, S.A., the Board is ultimately responsible for the approval of the Company's general policies and strategies and, in particular, for the risk management and control policy, identifying the main risks of the Company and implementing and monitoring the adequate internal control and reporting systems, with the purpose of ensuring its future feasibility and competitiveness by adopting the most relevant decisions for the better development thereof.

Executive Commission

As set out in article 40 of the Regulations of the Board of Directors of FCC, S.A, the Board may permanently delegate to the Executive Commission all of the powers pertaining to the former, except those which are reserved to the Board by the Law, the Articles of Association or the Regulations of the Board of Directors.

In addition, just like the Board, the Commission ensures that the organisational structure of FCC Group, the planning systems and the management processes of the operations are designed to face the various risks to which it is exposed in the course of business.

The Board of Directors shall designate the Directors who are to make up the Executive Commission, ensuring that the share structure of the different director categories is similar to that of the Board itself.

The functioning of the Executive Commission is determined in article 36 of the Articles of Association of FCC.

Audit and Control Committee

The Regulations of the Board of Directors of FCC establish, in article 41, the incorporation of a permanent Audit and Control Committee, made up by a minimum of three Directors, designated by the Board of Directors taking into account their knowledge and experience in the field of accounting, auditing or risk management. All members will be external Directors and the committee will name a Chairman among them who will hold the position for a maximum period of four years, and they may also choose a Vice-Chairman. The fundamental function of the Audit and Control Committee is to support the Board of Directors in its surveillance tasks, by reviewing, from time to time, the process of preparing economic and financial reports, the internal controls and the independence of the external auditor. In particular, by way of illustration only, and notwithstanding any other tasks with which it may be entrusted by the Board of Directors, the Audit and Control Committee will be responsible for:

- Supervising the Company's internal auditing services, which see to the proper functioning of the reporting and internal control systems, and the head of the internal auditing function is under the obligation to submit the annual work plan to the Committee and to directly report any incidents arising in the development thereof, as well as submitting a report on its activities at the end of each year.
- Analysing and submitting the risk management and control policy to the Board for approval, identifying at least:
  (i) The different types of risks that the Group faces, including, among others, financial and economic risks, contingent liabilities and other off-balance sheet risks;
  (ii) Establishing the risk level that the Company deems acceptable;
  (iii) The measures provided to mitigate the impact of the identified risks in the event they materialise;
  (iv) And the reporting and internal control systems that will be used to control and manage said risks, including contingent liabilities and off-balance sheet risks.
- Supervising the process of preparing the individual and consolidated financial statements and management reports, and the financial reports disclosed to the markets from time to time, ensuring the compliance with the legal requirements and the proper application of generally accepted accounting principles, informing the Board of Directors prior to its adoption of the following decisions:
  (i) The financial reports which the Company, owing to its listed status, must disclose from time to time, ensuring that the interim financial statements are drawn up with the same accounting criteria as annual financial statements and, for such purpose, it must consider whether a limited review by the Company's external auditor is appropriate;
  (ii) And the incorporation of or acquisition of holdings in special purpose entities or entities domiciled in countries or territories considered tax havens, as well as any other transactions or operations of a similar nature which, owing to their complexity, might detract from the transparency of FCC Group.
- In relation to the reporting and internal control systems:
  (i) Supervising the process of preparing, and the integrity of, the financial reports referring to the Company and, as the case may be, the Group, reviewing the compliance with the regulatory requirements, the adequate delimitation of the scope of the consolidated group and the correct application of the accounting criteria;
  (ii) Reviewing from time to time the internal control and risk management systems, so that the main risks are identified, managed and adequately disclosed, following up on the Risk Maps and the action plans that are necessary to mitigate the most relevant risks that are identified, among which are those arising from the Internal Control over Financial Reporting.

Steering Committee

The Steering Committee is presided over by the Chairman and CEO of FCC Group and it is made up by all of the members designated by the Board of Directors in full session. Its functions related to the Internal Control over Financial Reporting include the monthly review of the financial reports of the consolidated FCC Group, most importantly in periods when said reports are to be filed with the Spanish Securities Exchange Commission (CNMV).

General Administration Management

The General Administration Management performs the following functions related to the Internal Control over Financial Reporting:

- Coordinating the Administration of the different areas, establishing the administrative processes and procedures generally applied in the Group and promoting the uniform application of the accounting and tax policies.
- Defining and issuing the accounting standards applied in the Group.
- Drawing up and supervising the consolidated accounting and management reporting.
- Developing the accounting and tax management of FCC, S.A. and its subsidiaries not allocated to the operating areas.
- Drawing up the Group's consolidated financial statements.
- Defining and publishing the tax criteria that are generally applied to the FCC Group, both individually and at the consolidated group level.
- Advising the different areas in tax matters and taking part in solving any matters brought up by them.
- Preparing the Tax Group's consolidated corporate income tax statement.
- Designing and publishing the procedures, documents and software applications generally used in FCC Group, for accounting and tax purposes.
- Advising the different areas in terms of procedures and taking part in solving any matters brought up by them.

General Finance Management

The General Finance Management is entrusted with the centralised management of the finances of FCC Group. This entails the centralised financial management of the following aspects: financing the Group's activities, managing the Group's debt and financial risks, optimising the cash and financial asset management, the financial control and management of the Group, investor relations, the Stock Exchange and the CNMV, analysing and financing investments, the management, monitoring and control of bonds, guarantees and insurance.

In June 2013, the General Finance Management incorporated the function of Management, Budget and Financial Planning Control, which is in charge of the following functions: (i) coordination and preparation of the Annual Budget; (ii) definition and implementation of various scorecards and key indicators to support the Group Management in its decision making; and (iii) review and validation from time to time of the contract portfolio and the current offers to ensure that, in both cases, the criteria established by the Steering Committee in terms of margin, cash generation, return on investment and risks are fulfilled.

General Internal Auditing Management

The purpose of the General Internal Auditing Management is to provide the Board of Directors, via the Audit and Control Committee, and the Senior Executives of FCC Group, with whom it actively collaborates, with the effective supervision of the Internal Control System, by exercising a unique and independent governance function aligned with professional standards, contributing to Good Corporate Governance, verifying the proper compliance with applicable regulations, both internal and external, and reducing to reasonable levels the possible impact of the risks attached to achieving FCC Group's objectives. *(Additional information included in section F.5.1).*

In June 2013, the General Internal Auditing Management incorporated Risk Management, which until then was part of the General Administration and Information

Technology Management, to its Functions, with the following responsibilities and functions in the field of corporate risk management:

a. Identifying the risks that the Company faces, according to their status as potential threats to achieve the organisation's goals.

b. Proposing the procedure that is considered adequate for monitoring and controlling those risks and especially, those with preferential monitoring.

c. Establishing the mechanisms for communicating from time to time the evolution and monitoring of the identified risks.

General Organisation Management

The General Organisation Management, established in June 2013, takes on the remit of the Human Resources (hereinafter HR), Information Systems and Technology, and Aggregate Purchases Areas.

HR seeks to favour and boost the development of individuals, communication and a good working environment climate, in line with the Company's strategic goals and policies, via the efficient management of HR specialised services, in a context of diversity and internationalisation.

Information Systems and Technology has the following goals:

- Efficiently managing the Group's Information Technology (hereinafter IT) and Telecommunication Infrastructures, investing in the transformation, standardisation and improvement of service levels.
- Collaborating with businesses to achieve their strategic and operating goals, by re-engineering business processes and developing and implementing management applications.
- Providing sufficient, efficient and quality information to make it easier for management teams to make decisions.

  Additionally, the Information Security Management has been integrated in the IS&T organisation chart with the following functions:

- Preparing on a triennial basis FCC Group's Information Security Strategy Plan and follow up on compliance thereof from time to time.
- Coordinating with the FCC Information Security Committee and support it in the performance of its functions, as well as setting the common strategy on the security of assets for all the Group's business division committees.
- Defining the Corporate Information Security Policies and check from time to time that it is being met.
- Establishing the Risk Analysis and Management guidelines and defining the method to be applied.
- Coordinating with the different Business Areas to ensure Regulatory Compliance in the field of Personal Data Protection.
- Preparing the strategy for the development and gradual start-up of FCC Group's Business Continuity Plan according to ISO 25888 international standard and the guidelines of the *Business Continuity Institute*.
- Defining and implementing Internal Controls to verify the proper compliance with the corporate information security policies.
- Reviewing from time to time the efficacy of the Information Security Management System, as well as measuring the efficiency of the Internal Controls that are implemented.
- Performing internal audits of the Information Security Management System according to planned intervals.

The goal of the Purchase Department is to provide a purchase service satisfying internal customers and contributing to increase FCC's negotiating capacity, in keeping with principles of the Strategic Plan and the Group's general policies.

F.1.2. Whether any of the following elements exist, in particular in relation to the process of preparing financial reports:

- Departments and/or mechanisms entrusted with: (i) designing and reviewing the organisational structure; (ii) clearly defining the lines of authority and responsibility, with an adequate distribution of tasks and functions; and (iii) ensuring that sufficient procedures are in place for their proper dissemination in the company.

As defined in the Regulations of the Board of Directors of FCC, the design and review of the organisational structure and the definition of the lines of authority and responsibility is done by the CEO supported by the Steering Committee, and it is ratified by the Board of Directors.

The Regulations of the Board of Directors define the responsibilities attributed to each of the Board commissions, together with the organisational structure of each of the commissions.

The CEO and the Steering Committee determine the distribution of tasks and functions, ensuring that everyone's powers are adequately known, in order to ensure that there is a proper separation of functions and efficient communication between them, including those related to personnel involved in the drawing up of the Group's financial reports.

The Appointment and Remuneration Commission proposes the appointment of senior executives with the profile best suited to their tasks and functions. Additionally, it is in charge of overseeing the observance of the remuneration policy established by the Company and, in particular, it proposes the remuneration policy for Directors and senior executives to the Board of Directors.

The process to determine the organisational structure is regulated by the Group's General Standards Manual in section 10 "Organisational Structure," which regulates the Bodies directly reporting to the Board of Directors, the distribution of the Group's management functions and the Appointment of Senior Executives.

The Chairman/CEO is entrusted with defining the lines of responsibility and authority and each Corporate Department must define its organisational structure and its lines of responsibility.

On the other hand, the Human Resources area is in charge of updating and reviewing, with the support of the relevant Departments, both the Group's organisational structure and its organisation chart. The detailed organisation chart of all the Group functions is published on the Company Intranet and is reviewed on a yearly basis.

In this respect, the General Human Resources Management is developing a project to modernise the reporting and human resources management system. Among other goals, this project is meant to clearly define the organisational structure and the lines of responsibility in order to optimise the distribution of tasks and functions.

In addition, the General Corporate Communication and Responsibility Management is responsible for establishing the procedures for the proper dissemination of the organisational structure and the lines of responsibility.

- Code of conduct, approval body, degree of dissemination and instruction, principles and values included (indicating whether there are specific references to the recording of operations and the preparation of financial reports), body in charge of analysing breaches and proposing corrective actions and penalties.

FCC Group has a Code of Ethics, the latest version was approved by the Board of Directors on the 27 February 2012, regulating the principles that must guide the Group's conduct and the relations between Group employees and the relations between employees and the rest of their stakeholders groups. It is compulsory for all individuals in the Group and for third parties voluntarily accepting its application.

The FCC Group Code of Ethics is a tool to guide actions in corporate, environmental or ethical issues of particular importance. The guidelines for conduct set down in the Code of Ethics refer to basic behaviour principles, relations with and between employees, internal control and the prevention of fraud, commitment with the market, the company and the community.

The FCC Group Code of Ethics includes a chapter that is closely related to control over the preparation of financial reports called "Internal control and fraud prevention," which deals with the following topics: "Manipulating information", "Use and protection of assets", "Intellectual Property protection", "Corruption and bribery" and "Money laundering and irregular payments".

FCC group communicates and disseminates the Code within the Company, so that it is known by all the employees, who formally accept the commitment of compliance, as well as by third parties voluntarily accepting its application. The Code of Ethics is also published on the Group's corporate website so that anybody may access it.

The Group's training plan for 2013, prepared by the Group's General HR Management, includes specific training on the code of ethics in its induction course for new employees.

The Audit and Control Committee, pursuant to article 41 of the Regulations of the Board of Directors, has the following remits, among others:

- Receiving information from time to time from the Response Committee and from the General Internal Auditing Management (Risk Management), respectively, on the development of their activities and the functioning of the internal controls.

- Ensuring that the internal codes of conduct and corporate governance rules comply with regulatory demands and are adequate for the Company, and reviewing that the persons subject to said codes and rules of governance comply with their reporting obligations to the Company.

The people in connection with the Code of Ethics are under the obligation to report any breaches thereof, and for said purpose they can use the established ethical channels and procedures confidentially, in good faith and without fearing retaliation. FCC Group has established a general reporting procedure for matters related to the Code of Ethics, which is described in the "Whistleblowing Channel" section. The body in charge of analysing possible breaches is the Response Committee, which also establishes the system to propose corrective actions and, if it considers it necessary, penalties. This Committee reports to the Audit and Control Committee. Regarding the functioning of the Response Committee, it met five times in total in the year 2013.

Also, in relation to the recent reform of the Spanish Criminal Code in terms of the criminal responsibility of legal persons, FCC Group has prepared a Manual for preventing and responding to criminal offences. This Manual is being updated, the implications of the regulatory changes are being assessed.

- Whistleblowing Channel, which allows financial and accounting irregularities to be reported to the Auditing Committee, as well as any possible breaches of the code of conduct and irregular activities within the organisation, stating, if appropriate, the confidential nature thereof.

FCC Group has a procedure in place which allows individuals to report, in a confidential manner, any actions which represent inappropriate behaviours or actions in the light of the Code of Ethics.

A specific Response Committee has been set up whose functions are to ensure the proper functioning of the communication channel that has been established, valuing possible improvements of the controls and systems established by the Company, processing communications so that they can be solved, promoting the awareness of the Code of Ethics, and regularly preparing reports on the level of compliance thereof.

The Code of Ethics allows individuals to communicate, confidentially and in good faith, and preferably in their name, any observed actions that are contrary to the Code of Ethics. The communication paths forming the basis of the Whistleblowing Channel are:

- An html page in the Group's Intranet: internal communication channel.
- By letter sent to: Apdo. correos 19312, 28080-Madrid, managed by the Chair of the Response Committee.
- Email addressed to comitederespuesta@fcc.es, managed by the Response Committee.

In order to guarantee confidentiality in the Whistleblowing Channel, communications are centrally received by the General Manager of Internal Auditing who chairs the Response Committee, which is the body responsible for this procedure.

The Response Committee values the admissibility of the communication that is received, according to a preliminary review of its contents, placing on record the reasoned decision it makes. In any case the documentation that is generated is filed and the acceptance thereof entails the opening of proceedings, with the related information being incorporated to the Whistleblowing Management System.

- Training and periodical refresher programs for the personnel involved in the preparation and review of financial reports, and in the evaluation of the ICFR system, covering at least accounting standards, auditing, internal control and risk management.

Training at FCC is not a corporate benefit but rather it is a tool to help the Company grow, and enables employees to grow with it. The main goals of training at FCC are:

- To obtain better performance and efficiency from personnel in the performance of their functions and the functioning of the Company.
- To achieve the personnel's career development goals (improving their employability).

The General Administration Management and the General Human Resources Management of FCC jointly develop training plans for all the personnel involved in the preparation of the Group's Financial Statements. This Plan includes the permanent updating of the regulations affecting financial reporting and internal control in order to guarantee the reliability of the financial reporting, providing professionals at FCC with the necessary know-how and tools to optimise financial decision-making at all levels and in all the departments, developing their analytic capacity and their understanding of the impact of business decisions on the Company's financial statements.

In the year 2013, within the Corporate Training Plan, the Management School included training for the management team in Corporate Finance, Economic Environment, Financial Management, Financial Administration, Analytical Accounting, Management

Control and Planning, Taxation, and Mergers & Acquisitions. The Process School includes training in Finance for Non-financial Personnel, Advanced Finances for Non-financial Personnel, Project Finance, Business Valuation, Analysis and Valuation of Investment Projects, Valuation, Monitoring and Financial Control of Investment Projects, Payment Means for International Trade and the Accounting thereof, Financing Foreign Trade, Corporate Income Tax, Value Added Tax (VAT), International Taxation, Derivative Financial Products, Accounting, Advanced Accounting, Consolidation of Financial Statements, the New International Financial reporting Standards (IFRS), Advanced Financial Excel, Management Control, FCC Group Risk Management, The Scorecard as a Management Tool, and Risk Management in International Engineering and Construction Projects.

Also in 2013 an information sheet was edited and disseminated titled "FINANCIAL TRAINING: The true common language in the company", which publicises the financial training offer at the Process School. FCC relies on first-rate suppliers in the fields which are not its core business.

During the year 2013, 833,356 training hours were provided, of which 40,076 hours (4.8%) were for acquiring, updating and recycling economic and financial knowledge including accounting and auditing standards, internal control and risk management and control, as well as other regulatory and business aspects that must be known for the adequate preparation of the Group's financial reports, benefiting approximately 2,539 people.

The Corporate Training Plan prepared for the year 2014 completes the financial training offer with the inclusion, within the Management School, of the Scorecard for Management course: an approach based on business diagnosis. Also, the FCC Process School includes e-learning for the courses on Project Finance, Payment Means for International Trade and the Accounting thereof, International Taxation, and International Financial Reporting Standards (IFRS). Finally, three self-training courses have been published with open access on the intranet: Finances for Non-financial Personnel, Accounting, and Financial Excel.

F.2 Evaluation of financial information risks

Indicate at least the following:

F.2.1. What are the main characteristics of the risk identification process, including error or fraud, in respect of:

- Whether the process exists and is documented.

The Group has implemented an integrated risk management model, which allows it to face the financial reporting risks as well as other risks to which its activities are subject. The adopted model allows it to develop a high level risk map, using the Enterprise Risk Management (Coso II) method, enabling reporting to Management and contributing to the definition of the Group's strategy.

For this purpose the risk maps of each of the Business Areas have been prepared. Given the uniqueness of the different business areas, each one is responsible for its risk management, and then the Group's corporate risk map is drawn up using the information that is reported.

FCC Group's risk model is described in the Risk Management procedure, as part of the Management Systems of the various Business Areas in the Group.

These Risk Maps take stock of the identification of the main risks of the Business Areas, together with the controls established by Management to mitigate the effect of said risks and the assessment, in terms of likelihood of occurrence and their impact on the financial statements of the area being analysed. Therefore, with support from the risk managers in the different Business Areas, acting as 'risk management coordinators', the Group's Management is being guided in a process of redefining and improving those risks, including the risks related to financial reporting and the preparation of those reports, both in terms of the definition and the allocation of responsibilities in risk management in the field of operations and in the preparation of procedures and methods, which include:

- Identifying the key risks for FCC Group according to the potential threat they represent for achieving the objectives of the organisation.
- Evaluating risks. The risk assessment scales are defined according to their potential impact in the event they are materialised and their probability of occurrence.
- Additionally, for risks exceeding the Accepted Risk level for each of the sectors of activity, the necessary action plans are established with the possible corrective measures to make their critical level fall within the Accepted Risk level. These action plans include the necessary actions to reinforce existing controls and they may even incorporate new controls.
- From time to time, the Management of each Business Area analyses, together with the General Internal Auditing Management (Risk Management), what risks have materialised in each of the Group Areas, reporting it to the Audit and Control Committee.
- From time to time Risk Committees are held in the different Business Areas, to analyse the risks that were identified and then monitoring those risks.
- The mechanisms for reporting from time to time the results of the risk evaluation and the monitoring thereof.
- Implementation of specific procedures to document risk management when making business decisions.

From time to time Risk Committees are held in the different Business Areas, to analyse the risks that were identified and then monitoring those risks, the results are reported subsequently to the Audit and Control Committee. The implementation model is described in a risk management procedure as part of the management systems of the Group's Business Areas.

This process of identifying and monitoring risks is carried out for all the Group's risks, particularly including the risks arising from the reliability of high-level economic and financial reporting.

Regarding the risks arising from the Group's criminal responsibility, in particular the risks of error or fraud that are considered in the Criminal Code, a preventive identification of risks has been carried out with controls to mitigate them, as well as how to respond to those risks.

In summary, the main characteristics of the Integrated Risk Management Model at FCC Group consist of:

- Preventing and controlling the risks that may affect achieving the goals set by the Group;
- Ensuring compliance with the legal regulations in force and with the Group's standards and internal procedures;
- Guaranteeing the reliability and integrity of the accounting and financial reports.

- Whether the process covers all the financial reporting objectives (existence and occurrence; integrity; assessment; presentation, breakdown and comparability; and rights and obligations), whether it is updated and how often.

The Operational Risks identified in the Risk map include the risk of reliability of the economic and financial reports affecting each one of the business areas. For the global assessment of this risk, the risk of errors in the financial reporting in each of the business Areas analysed, to cover all the objectives of the financial reporting, mainly the registration, integrity, cut-off of operations, homogeneity of the reports, validity and assessment, are generally considered. The risk maps described herein are updated at least annually.

- The existence of a process to identify the consolidated group, taking into account, among other aspects, the possible existence of complex corporate structures, shell companies or special purpose companies.

The Group has a register of companies that is permanently updated, which includes all of the Group's holdings, whatever their nature, whether they are direct or indirect, as well as any companies that the Group is able to control regardless of the legal form of said control, therefore including both shell companies and special purpose companies. This companies' register is managed and updated according to the procedures regulated by the Group's Economic and Financial Manual.

The Corporate Intranet includes an individual file for each company with all the relevant information on each of the companies: shareholders, company purpose, governing body, etc.

Each of the areas in which FCC Group is organised is responsible for the maintenance and updating of the scope of consolidation corresponding to its business area. The Consolidation and Accounting Standardisation Department keeps the database updated in the Corporate Intranet mentioned in the preceding paragraph, as well as the Economic and Financial Manual on the list of the Group companies within the scope of consolidation, based on the data provided by the Business Areas. Additionally, controls are carried out from time to time on the proper accounting of the companies included in the scope of consolidation.

- Whether the process takes into account the effects of other types of risks (operational, technological, financial, legal, reputational, environmental, etc.) to the extent they affect the financial statements.

The risks associated to achieving the financial reporting objectives are an integral part of FCC Group's risk map, and therefore they take into account the effects of other types of risks.

In this respect, FCC Group's global risk management system, following the best business practices in this field and applying the Coso II method, has categorised risks as follows:

- **Strategic risks**. These are key risks for the Group and managing them is a priority. They include the risks related to the markets/countries/sectors in which FCC Group operates. They also include risks related to reputation, innovation, economic planning, definition of the structure and the objectives and the effectiveness of communication and the information flow.
- **Operational risks.** These are risks related to the operational management and the value chain of each of the businesses in which FCC Group operates. They include the risks related to bidding and contracting processes, the selection of partners, subcontracting and suppliers, labour risks, collection processes and customer satisfaction, as well as the risks that have an impact on the reliability of the financial reporting.

- **Compliance risks.** These are risks affecting internal or external regulatory compliance. They include risks related to compliance with the applicable laws (in the field of quality, the environment, information security, occupational risk prevention, etc.), performance of agreements with third parties, and the FCC Group Code of Ethics.
- **Financial risks**. These are risks associated to financial markets and to generating and managing cash flows. They include risks related to liquidity, managing working capital, access to financial markets, exchange rates and interest rates.

These risks are aligned with the FCC Group global risk policy.

- What company governance body supervises the process.

The financial reporting risk identification process is supervised by the Audit and Control Committee via the General Internal Auditing Management that includes Risk Management, as part of its function of supervising FCC Group's internal control and risk management systems, as provided in Article 41 of the Regulations of the Board of Directors.

In the year 2013 the Audit and Control Committee has regularly been informed of the results of the risk map updating over the year.

F.3 Control activities

Disclose, identifying the main characteristics, whether you have at least:

F.3.1. Procedures for reviewing and authorising the financial reports and the description of the ICFR system, which are to be disclosed to securities markets, indicating who is responsible for these, as well as for the documentation describing all of the activities and controls (including those related to the risk of fraud) of the different types of transactions that may materially affect the financial statements, including the procedure for closing the accounts and the specific review of the relevant judgments, estimates, appraisals and projections.

As stated in the preceding section of this document, the Group has implemented an integrated risk management model, which allows it to appropriately face the financial reporting risks as well as other risks to which its activities are subject.

This integrated risk management model is geared to the fulfilment of the four major objective categories established by said model:

- Effectiveness and efficiency of operations.
- Safeguarding of assets.
- Reliability of the financial reporting.
- Compliance with applicable laws and regulations.

This is how the objectives are related to the risks that could prevent the execution thereof and to the control activities necessary to ensure that the response to these risks is adequate and that the proposed objectives are reached:

OBJECTIVES => RISKS => CONTROL ACTIVITIES

The control activities are documented in the policies and procedures that are meant to ensure that the guidelines set by the FCC Group management are complied with, and that the necessary steps are taken to face any risks jeopardising the achievement of the Group's objectives. The control activities are carried out in any part of the organisation, at all levels, in all of the functions, and they comprise a number of very different activities. The Company personnel use the application systems and other resources established to ensure that the control objectives are achieved and that the risk mitigation strategies are executed.

FCC Group has control activities implemented both centrally and in each of the Business Areas, such as to mitigate the risks included in the risk maps indicated under 2 above. These control activities can be grouped as follows:

- High level reviews: Reviews related to approvals, authorisations, checking and reconcilement. Senior executive reviews the evolution of actual data compared to the forecasts included in the Strategic Plans and the data from prior periods.
- Direct management of specific functions or operating activities: Reviews of the operating functions carried out in relation to the goals to be reached and the risks jeopardising them.
- Information processing and security: Controls related to checking the exactness, integrity and authorisation of the transactions.
- Physical controls: Reconcilements done from time to time of the inventory and security of assets.
- Performance indicators: These are applied when comparing operational and financial data.
- Separation of functions: Functions are divided between different people to reduce the risk of error or fraud.

In order to cover all the above activities, the various Business Areas have defined, within their procedures, the controls they consider necessary to cover the risks existing in each of the Areas. With regard to reporting system controls, a distinction can be made between general controls such as IT management, IT infrastructures, security management, and software acquisition, maintenance and development, among others, and application controls such as control digits, reasonability tests, logical tests, and predefined data lists, among others.

The control weaknesses detected by the General Internal Auditing Management in the Internal Control System are notified to the Audit and Control Committee by means of a report listing the recommendations that are considered necessary for the weaknesses that were identified.

On the other hand, the specific review of the relevant judgments, estimates, assessments and projections used to quantify certain assets, liabilities, income, expenses and commitments recorded and/or broken down in the financial statements is carried out by the General Administration Management, supported by the rest of the General Managements. Any hypotheses and estimates based on business developments are reviewed and analysed together with the corresponding Business Departments.

Additionally, a review is carried out by an external auditor, supervised by the Audit and Control Committee.

The main procedures are included in the General Standards Manual and in the Group's Economic and Financial Manual. These procedures include the closing of accounts and the maintenance of the Accounting Plan. Also, the Group's accounting managers are given instructions on how to record operations that have not taken place previously in the Group, and these criteria are included in the next update of the Manual.

FCC Group furnishes financial reports to the securities market on a quarterly basis and from time to time whenever relevant facts that must be reported occur, in accordance with the law in force.

Financial reports are prepared by the Group's General Administration Management, which carries out certain control activities in the closing of the accounts to ensure the reliability of said information. Once a financial report is consolidated in a software application running in SAP environment, it is reviewed by the General Administration Management, the Steering Committee, the General Internal Auditing Management and the external auditor.

Last of all, the Audit and Control Committee informs the Board of Directors of its conclusions on the financial reports that are presented so that, once they are approved by the Board of Directors, they may be disclosed to the securities markets.

Article 10 of the Regulations of the Board of Directors states the following with regard to the specific functions in relation to the Financial Statements and the Management Report:

- The Board of Directors shall draw up the individual and consolidated financial statements and the management report, so that they give a true and fair view of the net worth, the financial position and the results of FCC's operations, as provided by Law, following the favourable report of the Audit and Control Committee. The integrity and exactness of said accounts will be certified beforehand by the General Administration Management and the General Finance Management, with the Approval of the Chairman, if he has executive powers, and otherwise of the CEO.
- The Board of Directors, after studying the reviews mentioned in the item above, may request any relevant clarifications from those who drafted them.
- The Board of Directors will particularly ensure that the above accounting documents are drafted in clear and precise terms enabling an adequate understanding of their contents. In particular, they shall include any remarks that are useful for said purpose.
- A member of the Board of Directors shall place on record that, prior to undersigning the preparation of the financial statements required by Law, he/she has reviewed the report on same that must be drawn up by the Audit and Control Committee and, in general, the necessary information for this purpose, and such member may place on record any remarks that are considered relevant.
- On a quarterly basis, the Board will review FCC Group's accounts, following a report from the Audit and Control Committee.
- Likewise, article 11 of those same Regulations establishes the following with regard to the specific functions in relation to the Securities Market:
- In particular, the Board will perform the following specific functions in relation to the Securities Market, in the manner provided in these Regulations:
    - The performance of any actions and the adoption of any measures required to ensure the transparency of FCC for the financial markets.
    - The performance of any actions and the adoption of any measures required to foster the proper price formation of FCC shares, particularly avoiding manipulations and the abuse of insider information.
    - The approval and updating of the Internal Conduct Regulations in matters related to Securities Markets.
    - The approval of the Annual Report on Corporate Governance stated in section 116 of the Spanish Securities Exchange Act.

    Last of all, article 14, "Market relations" states the following:

- The Board of Directors will adopt the necessary measures to ensure that the financial reports it discloses from time to time and any other information made available to markets is prepared according to the same principles, criteria and professional practices as the financial statements and is just as reliable as the latter.

On the other hand, the Group's Basic Standard for Internal Auditing establishes, among the functions and attributions of the General Internal Auditing Management, the "review of the (individual and consolidated) accounting information, the management reports, and the financial reports disclosed from time to time to the markets, evaluating that they are correct and reliable, their compliance with the law in force and the proper application of the generally accepted accounting principles" and "suggesting internal control measures enabling the compliance with the regulations in preparing and disclosing financial reports".

F.3.2. Internal control policies and procedures for IT systems (including among others, security of access, control of changes, operation thereof, continuing operations, separation of functions) supporting the company's relevant processes in relation to the preparation and disclosure of financial reports.

The General Organisation Management is responsible for FCC Group's Information Systems and Technologies Department. This department has the following functions:

- Managing the Group's technology resources and keeping them updated.
- Defining the business process reporting needs and setting priorities with users.
- Guaranteeing that the systems are suited to the management reporting needs.
- Supporting processes to improve the business processes for which the division is responsible.
- Guaranteeing that users have adequate technology support.
- Implementing the security measures proposed to guarantee the confidentiality, integrity and availability of information systems.
- Managing the Area suppliers.

FCC Group's internal control model considers computer processes, which comprise the IT environment, architecture and infrastructures and the applications supporting Business operations and the related financial accounting. The Business processes are supported by automatic controls implemented in the applications and manuals.

FCC Group applies an internal control model to the Reporting Systems and in particular to the control of the systems supporting the Group's financial statements, focusing on guaranteeing the integrity, confidentiality, availability and reliability of the financial reporting in the closing of accounts process and therefore of the information disclosed to the markets.

With reference to these indicators, priority is given to the following areas:

- Access to programs and data.
- Change management.
- Managing developments.
- Operations management.
- Documentation management.

Within these five areas, the following controls of the applications supporting the financial environment are considered particularly relevant:

- User management in the applications (registration-removal and modification).
- Information management policy.
- Information security policy.
- User role matrixes in the applications.
- Managing the demand for developments and functional changes.
- Managing the demand for infrastructure changes.

- Specification and approval of tests and acceptance by users.
- Specification of technical and functional requirements
- Managing jobs
- Operations contingency plan.
- Infrastructure backup policies.

Agreements

- Service level agreements and management thereof with third parties.
- Physical security of the Data Processing Centres (DPC).

It should be noted that the Company has a certified information security management system, based on the ISO/IEC 27001 international standard, for the Construction and Water business areas. This standard defines and establishes the principles of functionality, security and responsibility, and it may be extrapolated to different areas within the organisation.

FCC Group, fully aware of the importance of the security of the information it processes, has developed a set of policies and standards allowing it to ensure the confidentiality, integrity and availability of its IT systems. The aspects related to the Internal Control over Financial Reporting are regulated in the Corporate Standard called "Information Security."

This document defines the functional principles and who is responsible in terms of Information Security and it directly involves the business, evidencing the support in the first paragraph of the Policy itself:

"The CEO and the Steering Committee will be responsible for:

- Establishing the general criteria for classifying and managing information assets.
- Approving:
    - ✓ The Organisation and Security Management Model.
    - ✓ The Classification and Information Assets Management Model.

One of the fundamental principles governing the application of said standard is the Principle of Information Integrity. Information management will be governed by policies, standards, procedures and guides ensuring the confidentiality, integrity and availability thereof.

FCC Group has a security model that requires an organisational structure and the allocation of roles and responsibilities in the field of security in order to function:

- The Information Technology Committee is the highest body coordinating the information security in the Group.

- Information Security defines the security requirements of the projects developing new applications and it successively validates the functionality of the mechanisms and controls implemented in the applications before they go on to the production stage.

- Information Security is integrated within the Change Management Committee with the purpose of checking that the changes proposed for the IT infrastructure are compatible with the security requirements established in FCC Group's Information Security Policy.

- Information Security uses a number of monitoring tools that analyse the operation of FCC Group's information systems, which are able to generate alerts in real time whenever they detect possible security incidents.

  Information security is evaluated from time to time. In this respect, Information Security carries out the following audits:

- Regulatory compliance in the field of the Personal Data Protection, every two years.

- Analysis of IT system vulnerability.

- IT systems intrusion tests.

Since 2011, FCC Group outsources the management of the technology infrastructures of its information systems. The contract with the external firm incorporates a clause ensuring the performance of services according to best market practice regarding IT.

F.3.3. Internal control policies and procedures designed to supervise the management of activities outsourced to third parties, together with evaluations, calculations or assessments entrusted to independent experts, which may materially affect the financial statements.

FCC Group has not outsourced any relevant activities destined to execute or process transactions that are recorded in the Group's financial statements, with the exception of the assessment of financial derivatives, the performance of actuarial calculations, and the performance of certain property appraisals from time to time.

There is an internal procedure for the hiring of external advisors which require certain levels of approval according to the sum involved, including, as the case may be, approval by the Company's CEO. The results or reports commissioned in the accounting, tax or legal areas are supervised by the heads of the General Administration Management, the General Legal Counsel Management and the General Internal Auditing Management, or of other Departments if it is considered necessary.

As indicated under the preceding item, FCC Group has outsourced the management services for its IT and telecommunication infrastructures. As part of the contract, investments will be made with a view to standardising the architecture of FCC systems, so that there are not any differences in terms of availability and integrity in the environments managed by the companies making up the Group.

FCC Group has two Data Processing Centres in Madrid configured with high availability. It also has implemented a Service Desk through which any incidents involving the Information Systems are channelled.

The following stand out among the projects carried out:

- Full renewal of workstations where key personnel will have an automatic backup to guarantee the availability of the information.
- Consolidation of global centres for operation services with standard tools.
- Implementation of a single telecommunications network (WAN) allowing the homogenisation of user access capacity to the Group's IT systems.

As an internal control procedure to supervise the management of these outsourced activities, a catalogue of services has been launched managed with unified service quality and measures according to pre-arranged Service Level Agreements (SLAs).

Last of all, it should be noted that FCC Group has procedures in place for the supervision of businesses in which it operated via corporate structures in which either it does not have a controlling interest or they are not directly administrated by the Group, for instance Joint Ventures (UTEs).

F.4 **Reporting and communication**

Indicate whether at least the following exist and describe their main characteristics:

F.4.1. A specific function to define and update the accounting policies (accounting policies area or department) and to solve any doubts or disputes arising from the interpretation thereof, maintaining fluid communications with the operations managers in the organisation, together with an updated accounting policy manual that is

communicated to all the units through which the Company operates.

The responsibility to apply the Accounting Policies of FCC Group is centralised in the General Administration Management, to which the Group's Consolidation and Accounting Standards Department belongs, and its functions, among others, are the following:

- Defining the Group's accounting policies.
- Issuing the accounting standards applied in the Group.
- Solving doubts or disputes arising from the interpretation or application of the Group's accounting policies to any of its Companies.
- Analysing the individual operations and transactions that the Group has carried out or those that are planned, to ensure that they are booked according to the Group's accounting policies.
- Monitoring the new draft regulations being considered by the IASB, and the new standards approved by said body, as well as the process of validation thereof by the European Union, determining the impact they will have on the Group's Consolidated Financial Statements.

The Group's Consolidation and Accounting Standards Department regularly informs all those in charge of preparing the financial statements at the various levels in the Group of the amendments in the regulations, clarifying any doubts that may arise, and it in turn gathers the information required from the Group companies to ensure the consistent application of the Group's Accounting Policies and to determine the impact of the application of new accounting regulations.

FCC Group's General Internal Auditing Management details in its Internal Auditing Plan, among the various functions included within its responsibilities that of providing from an accounting regulation perspective, solutions to the technical enquiries received from any of the business areas in which the Group operates.

In cases where the application of accounting regulations is subject to different interpretations, the General Internal Auditing Management and/or the General Administration Management may take part in the explanation to the external auditor, stating the grounds on which the interpretation of FCC Group is based.

FCC Group is made up of a large number of companies operating in different countries and it is obliged to prepare its consolidated financial statements according to the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS) adopted by the European Union, as detailed in the Group's Economic and Financial Manual.

The Group's Economic and Financial Manual establishes, in its first chapter, the accounting basis that should apply for FCC Group, enabling the preparation of the Group's annual consolidated financial statements, together with any other financial statements and reports that are to be disclosed from time to time.

In FCC Group's subsidiaries, joint ventures and associated companies, where what has been established cannot be applied, the necessary information must be available in order to homogenise the reporting by introducing the relevant adjustments, so that the resulting information complies with the established criteria.

In order to homogenise FCC Group's economic and financial reporting according to international standards, financial statement models and a corporate accounting table have been developed, and these are also included in the Economic and Financial Manual.

This Manual is updated by the Administrative Coordination Division, according to the evolution of accounting standards, and it is available on the Group Intranet (FCCnet) in the chapter called "Regulations" and may be consulted by Group employees. Also, there is the possibility for users to create alerts that inform them of any updates of the manual.

The regulations are updated in a unified manner by the departments that are aware of, experienced and involved in the matter, and they are ultimately approved by the General Administration Manager. Throughout 2013 several updates have been performed according to the needs identified by the Group.

F.4.2. Mechanisms for gathering and preparing financial reports with standardised formats, to be applied and used by all of the units in the Company or the Group, supporting the main financial statements and the notes to the financial statements, as well as any financial reports on ICFR.

FCC Group has implemented a shared reporting system based on the application in a SAP environment, which is meant, on the one hand, to meet the reporting needs for the individual financial statements and, on the other hand, to standardise and systematise the consolidation process of economic and financial reporting in the Group. This application gathers, by reporting units, at a 'company-sector' level or as legal persons, according to what is required, the information needed to put together economic and financial reports, whatever their nature, whether internal or external, the latter involving disclosures to public bodies and institutions.

This tool manages to centralise in a single system all the information corresponding to the accounting for the individual financial statements of the subsidiaries making up the Group. The system is centrally managed and it uses a single accounting plan, and the information is automatically loaded into this consolidation system from SAP.

The procedures for gathering and preparing financial reports are documented in the Economic and Financial Manual, which establishes the dates when the following will be available from the Administration Area: the economic and financial information to be furnished by the Administration and Finance Departments of the Business Areas (standard 8.01.01); the consolidated economic and financial documentation, on the one hand, and that corresponding to FCC, S.A. (Profit Centres and Joint Ventures), on the other hand, which is to be furnished to the Administration Area by the Administration and Finance Departments of the Business Areas (standards 8.01.02 and 8.01.03 respectively). Said procedures do not specifically consider information on the Internal Control over Financial Reporting System, said information having been obtained via specific requests to the areas involved.

Additionally, for the annual closing of accounts and with the objective of disclosing the annual financial report within the two months following the end of the financial year, pursuant to Royal Decree 1362/2007, of 19 October, in relation to the transparency requirements related to the information on issuers whose securities are listed on an official secondary market or on any other regulated market in the European Union, the General Manager of Administration sends out the financial year closing plan by e-mail, which includes a number of instructions for those in charge of providing the relevant financial reports. The Administrative Coordination Division will establish, clarify or extend said instructions whenever it is required.

The internal accounting policies, procedures and standards related to the account closing, reporting and consolidation processes are described in the Group's Economic and Financial Manual, which also details the information that must be furnished for consolidation purposes and defines the basic documents / forms to be used for that purpose.

Another procedure for gathering the financial reports is the implementation of a tool in a SAP environment which allows the Corporate Finance Division of FCC Group to obtain all the banking information for each of the companies and with all the financial institutions with which they operate.

Regarding the description of the Internal Control over Financial Reporting Systems (ICFRS), FCC Group has identified the controls it has available to respond to the indicators proposed in CNMV circular 5/013 of 12 June 2013.

F.5 **Supervision of the operation of the system**

Indicate and describe the main characteristics of at least the following:

F.5.1. Whether the ICFR system supervision activities performed by the Auditing Committee, and whether the company has an Internal Auditing function authorised to support the Committee in its task of supervising the Internal Control System, including ICFR. Information will also be given on the scope of the ICFR system evaluation carried out during the year and on the procedure whereby the person in charge of performing the evaluation communicates the results, whether the company has an action plan detailing any corrective measures, and whether the impact on the financial reporting has been considered.

The FCC Group's Internal Auditing Basic Standards, in their third heading, state that "The purpose of the General Internal Auditing Management is to provide the Board of Directors, via the Audit and Control Committee, and the Senior Executives of FCC Group, with whom it actively collaborates, with the effective supervision of the Internal Control System, by exercising a unique and independent governance function aligned with professional standards, contributing to Good Corporate Governance, verifying the proper compliance with applicable regulations, both internal and external, and reducing to reasonable levels the possible impact of the risks in achieving the objectives of FCC Group."

The General Internal Auditing Management, by delegation of the Audit and Control Committee, has as its objective, as stated in the Group's Internal Auditing Basic Standards, under headings 4 and 5, that of evaluating the adequacy and effectiveness of the Internal Control Systems. To this end, the Internal Auditing function applies to the entire FCC Group everything referring to:

- The reliability and integrity of the economic and financial reports, both internal (management information) and for external disclosure.
- Review of the systems and operations to check the compliance with the policies, procedures and regulations approved by Senior Executives, and with the laws in force.

Also, heading 9 of these standards establishes the functions and powers of the General Internal Auditing Management:

- "The General Internal Auditing Management has the fundamental mission of assisting the Audit and Control Committee in the compliance with the powers and responsibilities conferred to said Committee by article 41 of the Regulations of the Board of Directors in force."
- "The functions of the General Internal Auditing Management are to supervise the efficiency of the internal controls, ensuring the compliance with legal requirements, the evaluation and enhancement of the risk management processes, and also to ensure that the financial reports that are prepared are correct and suitable for FCC Group. These functions are specifically the following:
  - ✓ Analysing and evaluating the systems, ensuring the compliance with the policies, procedures, standards, regulations and plans. The sufficiency and effectiveness of the internal control systems, making suggestions for the enhancement thereof.

- ✓ Reviewing the application and effectiveness of the risk management procedures and of the systems for assessing them.
- ✓ Watching over compliance with the standards and guidelines established by Management, especially the Code of Conduct and the General Standards Manual.
- ✓ Reviewing the (individual and consolidated) accounting information, the management reports and the financial information disseminated to the markets from time to time, evaluating that they are correct and reliable, in compliance with the law in force, and that the generally accepted accounting principles are applied. Suggesting internal control measures to enable compliance with standards applying to the preparation and disclosure of financial reports.
- ✓ Checking that assets really exist and the systems guaranteeing the integrity and safeguarding thereof.
- ✓ Supporting the different areas in their technical relations, control and monitoring with external auditors.
- ✓ Assisting the members of the Group's Organisation, furnishing them with analyses, recommendations, advice and information on the activities reviewed. Reporting any incidents that are detected to the Management and recommending corrective actions.
- ✓ Complying with the Annual Auditing Plan, reporting from time to time on the evolution thereof.
- ✓ Supervising the work of the external auditors, asking for and receiving information on any aspects related to the progress of the audits, acting as a communication channel between the external auditors and the Audit and Control Committee, submitting the conclusions of the review by the external auditors and, especially, any circumstances that might jeopardise their independence. They shall also make proposals on the appointment of the external auditors to enable the Audit and Control Committee to meet its obligations with the Board of Directors.
- ✓ Any other functions entrusted by the Audit and Control Committee.

The General Internal Auditing Management will act independently of the management areas. A resolution of the Board of Directors, passed on 26 October 2004, establishes that the General Internal Auditing Management is functionally dependent upon the Audit and Control Committee and organically dependent upon the Chairman of FCC Group. The members of the General Internal Auditing Management perform their functions independently, without sharing their responsibilities with other management areas.

As commented in section 2.1 above, the Group has implemented an integrated risk management model, which is to allow it to appropriately face the financial reporting risks as well as other risks to which its activities are subject. To this end, in June 2013 the General Internal Auditing Management incorporated Risk Management among its functions; until then it was part of the General Administration and Information Technology Management.

The worsening of the economic environment over recent years has increased the exposure of companies to a number of different risks. In this respect, the Group's General Internal Auditing Management, according to the provisions in the Auditing Plan prepared in compliance with the Basic Auditing Standards, considers that it is necessary to analyse and evaluate, via a number of different indicators, the impact on the business areas, with the purpose of advising the Audit and Control Committee and preparing the relevant recommendations to allow it to minimise the impact of risks related to the financial reporting that may affect the Group.

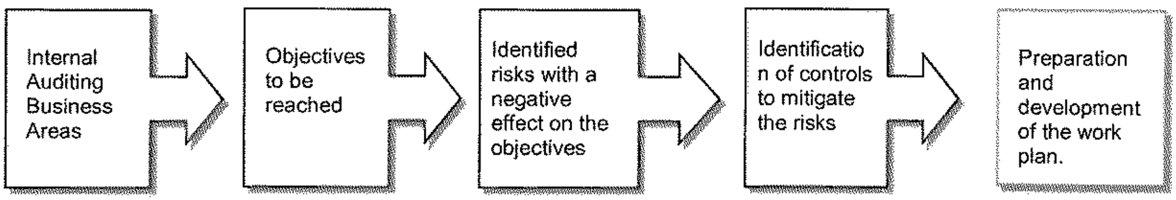
The scope of the auditing tasks is defined according to these variables, in order to provide the Audit and Control Committee and Management in general with reasonable security on the proper functioning of the internal control systems, on the compliance with the policies for managing the main risks of the Group and on the reliability of the economic and financial reports prepared by Management and submitted to the Board of Directors for approval.

The fundamental role of the Audit and Control Committee is to support the Board of Directors in its surveillance tasks, by reviewing from time to time the process of preparing the economic and financial reports, its internal controls and the independence of the external Auditor.

The Audit and Control Committee holds meetings with the external auditor and listens to the explanations given by the General Manager of Finance and the General Manager of Administration.

The auditing plan does not include the tasks that may be carried out by the Internal Auditing Departments of the FCC Group listed companies Cementos Portland Valderrivas and Realia, notwithstanding the coordination tasks performed by the different Internal Auditing Departments, with the purpose of reporting to the FCC Group Audit and Control Committee the effect that the risks of said Groups may have on the consolidated financial statements of FCC Group.

The Auditing Plan (prepared pursuant to the Basic Auditing Standards) follows the plan given below:



According to the 2013 Auditing Plan, communicated to the Auditing Committee for the year 2013, the General Internal Auditing Management has carried out the following tasks in relation to the review of the Group's Internal Control over Financial Reporting system in a number of different areas:

- IT auditing: There have been reviews of the security model defined in SAP/Integra (the Group's financial application) and Incorpora (the Payroll application), reviews of the General IT Controls in the Construction areas, work to validate the effectiveness of automatic controls in the FCC Construcción Machinery SAP, Auditoría 27001 in the FCC CO and Aqualia areas, half-yearly reviews of SAP Integra (the FCC Group financial system) and reviews of the removal process implemented in the Employee and Identity Management Master Program.
- Environmental auditing: Review of the FCC Environment models for estimating environmental provisions.
- Work to review the financial reporting in the different business areas: Construction, Environment, Water, Energy, Waste, and Versia, mainly the reporting that refers to provisions, judgments and estimates.
- Analysis of the audit opinions on the companies audited: Systematic analysis of the audit opinions on companies in FCC Group, with the objective of monitoring any companies that are not given a favourable report from the auditor.
- Monitoring of the reporting obligations in respect of financial entities (covenants): coordination of the work between the external auditors and the business areas, analysing and reviewing the information prepared by said areas, which must be certified by the auditor. Involvement in the process of certifying financial ratios determined regarding statutory financial statements that were already audited.

- Criminal liability of the Legal Entity: Evaluation of the design of the controls implemented in FCC in relation to the modification of the Spanish Criminal Code, verification of the measures and controls established in the Group in order to prevent and detect any such offences (currently undergoing modification, assessing the implications of the regulatory changes).
- Internal communication channel: Review of the compliance with the communication obligations established in the FCC Group Internal Conduct Regulations and the Code of Ethics.
- Monitoring of the internal control recommendations issued in prior years.
- Other functions of the review of financial reports: Supervision of the quarterly, half-yearly and annual financial statements and notes to the financial statements. Internal Auditing reviews the consolidated and individual financial statements, in order to identify whether the sums and the information broken down in these statements are in compliance with the IFRS or PGC (Spanish General Chart of Accounts) standards. In addition, the reports sent from time to time to the CNMV are reviewed.
- Technical queries: Internal Auditing collaborates in responding to queries related to the accounting treatment of certain transactions owing to their complexity.

The results of the reviews carried out by the General Internal Auditing Management, together with any incidents that were detected, have been communicated to the Audit and Control Committee during the year.

F.5.2. Whether there is a discussion procedure whereby the account auditor (in accordance with what is provided in the Technical Auditing Standards (NTA)), the Internal Auditing function and other experts may communicate to senior executives and to the Auditing Committee or directors of the company, any significant internal control weaknesses identified during the process of reviewing the financial statements or any others entrusted to them. In addition whether there is an action plan to correct or mitigate the observed weaknesses

The FCC Group Internal Auditing Basic Standards, in heading seven, section i), states that "The Audit and Control Committee will be informed, via the General Internal Auditing Management and its relations with the external auditors, of the preparation process of the financial reports, of the proper application of generally accepted accounting principles, and of compliance with legal requirements and on the functioning of the Internal Control Systems."

As stated in the preceding paragraph, the purpose of the General Internal Auditing Management is to provide the Board of Directors, via the Audit and Control Committee, and the Senior Executives of FCC Group, with the effective supervision of the Internal Control Systems.

This objective consists of furnishing the Management of FCC Group with an independent opinion on the Organisation's ability to achieve its objectives, by means of a systematic and methodological approach towards the evaluation, management and enhancement of the effectiveness of these processes:

- Risk Management: Processes used by Management to identify, evaluate and respond to the potential risks that may affect whether the organisation achieves its business plans set out in the Strategic Plan.
- Internal Control: The policies, standards, procedures and activities making up the control system established by FCC Group to ensure the proper management and risk reductions.

As stated under the preceding item, heading 9 of the Group's Internal Auditing Basic Standards establishes, among the functions and remits of the General Internal Auditing Management, that of: "Assisting the members of the Group's Organisation, furnishing them with analyses, recommendations, advice and information on the activities reviewed. Reporting any incidents that are detected to the Management and recommending corrective actions."

FCC Group's General Internal Auditing Management reports to the Audit and Control Committee from time to time any significant internal control weaknesses identified during the performance of their tasks, giving recommendations to adequately correct them. In 2013, it attended all the meetings of the Audit and Control Committee.

With the purpose of ensuring that the financial reports submitted to the Audit and Control Committee have been prepared according to generally accepted accounting principles and that they offer a true and fair view of the state of affairs of FCC Group, the General Internal Auditing Management performs a number of processes for the review of the accounting information (both individual and consolidated), the management reports and the financial reports disclosed to the markets from time to time.

Additionally, the Group's auditor has direct access to the Group's Senior Executives, and has meetings with them from time to time, both to obtain the information needed to perform his work and to communicate any control weaknesses detected. The external auditors present the conclusions of their reviews to the Audit and Control Committee at least three times a year, detailing the internal control weaknesses that have come up while reviewing the Group's financial statements, including any aspects they consider relevant. In 2013, the external auditor attended 5 meetings of the Audit and Control Committee.

F.6 Other relevant information

N/A

F.7 External auditors report

Report on:

F.7.1. Whether the ICFR system information disclosed to the markets has been reviewed by the external auditor, in which case the Company must include the relevant report as an Appendix. Otherwise, the reason why said report is not available must be explained.

The information included here on the Internal Control over Financial Reporting System was reviewed by the External Auditor, and the report thereof is attached as an Appendix to this document.

G DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

State the Company's degree of compliance with the recommendations of the Unified Code of Good Governance.

In the event of not complying with some recommendations or only partial compliance, include a detailed explanation of the reasons so that the shareholders, investors and the market at large may have sufficient information to assess the Company's procedures. General explanations will not be acceptable.

1. **The Articles of Association of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the Company by means of share purchases on the market.**

   See headings A.10, B.1, B.2, C.1.23 and C.1.24.

   Compliant

2. **When a parent and a subsidiary company are stock market listed, the two should provide detailed disclosure on:**

   a) **The type of activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies;**

   b) **The mechanisms in place to resolve possible conflicts of interest.**

   See headings D.4 and D.7.

   Explain

   Although article 7.2.i of the Rules of the Board of Directors entrusts the Board with "defining the structure of the Group and coordinating, within the legal limits, the Group's general strategy in the interests of the Company and its subsidiaries with the support of the Strategic Committee and the CEO, and disclosing in the Annual Corporate Governance Report the respective areas of activity and any business relations between the Company and its listed subsidiaries that are part of the group, and between those companies and the other Group companies, and the mechanisms established to resolve any conflicts of interest that may arise," the Company has not yet publicly defined these two points.

3. **Even when not expressly required under company Laws, any decisions involving a structural corporate change should be submitted to the General Meeting of Shareholders for approval or ratification, especially the following:**

   a) **The transformation of listed companies into holding companies through the process of subsidiarisation, i.e. reallocating to subsidiaries core activities that were previously carried out by the original company, even though the latter retains full control of the former;**

b) **Any acquisition or disposal of key operating assets that would effectively alter the company's corporate purpose;**

c) **Operations that are equivalent to winding-up the Company.**

See heading B.6.

Complies partially

Article 8.6 of the Rules of the Board of Directors establishes that the Board must seek the authorisation of the shareholders at the General Meeting prior to an acquisition or disposal of key operating assets that would effectively alter the corporate purpose of the Company or prior to any operations that are tantamount to winding-up the Company.

To avoid impairing the Board of Directors' ability to operate, this does not include subsidiarisation operations, since these operations often require quick decisions for opportunity reasons and are governed by ample legal mechanisms to protect the interests of the shareholders and the Company. Nevertheless, the Board duly reports such operations at the General Meeting.

4. **Detailed proposals of the resolutions to be adopted at the General Meeting of Shareholders, including the information stated in Recommendation 27 should be made available at the same time as the publication of the Meeting notice.**

Compliant

5. **Separate votes should be taken at the General Meeting of Shareholders on materially separate items, so shareholders can express their voting preferences separately. This rule shall apply in particular to:**

   a) **The appointment or ratification of Directors, with separate voting on each candidate;**

   b) **Amendments to the Articles of Association, with votes taken on all articles or groups of articles that are materially different.**

Compliant

6. **Companies should allow split votes, so that financial intermediaries representing different clients may issue their votes according to instructions.**

Compliant

7. **The Board of Directors should perform its duties with unity of purpose and independent judgement, affording all shareholders the same treatment. It should be guided at all times by the Company's best interest and, as such, strive to maximise its value over time in a sustained manner.**

It should likewise ensure that the Company abides by the laws and rules in its dealings with stakeholders; fulfils its obligations and contracts in good faith; respects the customs and good practices of the sectors and territories where it does business; and upholds any additional social responsibility principles it has subscribed to voluntarily.

Compliant

8. **The Board should seek, as core components of its mission, to approve the Company's strategy and the organisation required to carry it forward, and supervise and control that the management meets the objectives set while pursuing the Company's interests and corporate purpose. For such purpose, the Board in full should reserve the right to approve:**

   a) **The Company's general policies and strategies, and, in particular:**

      i) **The strategic or business plan, management targets and annual budgets;**

      ii) **The investment and financing policy;**

      iii) **The design of the corporate group structure;**

      iv) **The corporate governance policy;**

      v) **The corporate social responsibility policy;**

      vi) **The remuneration and evaluation of senior officers policy;**

      vii) **Risk control and management, and the regular monitoring of internal information and control systems policy.**

      viii) **The dividend policy, as well as the policies and limits applying to treasury stock.**

      See sections: C.1.14, C.1.16 and E.2.

   b) **The following decisions:**

      i) **On the proposal of the Company's chief executive, the appointment and removal of senior officers, and their severance clauses.**

      ii) **Directors' remuneration and, in the case of executive Directors, the additional remuneration for their management duties and other contract conditions.**

      iii) **The financial information that all listed companies must disclose periodically.**

      iv) **All types of investments or operations considered strategic by virtue of their amount or special characteristics, unless their approval corresponds to the General Meeting of Shareholders.**

      v) **The creation or acquisition of shares in special purpose vehicles or entities resident in jurisdictions considered tax**

havens, and any other transactions or operations of a similar nature whose complexity might impair the transparency of the group.

c) Transactions which the Company performs with Directors, significant shareholders, shareholders with Board representation or other persons related thereto ("related-party transactions").

However, Board authorisation need not be required for related-party transactions that simultaneously meet the following three conditions:

1. They are governed by standard form agreements applied on an across-the-board basis to a large number of clients;

2. They are arranged at market rates, generally set by the person supplying the goods or services;

3. The amount is not more than 1% of the Company's annual revenues.

It is advisable that related-party transactions should only be approved on the basis of a favourable report from the Audit Committee or some other Committee entrusted with the function in question; and that the Directors involved should neither exercise nor delegate their votes, and should leave the meeting room while the Board debates and votes.

Ideally the above powers should not be delegated with the exception of those mentioned in b) and c), which may be delegated to the Executive Committee in urgent cases and later ratified by the full Board.

See headings: D.1 and D.6.

Compliant

9. In the interests of maximum effectiveness and participation, the Board of Directors should ideally comprise no fewer than five and not more than fifteen members.

See heading: C.1.2.

Explain

Article 27 of the Articles of Association states that the Board of Directors shall comprise a minimum of five and a maximum of 22 members; as of 31 December 2013 there were 18 Directors.

Given the characteristics of the Company, the size of the Board is considered to be appropriate for proper management, running and administration of the Company's businesses. This easily allows different types of Directors on the Board without jeopardising its operativity.

10. External Directors, both nominee and independent, should occupy an ample majority of Board places, while the number of executive Directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control.

See sections: A.3 and C.1.3.

Compliant

11. Among external Directors, the relation between nominee members and independents should match the proportion between the capital represented on the Board by nominee Directors and the remainder of the Company's capital.

This proportional criterion can be relaxed so the weight of nominee Directors is greater than would strictly correspond to the total percentage of capital they represent:

1. **In large capitalization companies where few or no equity stakes attain the legal threshold for significant shareholdings, but where there are shareholders with blocks of shares with high absolute value.**
2. **In companies with a plurality of shareholders represented on the Board that are not otherwise related.**

See sections: A.2, A.3 and C.1.3.

Compliant

12. The number of independent Directors should represent at least one third of all Board members.

See section: C.1.3,

Compliant

13. The nature of each Director should be explained to the General Meeting of Shareholders by the Board, which will make or ratify his or her appointment. Such determination should subsequently be confirmed or reviewed in each year's Annual Corporate Governance Report, after verification by the Appointments Committee. This Report should also disclose the reasons for the appointment of nominee Directors at the request of shareholders controlling less than 5% of capital; and explain any rejection of a formal request for a Board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a nominee Directorship.

See sections: C.1.3 and C.1.8.

Compliant

14. When there are few or no women directors the Appointments Committee should take steps to ensure that:

a) The process of filling Board vacancies has no implicit bias against women candidates;

b) The Company makes a conscious effort to include women with the professional profile among the candidates for Board places.

See sections: C.1.2, C.1.4, C.1.5, C.1.6, C.2.2 and C.2.4.

Compliant

15. The Chairman, as the person responsible for the proper operation of the Board of Directors, should ensure that Directors are supplied with sufficient information in advance of Board meetings, and work to procure a good level of debate and the active involvement of all members during board meetings, safeguarding their rights to freely express and adopt positions; he or she should organise and coordinate regular evaluations of the Board and, where appropriate, the Company's chief executive, along with the chairmen of the relevant Board Committees.

See sections: C.1.19 and C.1.41.

Compliant

16. When the Chairman of the Board is also the Company's chief executive, an independent director should be empowered to request the calling of Board meetings or the inclusion of new items on the agenda; to coordinate and give voice to the concerns of external directors; and to lead the Board's evaluation of the Chairman.

See section: C.1.22

Not applicable

17. The Secretary of the Board should take care to ensure that the Board's actions:

a) Adhere to the spirit and letter of laws and their implementing regulations, including those issued by regulatory agencies;

b) Comply with the Company Bylaws and the Rules of the General Meeting of Shareholders, the Board of Directors and others;

c) Are informed by the governance recommendations of the Unified Code that the Company has subscribed to.

In order to safeguard the independence, impartiality and professionalism of the Secretary, his or her appointment and removal should be proposed by the Appointments Committee and approved by a full Board meeting; the relevant appointment and removal procedures being those determined in the Rules of the Board of Directors.

See section: C.1.34.

Compliant

18. **The Board should meet with the necessary frequency to properly perform its functions, in accordance with a calendar and agendas set at the beginning of the year, each Director may propose the addition of other items to the agendas.**

See section: C.1.29.

Compliant

19. **Director absences should be kept to the bare minimum and quantified in the Annual Corporate Governance Report. When Directors have no choice but to delegate their vote, they should do so with instructions.**

See sections: C.1.28, C.1.29 and C.1.30.

Compliant

20. **When Directors or the Secretary express concerns about some proposal or, in the case of Directors, about the Company's performance, and such concerns are not resolved at the Board meeting, the person expressing them can request that they be recorded in the minute book.**

Compliant

21. **The Board in full should evaluate the following points on a yearly basis:**

    a) **The quality and efficiency of the Board's operation;**

    b) **Starting from a report submitted by the Appointments Committee, how well the Chairman and chief executive have carried out their duties;**

    c) **The performance of its Committees on the basis of the reports furnished by them.**

    See sections: C.1.19 and C.1.20.

Compliant

22. **All directors should be able to exercise their right to receive any additional information they require on matters within the Board's competence. Unless the Articles of Association or Rules of the Board of Directors indicate otherwise, such requests should be addressed to the Chairman or Secretary.**

See section: C.1.41.

Compliant

23. All directors should be entitled to call on the Company for the advice and guidance they need to carry out their duties. The Company should provide suitable channels for the exercise of this right, extending in special circumstances to external assistance at the Company's expense.

See section: C.1.40.

Compliant

24. Companies should organise induction programmes for new directors to acquaint them rapidly with knowledge about the Company and its corporate governance rules. Directors should also be offered refresher programmes when circumstances so advise.

Compliant

25. Companies should require their Directors to devote sufficient time and effort to perform their duties effectively, and, as such:

a) Directors should inform the Appointments Committee of any other professional obligations, in case they might interfere with the necessary dedication;

b) Indicate whether the Company has established rules about the number of Directorships its Board members can hold.

See sections: C.1.12, C.1.13 and C.1.17.

Compliant

26. The proposal for the appointment or re-appointment of Directors which the Board submits to the General Meeting of Shareholders, as well as provisional appointments by the method of co-optation, should be approved by the Board:

a) When proposed by the Appointments Committee, in the case of independent Directors.

b) Subject to a report from the Appointments Committee in the case of all other Directors.

See section: C.1.3.

Compliant

27. Companies should post the following particulars on the Directors on their websites, and keep them permanently updated:

a) Professional experience and background;

b) Directorships held in other companies, listed or otherwise;

c) **An indication of the Director's classification as executive, nominee or independent; in the case of nominee Directors, stating the shareholder they represent or have links with;**

d) **The date of their first and subsequent appointments as a Company Director, and;**

e) **Shares held in the Company and any options thereon.**

Compliant

28. Nominee Directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to appoint nominee Directors, the latter's number should be reduced accordingly.

See sections: A.2, A.3 and C.1.2.

Compliant

29. The Board of Directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the Bylaws, except where just cause is found by the Board, based on a proposal from the Appointments Committee. In particular, just cause will be presumed when a Director is in breach of his or her duties or comes under circumstances leading to the loss of independent status, according to the provisions in Order ECC/461/2013.

The removal of independent Directors may also be proposed when a takeover bid, merger or similar corporate operation produces changes in the Company's capital structure, in order to meet the proportionality criterion set out in Recommendation 11.

See sections: C.1.2, C.1.9, C.1.19 and C.1.27.

Compliant

30. Companies should establish rules obliging Directors to inform the Board of any circumstance that might harm the company's name or reputation, tendering their resignation as the case may be, with particular mention of any criminal charges brought against them and the progress of any subsequent proceedings.

The moment a director is indicted or tried for any of the crimes stated in Article 213 of the Capital Companies Act, the Board should examine the matter as soon as possible and, in view of the particular circumstances and potential harm to the Company's name and reputation, decide whether or not he or she should be called on to resign. The Board should also disclose all such determinations in the Annual Corporate Governance Report.

See sections: C.1.42, C.1.43.

Compliant

31. **All directors should express clear opposition when they feel a proposal submitted for the Board's approval might damage the corporate interest. In particular, independents and other Directors unaffected by the conflict of interest should challenge any decision that could go against the interests of shareholders lacking Board representation.**

    When the Board makes material or reiterated decisions about which a Director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next recommendation.

    The terms of this Recommendation should also apply to the Secretary of the Board, regardless of whether he or she has director status.

Compliant

32. **Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the Board. Irrespective of whether such resignation is filed as a relevant event, the motive for the same must be explained in the Annual Corporate Governance Report.**

    See section: C.19.

Compliant

33. **Remuneration comprising the granting of shares in the Company or other companies in the group, share options or other share-based instruments, payments linked to the Company's performance or membership of pension schemes should be confined to executive Directors.**

    The granting of shares is excluded from this limitation when Directors are obliged to retain them until the end of their tenure.

Compliant

34. **External Directors' remuneration should sufficiently compensate them for the dedication, abilities and responsibilities that the post entails, but should not be so high as to compromise their independence.**

Compliant

35. **In the case of remuneration linked to company earnings, any qualifications stated in the external auditor's report which may reduce said earnings should be considered.**

Compliant

36. In the case of variable remuneration, the remuneration policies should include technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the Company's sector, or other circumstances of this kind.

Compliant

37. When there is a Delegated or Executive Committee (hereinafter, "Delegated Committee"), the representation structure of the different director categories should be similar to that of the Board and the Secretary of the Board should be the Secretary of that Committee.

See sections: C.2.1 and C.26.

Complies partially

The Executive Committee is made up by External Directors (80%) and Executive Directors, whereas 88.9% of the members of the Board of Directors are External Directors and 11.1 % are Executive Directors.

The Secretary of the Board is the secretary of the Executive Committee.

38. The Board must always be informed of the matters discussed and the decisions adopted by the Delegated Committee, and all the Board members must receive a Copy of the minutes of Delegated Committee meetings.

Compliant

39. In addition to the Audit Committee required under the Securities Market Law, the Board of Directors should form a Committee, or two separate Committees, for Appointments and Remuneration.

The rules governing the composition and operation of the Audit Committee and the Appointments and Remuneration Committee or Committees should be set forth in the Rules of the Board, and include the following:

a) The Board of Directors will designate the members of the Committees, taking into account the directors' knowledge, skills and experience and each Committee's area of competence; discuss their proposals and reports; and at the first Board meeting following each Committee meeting, should inform on the business and activities performed, and respond to the work carried out.

b) These Committees should be formed exclusively by external directors and have a minimum of three members. Executive directors or senior officers may also attend meetings, for information purposes, at the Committees' invitation.

c) Committee Chairmen must be independent directors.

d) **These Committees may engage external advisors when they feel this is necessary to carry out their duties.**

e) **Committee meetings should draw up minutes and a copy must be sent to all Board members.**

See sections: C.2.1 and C.2.4.

Complies partially

The Board of Directors has taken into account the knowledge, skills and experience of the directors and the mission of each Committee when appointing Committee members. Committees are also expressly given the power to obtain external advice and the Board has debated the proposals and reports presented by the Committees, which reported on their activities and performance at the first full Board meeting after each of their meetings.

When appointing the Committee members and chairs, the Board has given priority to the skills, experience and qualifications that will enable directors to contribute to better performance by the Committees of the duties entrusted to them (rather than to the directors' categories).

The Audit and Control Committee is chaired by Mr Gustavo Villapalos Salas, an independent director of FCC.

40. **The task of supervising compliance with internal codes of conduct and corporate governance rules should be entrusted to the Audit Committee, the Appointments Committee or, as the case may be, separate Compliance or Corporate Governance Committees.**

See sections: C.2.3 and C.2.4.

Compliant

41. **All members of the Audit Committee, particularly its Chairman, should be appointed with regard to their knowledge and background in accounting, auditing and risk management matters.**

Compliant

42. **Listed companies should have an internal audit function, under the supervision of the Audit Committee, to ensure the proper operation of internal reporting and control systems**

See section: C.2.3.

Compliant

43. **The head of internal audit should present an annual work programme to the Audit Committee; report to it directly on any incidents arising during**

its implementation; and submit an activities report at the end of each year.

Compliant

44. The Control and risk management policy should specify at least:

a) **The different types of risk (operational, technological, financial, legal, reputational, etc.) to which the Company is exposed, with the inclusion of contingent liabilities and other off-balance-sheet risks under financial or economic risks;**

b) **The determination of the risk level the Company considers as acceptable;**

c) **Measures in place to mitigate the impact of identified risks should they occur;**

d) **The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.**

See section: E.

Compliant

45. The Audit Committee's role should be:

1. **With respect to internal control and reporting systems:**

   a) **The major risks identified as a consequence of the monitoring of the efficacy of the Company's internal control and its internal auditing, as the case may be, must be adequately managed and disclosed.**

   b) **Monitor the independence and efficacy of the internal audit function; propose the selection, appointment, re-appointment and removal of the head of internal audit; propose the department's budget; receive regular report-backs on its activities; and verify that senior executives are acting on the findings and recommendations of its reports.**

   c) **Establish and supervise a mechanism whereby staff can report, confidentially and, if necessary, anonymously, any irregularities they detect in the course of their duties, in particular financial or accounting irregularities, with potentially serious implications for the company.**

2. **With respect to the external auditor:**

a) Receive regular information from the external auditor regarding the audit plan and the results thereof, and verify that senior executives act on the recommendations of the external auditor.

b) Ensure the independence of the external auditor, to which end:

   i) The Company should notify any change of auditor to the CNMV as a relevant event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.

   ii) Investigate the issues giving rise to the resignation of any external auditor, in the case thereof.

See sections: C.1.36, C.2.3, C.2.4 and E.2.

Compliant

46. The Audit Committee should be empowered to meet with any Company employee or manager, even ordering their appearance without the presence of another senior officer.

Compliant

47. The Audit Committee should prepare information on the following points from Recommendation 8 for input to Board decision-making:

a) The financial information that all listed companies must disclose periodically. The Committee should ensure that interim statements are drawn up under the same accounting principles as the annual statements and, to this end, may ask the external auditor to conduct a limited review.

b) The creation or acquisition of shares in special purpose vehicles or entities resident in jurisdictions considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.

c) Related-party transactions, except where their scrutiny has been entrusted to some other supervision and control Committee.

See sections: C.2.3 and C.2.4.

Compliant

48. The Board of Directors should seek to present the annual accounts to the General Meeting of Shareholders without reservations or qualifications in the audit report. Should such reservations or qualifications exist, both the Chairman of the Audit Committee and the auditors should give a clear account to shareholders of their scope and content.

See section: C.1.38.

Compliant

49. The majority of Appointments Committee members, or Appointments and Remuneration Committee members, as the case may be, should be independent directors.

See section: C.2.1

Explain

As mentioned under recommendation 44, when appointing the Appointments and Remuneration Committee members, the Board has given priority to the skills, experience and qualifications that will enable Directors to contribute to better performance by the Committees of the duties entrusted to them.

All members of the Appointments and Remuneration Committee are external Directors and 40% of the members are independent Directors.

50. The Appointments Committee should have the following functions in addition to those stated in earlier recommendations:

a) **Evaluate the balance of skills, knowledge and experience required on the Board, define the roles and capabilities required of the candidates to fill each vacancy, and decide the time and dedication necessary for them to properly perform their duties.**

b) **Examine or organise, in appropriate form, the succession of the chairman and chief executive, making recommendations to the Board so the handover proceeds in a planned and orderly manner.**

c) **Report on the senior officer appointments and removals which the chief executive proposes to the Board.**

d) **Report to the Board on the gender diversity issues discussed in Recommendation 14 of this Code.**

See section: C.2.4.

Compliant

51. The Appointments Committee should consult with the Company's Chairman and Chief Executive, especially on matters relating to executive Directors.

Any Board member may suggest Directorship candidates to the Appointments Committee for its consideration to fill vacancies.

Compliant

52. The Remuneration Committee should have the following functions in addition to those stated in earlier recommendations:

a) **Make proposals to the Board of Directors regarding:**

i) **The remuneration policy for Directors and senior officers;**

ii) **The individual remuneration and other contractual conditions of executive Directors.**

iii) **The standard conditions for senior officer employment contracts.**

b) **Oversee compliance with the remuneration policy set by the Company.**

See sections: C.2.4

Compliant

53. The Remuneration Committee should consult with the Chairman and chief executive, especially on matters relating to executive Directors and senior officers.

Compliant

H – OTHER INFORMATION OF INTEREST

1. If you consider that there are any relevant principles or aspects of corporate governance applied by your Company which has not been assessed in this report but which is necessary to include in order to provide more complete and reasoned information on the structure or governance practices of the company or group, state and explain the contents thereof below.

2. This section may include any other information, clarifications or nuances related to the previous sections of the report, insofar as they are relevant and not repetitive.

   Specifically, indicate whether the company is subject to laws other than those of Spain in the field of corporate governance and, as the case may be, include any information that it is obliged to furnish other than that required in the report herein.

3. The company may also indicate whether it has voluntarily adhered to other codes of ethics or good practices, or international, industry or other codes. If applicable, identify the relevant code and the date of adherence.

   FCC has its own Code of Ethics, approved by the Board of Directors on 10 June 2008, subsequently reviewed in 2010 and 2012.

   FCC adhered to the United Nations Global Compact on 7 May 2007.

This annual corporate governance report was approved by the Board of Directors of the company at its meeting held on 31st March 2014.

State whether any of the Directors voted against or abstained from voting the approval of the report herein.

NO

Name or company name of any directors not approving this report with their vote	**Reasons (against, abstained from voting, did not attend meeting)**	**Explain the reasons**