FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.

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 27). In the event of a discrepancy, the Spanish-language version prevails.

Financial Statements and Directors Report

2013

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2013

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Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

BALANCE SHEET AT 31 DECEMBER 2013 (in thousands of euros)

ASSETS		31/12/13		31/12/12
NON-CURRENT ASSETS		**3,712,741**		**4,883,244**
Intangible assets (Notes 5 & 8)		150,929		169,484
Concessions	27,934		24,937	
Computer software	24,505		16,831	
Concession arrangements, regulated assets	86,811		91,607	
Concession arrangements, capitalised borrowing costs	1,525		2,117	
Advances on concession arrangements, regulated assets	1,429		26,805	
Other intangible assets	8,725		7,187	
Property plant and equipment (Note 6)		354,714		397,591
Land and buildings	72,516		70,467	
Plant and other items of property, plant and equipment	275,188		312,239	
Property, plant and equipment in the course of construction and advances	7,010		14,885	
Non-current investments in Group companies and associates (Notes 10-a & 23-b)		2,902,094		4,110,116
Equity instruments	2,096,844		2,783,215	
Loans to companies	805,250		1,326,684	
Derivatives (Note 13)	—		217	
Non-current financial assets (Note 9-a)		55,243		61,295
Equity instruments	20,611		20,559	
Loans to third parties	29,337		30,692	
Derivatives (Note 13)	—		1,388	
Other financial assets	5,295		8,656	
Deferred tax assets (Note 20)		220,126		144,758
Non-current trade receivables (Note 8)		29,635		—
Concession arrangements, collection rights	29,635		—	
CURRENT ASSETS		**2,042,324**		**1,853,146**
Non-current assets classified as held for sale (Note 11)		378,239		277,247
Inventories		28,556		38,626
Goods held for resale	21,813		21,736	
Raw materials and other supplies	6,081		6,133	
Advances to suppliers	662		10,757	
Trade and other receivables		524,611		673,475
Trade receivables for sales and services (Note 12)	430,578		607,385	
Receivable from Group companies and associates (Note 23-b)	50,627		46,009	
Sundry accounts receivable	10,091		9,212	
Employee receivables	898		1,014	
Current tax assets (Note 20)	21,894		—	
Other accounts receivable from Public Authorities (Note 20)	7,637		9,855	
Concession arrangements, collection rights	2,886		—	
Current investments in Group companies and associates		924,573		648,638
Loans to companies (Notes 10-b & 23-b)	919,607		643,748	
Derivatives (Note 13)	274		1,247	
Other financial assets	4,692		3,643	
Current financial assets (Note 9-b)		15,297		43,099
Loans to companies	3,065		13,398	
Derivatives (Note 13)	—		4,227	
Other financial assets	12,232		25,474	
Current prepayments and accrued income		4,224		5,499
Cash and cash equivalents		166,824		166,562
Cash	166,824		106,061	
Cash equivalents	—		60,501	
TOTAL ASSETS		**5,755,065**		**6,736,390**

The accompanying Notes 1 to 27 and Appendixes I to III are an integral part of the financial statements and, together with the latter, make up the statutory financial statements for 2013.

EQUITY AND LIABILITIES		31/12/13		31/12/12
EQUITY (Note 14)		**174,542**		**542,618**
Shareholders' equity		169,188		562,363
Share capital		127,303		127,303
Registered share capital	127,303		127,303	
Share premium		242,133		242,133
Reserves		922,194		963,000
Legal and bylaw reserves	26,114		26,114	
Other reserves	896,080		936,886	
Treasury shares		(6,103)		(90,228)
Prior years' losses		(715,759)		—
Profit (loss) for the year		(436,494)		(715,759)
Other equity instruments		35,914		35,914
Valuation adjustments		3,825		(21,462)
Available-for-sale financial assets	8,059		8,007	
Hedges (Note 13)	(4,234)		(29,469)	
Grants, donations and legacies received		1,529		1,717
NON-CURRENT LIABILITIES		**532,851**		**2,801,361**
Long-term provisions (Note 16)		252,567		297,686
Non-current payables (Note 17)		56,651		2,298,803
Debt instruments and other marketable securities	—		435,587	
Bank borrowings	39,353		1,800,182	
Obligations under finance leases	12,094		10,825	
Derivatives (Note 13)	1,743		48,410	
Other financial liabilities	3,461		3,799	
Deferred tax liabilities (Note 20)		87,203		101,740
Trade and other non-current payables (Note 18)		136,430		103,132
CURRENT LIABILITIES		**5,047,672**		**3,392,411**
Short-term provisions		304		1,367
Current payables (Note 17)		4,113,898		1,928,578
Debt instruments and other marketable securities	448,012		4,875	
Bank borrowings	3,599,928		1,839,547	
Obligations under finance leases	5,966		9,059	
Derivatives (Note 13)	43,709		66,012	
Other financial liabilities	16,283		9,085	
Current payables to Group companies and associates (Notes 10-c & 23-b)		516,082		992,983
Trade and other payables (Note 20)		416,795		469,134
Payable to suppliers	102,043		116,669	
Payable to suppliers - Group companies and associates (Note 23-b)	17,252		15,351	
Sundry accounts payable	78,898		75,230	
Remuneration payable	44,562		41,951	
Current tax liabilities (Note 20)	—		4,067	
Other accounts payable to Public Authorities (Notes 18 & 20)	157,448		125,637	
Customer advances (Note 12)	16,592		90,229	
Current accruals and deferred income		593		349
TOTAL EQUITY AND LIABILITIES		**5,755,065**		**6,736,390**

The accompanying Notes 1 to 27 and Appendixes I to III are an integral part of the financial statements and, together with the latter, make up the statutory financial statements for 2013.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

(in thousands of euros)

	31/12/13	31/12/12
CONTINUING OPERATIONS		
Revenue (Note 22)	1,855,416	1,975,923
Sales and services	1,267,713	1,541,297
Income from investments in Group companies and associates (Notes 22 & 23-a)	438,465	300,404
Finance income from marketable securities and other financial instruments of Group companies and associates (Notes 10, 22 & 23-a)	149,238	134,222
In-house work on non-current assets	331	119
Procurements	(192,288)	(383,189)
Cost of goods held for resale sold	(1,284)	(1,473)
Cost of raw materials and other consumables used	(116,810)	(133,411)
Work performed by other companies	(74,194)	(248,305)
Other operating income	61,401	141,998
Non-core and other current operating income	58,897	139,342
Income-related grants transferred to profit or loss	2,504	2,656
Staff costs	(817,997)	(819,641)
Wages, salaries and similar expenses	(611,045)	(616,915)
Employee benefit costs	(206,952)	(202,726)
Other operating expenses	(180,254)	(188,386)
Outside services	(169,996)	(179,368)
Taxes other than income tax	(6,040)	(5,581)
Losses on, impairment of and changes in allowances for trade receivables	7,126	(1,840)
Other current operating expenses	(11,344)	(1,597)
Depreciation and amortisation charge (Notes 5 & 6)	(83,314)	(87,786)
Allocation to profit or loss of grants related to non-financial non-current assets and other grants (Note 14-h)	251	262
Excessive provisions (Note 16)	14,256	27,855
Impairment and gains or losses on disposals of non-current assets	204	1,400
Other gains or losses	(4,255)	(4,174)
PROFIT (LOSS) FROM OPERATIONS	**653,751**	**664,381**
Finance income	4,507	5,624
From marketable securities and other financial instruments of non-Group third	4,507	5,624
Finance costs	(274,655)	(273,220)
On debts to Group companies and associates (Note 23-a)	(26,406)	(48,235)
On debts to third parties	(243,336)	(220,462)
Interest cost relating to provisions	(4,913)	(4,523)
Changes in fair value of financial instruments (Note 13)	18,344	(34,648)
Exchange rate differences	(2,206)	(1,331)
Impairment and gains or losses on disposals of financial instruments(Notes 10 & 11)	(869,809)	(1,107,320)
Impairment and other losses	(932,903)	(1,111,449)
Gains or losses on disposals and other	63,094	4,129
FINANCIAL PROFIT (LOSS)	**(1,123,819)**	**(1,410,895)**
PROFIT (LOSS) BEFORE TAX	**(470,068)**	**(746,514)**
INCOME TAX (Note 20)	**33,574**	**30,755**
PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	**(436,494)**	**(715,759)**
PROFIT (LOSS) FOR THE YEAR	**(436,494)**	**(715,759)**

The accompanying Notes 1 to 27 and Appendixes I to III are an integral part of the financial statements and, together with the latter, make up the statutory financial statements for 2013.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013

A) STATEMENT OF RECOGNISED INCOME AND EXPENSE
(in thousands of euros)

	31/12/13	31/12/12
Profit (Loss) per income statement	**(436,494)**	**(715,759)**
Income and expense recognised directly in equity		
Arising from available-for-sale financial assets	52	—
Arising from cash flow hedges	(795)	(21,859)
Grants, donations and legacies received	—	17
Tax effect	238	6,555
Income and expense recognised directly in equity	**(505)**	**(15,287)**
Transfers to income statement		
Arising from cash flow hedges	36,845	42,732
Grants, donations and legacies received	(251)	(262)
Tax effect	(10,990)	(12,753)
Total transfers to income statement	**25,604**	**29,717**
TOTAL RECOGNISED INCOME AND EXPENSE	**(411,395)**	**(701,329)**

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B) STATEMENT OF CHANGES IN TOTAL EQUITY
(in thousands of euros)

	Share capital (Note 14-a)	Share premium (Note 14-b)	Reserves (Notes 14-c, -d & -e)	Treasury shares (Note 14-e)	Prior years' losses	Profit (Loss) for the year	Interim dividend	Other equity instruments (Note 14-f)	Valuation adjustments (Notes 13 & 14-g)	Grants (Note 14-h)	Equity
Equity at 31 December 2011	127,303	242,133	889,889	(90,975)		235,824	(80,616)	35,914	(36,073)	1,898	1,325,297
Total recognised income and expense						(715,759)			14,611	(181)	(701,329)
Transactions with shareholders and owners			(82,097)	747							(81,350)
Dividends paid			(80,581)								(80,581)
Treasury share transactions (net)			(1,516)	747							(769)
Other changes in equity			155,208			(235,824)	80,616				
Equity at 31 December 2012	127,303	242,133	963,000	(90,228)		(715,759)		35,914	(21,462)	1,717	542,618
Total recognised income and expense						(436,494)			25,287	(188)	(411,395)
Transactions with shareholders and owners			(40,806)	84,125							43,319
Treasury share transactions (net)			(40,806)	84,125							43,319
Other changes in equity					(715,759)	715,759					
Equity at 31 December 2013	127,303	242,133	922,194	(6,103)	(715,759)	(436,494)		35,914	3,825	1,529	174,542

The accompanying Notes 1 to 27 and Appendixes I to III are an integral part of the financial statements and, together with the latter, make up the statutory financial statements for 2013. In particular, Note 14 "Equity" explains this statement.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013

(in thousands of euros)

	31/12/13		31/12/12	
Profit (Loss) for the year before tax		(470,068)		(746,514)
Adjustments to profit (loss)		622,415		958,025
Depreciation and amortisation charge (Notes 5 & 6)	83,314		87,786	
Impairment losses (Note 10)	925,104		1,111,449	
Changes in provisions (Note 16)	11,455		(104,355)	
Gains/Losses on derecognition and disposal of financial instruments (Note 10-a)	(63,094)		(4,128)	
Finance income (Note 22)	(592,210)		(440,251)	
Finance costs	274,654		273,220	
Changes in fair value of financial instruments (Note 13)	(18,344)		34,648	
Other adjustments	1,536		(344)	
Changes in working capital		210,905		123,630
Inventories	(886)		16,583	
Trade and other receivables	123,542		86,310	
Other current assets	(1,655)		1,014	
Trade and other payables	89,055		20,432	
Other current liabilities	849		(709)	
Other cash flows from operating activities		230,239		47,858
Interest paid	(267,553)		(255,972)	
Dividends received	437,415		305,576	
Interest received	100,921		96,387	
Income tax recovered (paid)	(38,203)		(97,095)	
Other amounts received (paid)	(2,341)		(1,038)	
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		**593,491**		**382,999**
Payments due to investments		(1,005,184)		(355,639)
Group companies and associates (Note 10)	(945,609)		(252,285)	
Intangible assets and property, plant and equipment (Notes 5 & 6)	(53,214)		(78,462)	
Other financial assets	(6,361)		(24,892)	
Proceeds from disposals		611,018		125,122
Group companies and associates (Note 10)	590,281		61,977	
Intangible assets and property, plant and equipment (Notes 5 & 6)	3,698		16,229	
Other financial assets	17,039		46,916	
TOTAL CASH FLOWS FROM INVESTING ACTIVITIES		**(394,166)**		**(230,517)**
Proceeds and payments relating to equity instruments		43,743		(964)
Disposal of treasury shares	161,924		68,448	
Purchase of treasury shares	(118,606)		(69,217)	
Grants, donations and legacies received	425		(195)	
Proceeds and payments relating to financial liability instruments (Note 17)		(242,806)		(585,613)
Proceeds from issue of:				
Bank borrowings	20,501		841,863	
Borrowings from Group companies and associates	1,992		4,153	
Other borrowings	6,886		706	
Repayment of:				
Bank borrowings	(26,263)		(1,374,562)	
Borrowings from Group companies and associates	(236,014)		(50,166)	
Other borrowings	(9,908)		(7,607)	
Dividends paid and returns on other equity instruments (Note 3)		—		(161,469)
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES		**(199,063)**		**(748,046)**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**262**		**(595,564)**
Cash and cash equivalents at beginning of year		166,562		762,126
Cash and cash equivalents at end of year		166,824		166,562

The accompanying Notes 1 to 27 and Appendixes I to III are an integral part of the financial statements and, together with the latter, make up the statutory financial statements for 2013.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

1. COMPANY ACTIVITIES

Fomento de Construcciones y Contratas, S.A. is a company incorporated in Spain in accordance with the Spanish Limited Liability Companies Law, the core business of which is to provide Environmental Services, which include the collection and treatment of solid waste and the cleaning of public streets and sewer systems, and Integral Water Management, which includes water treatment and distribution and other complementary services. The Company's registered office is at c/ Balmes, 36 (Barcelona) and it carries on its activities basically in Spain.

Fomento de Construcciones y Contratas, S.A. is in turn Parent of the FCC Group, which comprises a broad spectrum of Spanish and foreign subsidiaries and associates that carry on various business activities grouped together in the following areas:

- Environmental Services. Services related to urban water treatment, treatment of industrial waste and waste-to-energy (waste recovery).

- Integral Water Management. Services related to the integral water cycle: collection, treatment and distribution of water for human consumption; wastewater collection, filtering and treatment; design, construction, operation and maintenance of water infrastructure for municipal, industrial, agricultural and other services.

- Construction. This area specialises in infrastructure construction projects, building construction and related activities, such as motorways, 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.

In accordance with its 2013-2015 Strategic Plan, the FCC Group is currently implementing a process of divestment of non-core assets in areas such as Energy and Infrastructure and Property Management, among others. Fomento de Construcciones y Contratas, S.A. engages in these activities through subsidiaries and, accordingly, its investment in them is presented under "Non-Current Assets Classified as Held for Sale" in the accompanying financial statements (see Note 11).

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

The financial statements, which were prepared from the accounting records of Fomento de Construcciones y Contratas, S.A. and the joint ventures in which it has interests, were prepared in accordance with the Spanish Commercial Code, Legislative Royal Decree 1/2010, of 2 July, approving the Consolidated Text of the Spanish Limited Liability Companies Law, and Royal Decree 1514/2007 which introduced the Spanish National Chart of Accounts. Also included were all the accounting principles and rules contained in the legislative amendments established by Royal Decree 1159/2010, of 17 September, on industry plans, including Order EHA/3362/2010 implementing the Spanish National Chart of Accounts adapted for public infrastructure concession operators, and the applicable mandatory rules, resolutions and recommendations of the Spanish Accounting and Audit Institute (ICAC) and, accordingly, present fairly the Company's equity, financial position, results of operations and cash flows for 2013. It should be noted that, as a result of the publication in 2009 by the ICAC of a request for a ruling regarding the presentation for accounting purposes of the income of holding companies, "Income from Investments in Group Companies and Associates" and "Finance Income from Marketable Securities and Other Financial Instruments of Group Companies and Associates" were classified under "Revenue" in the accompanying income statement.

These financial statements, which were formally prepared by the Company's Directors, will be submitted for approval by the shareholders at the Annual General Meeting, and it is considered that they will be approved without any changes. The financial statements for 2012 were approved by the shareholders at the Annual General Meeting held on 23 May 2013.

The financial statements are expressed in thousands of euros.

Unincorporated temporary joint ventures and similar entities

The balance sheets, income statements, statements of changes in equity and statements of cash flows of the unincorporated temporary joint ventures (JVs) in which the Company has interests were proportionately consolidated on the basis of the Company's percentage of ownership of each joint venture.

The JVs were included by making the required timing and measurement uniformity adjustments, reconciliations and reclassifications and by eliminating reciprocal asset and liability balances and income and expenses. Any material amounts relating to the JVs are detailed in these notes to the financial statements.

The accompanying balance sheet and income statement include the assets and liabilities at the percentage of ownership in the joint ventures shown below:

	2013	2012
Revenue	188,732	194,599
Profit from operations	19,512	19,724
Non-current assets	152,358	151,019
Current assets	230,737	245,127
Non-current liabilities	61,451	68,066
Current liabilities	294,432	301,426

Appendix II lists the joint ventures and indicates the percentage share of their results.

Furthermore, in 2013 the Company transferred to the subsidiary FCC Construcción, S.A. its 45% interest in the Consortium awarded the contract to construct Line 1 of the Panama City metro. As a result, at 31 December 2013, no amount was included in relation to this Consortium. At 31 December 2012, the accompanying financial statements included the assets, liabilities, income and expenses, on the basis of the percentage of ownership, as shown below:

	2012
Revenue	262,276
Profit from operations	24,724
Non-current assets	3,720
Current assets	139,626
Current liabilities	126,192

Reclassifications

At 2013 year-end, the Company presented its ownership interests in FM Green Power, S.L., Sole-Shareholder Company (Energy business), Globalvía Infraestructuras, S.A. (Infrastructure Management business) and Realia Business, S.A. (Property business) as "Non-Current Assets Classified as Held for Sale" (see Notes 1 and 11).

Consolidated financial statements

Since Fomento de Construcciones y Contratas, S.A. is the head of the FCC Group, it is obliged under current legislation to prepare separate consolidated financial statements. The aforementioned consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRSs), in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, of 19 July 2002, as well as all the provisions and interpretations implementing it. The consolidated financial statements of the FCC Group for 2013, prepared by the Directors, will also be submitted for approval by the shareholders at the Annual General Meeting.

The consolidated financial statements of Fomento de Construcciones y Contratas, S.A. prepared in conformity with International Financial Reporting Standards (IFRSs) present total assets of EUR 15,602 million (31 December 2012: EUR 19,723 million) and equity attributable to the Company's shareholders of EUR 3 million (31 December 2012: EUR 1,247 million). In addition, consolidated sales amounted to EUR 6,726 million (31 December 2012: EUR 7,429 million). Lastly, consolidated loss attributable to the Parent amounted to EUR 1,506 million (31 December 2012: a loss of EUR 1,028 million).

3. ALLOCATION OF PROFIT (LOSS)

The Directors of Fomento de Construcciones y Contratas, S.A. will submit for approval by the shareholders at the Annual General Meeting the allocation of the loss for 2013, amounting to EUR 436,494 thousand, to "Prior Years' Losses".

In addition, in 2012 the Company recorded a loss of EUR 715,759 thousand that was also allocated to "Prior Years' Losses". The dividend payment of EUR 161,469 thousand in 2012, as shown in the accompanying statement of cash flows, relates to the distribution of the interim and final dividends for 2011.

4. ACCOUNTING POLICES

The principal accounting policies and measurement bases used by the Company in preparing its financial statements for 2013, in accordance with the Spanish National Chart of Accounts, were as follows:

a) Intangible assets

a.1) Service concession arrangements

The service arrangements are recognised in accordance with the provisions of Ministry of Economy and Finance Order EHA/3362/2010 approving the rules for adapting the Spanish National Chart of Accounts for public infrastructure concession operators. In general, there are two clearly different phases:

- the first in which the concession operator provides construction or upgrade services which are recognised under intangible or financial assets in accordance with recognition and measurement standard 14, Income from Sales and Services of the Spanish National Chart of Accounts and the rules on the percentage of completion method contained in measurement standard 18, Sales, Income from Completed Work and Other Income of the rules for adapting the Spanish National Chart of Accounts for construction companies;

- and a second phase in which the concession operator provides a series of maintenance or operation services of the related infrastructure which are recognised in accordance with recognition and measurement standard 14, Income from Sales and Services of the Spanish National Chart of Accounts.

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. In certain mixed arrangements, the operator and the grantor may share the demand risk, although this practice is practically non-existent at the Company.

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.

In addition, the borrowing costs arising from the financing of the infrastructure accruing from the construction until the entry into service of the infrastructure are included in the initial measurement of the intangible asset. When the infrastructure becomes operable, the aforementioned costs are capitalised if they meet the requirements under the rules, provided that there is reasonable evidence that future income will enable the capitalised amount to be recovered.

These intangible assets are amortised on the basis of the demand for, or the use of, the infrastructure, taken to be the changes in and best estimates of the production units of each activity.

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 finance 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 income statement. As explained above, the income and expenses from the provision of maintenance or operation services are recognised in profit or loss in accordance with recognition and measurement standard 14, Income from Sales and Services of the Spanish National Chart of Accounts.

a.2) Other intangible assets

Other intangible assets, concessions and software, inter alia, are recognised at acquisition or production cost. They are subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses. At 2013 year-end there were no indications that any of the Company's intangible assets had suffered an impairment loss. The Company does not own any assets with indefinite useful lives.

In accordance with Order EHA/3362/2010 mentioned in the previous point, "Intangible Assets - Concessions" in the balance sheet includes the royalties paid for the award of the concession arrangements.

Computer software maintenance costs are recognised in the income statement for the year in which they are incurred.

As a general rule, intangible assets are amortised on a straight-line basis over their years of useful life.

b) Property, plant and equipment

Property, plant and equipment are carried at acquisition or production cost if the Company has performed in-house work thereon and are subsequently reduced by the related accumulated depreciation and by any impairment losses. At 31 December 2013, there was no indication that any of the Company's property, plant and equipment had suffered an impairment loss and, therefore, since the recoverable amount of the assets is higher than or the same as their carrying amount , no impairment losses were recognised in this connection.

Property, plant and equipment upkeep and maintenance expenses are recognised in the income statement for the year in which they are incurred. However, the costs of improvements leading to increased capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised.

Non-current assets that necessarily take a period of more than twelve months to get ready for their intended use include such borrowing costs as might have been incurred before the assets are ready for their intended use and which have been charged by the supplier or relate to loans or other specific-purpose or general-purpose borrowings directly attributable to the acquisition or production of the assets.

In-house work on non-current assets is measured at accumulated cost (external costs plus in-house costs, determined on the basis of in-house materials consumption, direct labour and general manufacturing costs).

The Company depreciates its property, plant and equipment by the straight-line method at annual rates based on the years of estimated useful life of the assets, the detail being as follows:

	Years of estimated useful
Buildings and other structures	25 - 50
Plant and machinery	5 – 15
Other fixtures, tools and furniture	8 – 12
Other items of property, plant and equipment	4 - 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.

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

Whenever there are indications of impairment of assets with a finite useful life (i.e. all the Company's intangible assets and property, plant and equipment), the Company tests the tangible and intangible assets for impairment to determine whether the recoverable amount of the assets has been reduced to below their carrying amount.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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, and 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.

Where an impairment loss on assets subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the value that would have been determined had no impairment loss been recognised for in prior years. The reversal of the impairment loss is recognised as income in the income statement.

d) Leases

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

d.1) Finance leases

In finance leases in which the Company acts as the lessee, the cost of the leased assets is presented in the balance sheet, based on the nature of the leased asset, and, simultaneously, a liability is recognised for the same amount. This amount 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 period in which it is incurred.

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

The assets recognised for transactions of this nature are depreciated on the basis of their nature and useful lives using criteria similar to those applied to items of property, plant and equipment taken as a whole.

There are no finance leases in which the Company acts as lessor.

d.2) Operating leases

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

When the Company acts as the lessor, lease income and expenses from operating leases are recognised in income on an accrual basis. Also, the acquisition cost of the leased asset is presented in the balance sheet according to the nature of the asset, increased by the investments arising from the lease agreements directly attributable to the lease, which are recognised as an expense over the term of such agreements, applying the same method as that used to recognise lease income.

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.

e) Financial instruments

e.1) Financial assets

Classification

The financial assets held by the Company are classified in the following categories:

- Loans and receivables: financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market.

- Held-to-maturity investments: debt securities with fixed maturity and determinable payments that are traded in an active market and which the Company has the positive intention and ability to hold to the date of maturity.

- Held-for-trading financial assets: assets acquired with the intention of selling them in the near term and assets that form part of a portfolio for which there is evidence of a recent actual pattern of short-term profit-taking. This category also includes financial derivatives that are not financial guarantees and that have not been designated as hedging instruments.

- Equity investments in Group companies, associates and jointly controlled entities: Group companies are deemed to be those related to the Company as a result of a relationship of control and associates are companies over which the Company exercises significant influence. Jointly controlled entities include companies over which, by virtue of an agreement, the Company exercises joint control with one or more other investors.

- Available-for-sale financial assets: these include debt securities and equity instruments of other companies that are not classified in any of the aforementioned categories.

Initial recognition

These financial assets are initially recognised at the fair value of the consideration given, plus any directly attributable transaction costs, except for held-for-trading assets and investments in Group companies affording control, the costs of which are recognised directly in the income statement.

Subsequent measurement

- Loans and receivables and held-to-maturity investments are measured at amortised cost.

- Held-for-trading financial assets are measured at fair value and the changes in the fair value are recognised in profit or loss.

- Investments in Group companies and associates and interests in jointly controlled entities are measured at cost net, where appropriate, of any accumulated impairment losses. These losses are calculated as the difference between the carrying amount of the investments and their recoverable amount. Recoverable amount is the higher of fair value less costs to sell and the present value of the future cash flows from the investment. Unless there is better evidence of the recoverable amount, it is based on the value of the equity (consolidated, as the case may be) of the investee, adjusted by the amount of the unrealised gains existing at the date of measurement (including any goodwill).

- Available-for-sale financial assets are measured at fair value and the gains and losses arising from changes in fair value are recognised in equity until the asset is disposed of or it is determined that it has become impaired, at which time the cumulative gains or losses previously recognised in equity are recognised in the net profit or loss for the year, or if it is determined that it has become impaired, once the pre-existing gains in equity have been derecognised, they are taken to the income statement.

At least at each reporting date the Company makes valuation adjustments to financial assets not measured at fair value through profit or loss where there is objective evidence of impairment if the value is less than the carrying amount, in which case the impairment loss is recognised in the income statement. In particular, the Company calculates valuation adjustments relating to trade and other receivables by taking into account the specific insolvency risk of each account receivable.

The Company derecognises a financial asset when it expires or when the rights to the cash flows from the financial asset have been transferred and substantially all the risks and rewards of ownership of the financial asset have also been transferred, such as in the case of firm asset sales, factoring of trade receivables in which the Company does not retain any credit or interest rate risk, provide any kind of guarantee or assume any other kind of risk. These transactions bear interest at market rates and the factor assumes the risk of insolvency and late payment of the debtor. Fomento de Construcciones y Contratas, S.A. continues to manage collection.

e.2) Financial liabilities

Financial liabilities include accounts payable by the Company that have arisen from the purchase of goods or services in the normal course of the Company's business and those which, not having commercial substance, cannot be classed as derivative financial instruments.

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

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.

The Company derecognises financial liabilities when the obligations giving rise to them cease to exist.

e.3) Equity instruments

An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities and the securities issued are recognised in equity at the proceeds received, net of issue costs.

Treasury shares acquired by the Company during the year are recognised at the value of the consideration paid and are deducted directly from equity. Gains and losses on the acquisition, sale, issue or retirement of treasury shares are recognised directly in equity and in no case are they recognised in the income statement.

The Company currently has in force a remuneration scheme for its Executive Directors and executive personnel that is linked to the value of the Company's shares. This scheme is described in Note 15 "Equity Instrument-Based Transactions".

e.4) Derivative financial instruments

The Company uses derivative financial instruments to hedge the risks to which its business activities, operations and future cash flows are exposed. Basically, these risks relate to changes in interest rates and the market prices of certain financial instruments. The Company arranges hedging financial instruments in this connection (see Note 13).

In order for these financial instruments to qualify for hedge accounting, they are initially designated as such and the hedging relationship is documented. Also, the Company verifies, both at inception and periodically over the term of the hedge (at least at the end of each reporting period), that the hedging relationship is effective, i.e. that it is prospectively foreseeable that the changes in the fair value or cash flows of the hedged item (attributable to the hedged risk) will be almost fully offset by those of the hedging instrument and that, retrospectively, the gain or loss on the hedge was within a range of 80-125% of the gain or loss on the hedged item.

The Company uses hedges of the following types, which are accounted for as described below:

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

- Cash flow hedges: in hedges of this nature, the portion of the gain or loss on the hedging instrument that has been determined to be an effective hedge is recognised temporarily in equity and is recognised in the income statement in the same period during which the hedged item affects profit or loss, unless the hedge relates to a forecast transaction that results in the recognition of a non-financial asset or a non-financial liability, in which case the amounts recognised in equity are included in the initial cost of the asset or liability when it is acquired or assumed.

- Hedges of net investments in foreign operations: the purpose of hedges of this nature is to hedge foreign currency risk relating to investments in subsidiaries and associates, and the foreign currency component is taken to the income statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the year.

Although certain derivatives are not recognised as hedges, this is only for accounting purposes since for financial and management purposes all the hedges arranged by the Company 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 risk of the instrument to be offset by changes in the fair value or in the cash flows of the hedging instrument. When this does not occur, the changes in value of the instruments not classified as hedges are recognised in profit or loss.

The financial derivatives are measured by experts on the subject using generally accepted methods and techniques. These experts were independent from the Company and the entities financing it.

f) Inventories

Inventories are measured at the lower of acquisition or production cost and net realisable value. Trade discounts, rebates, other similar items and interest included in the face value of the related payables are deducted in determining the costs of purchase.

Assets received in payment of loans are measured at the lowest of the following three values: the amount at which the loan relating to the asset was recognised, production cost and net realisable value.

Production cost includes the costs of direct materials and, where applicable, direct labour and production overheads.

Net realisable value is the estimated selling price less the estimated costs of completion and costs to be incurred in marketing, selling and distribution.

The Company recognises the appropriate write-downs as an expense in the income statement when the net realisable value of the inventories is lower than acquisition or production cost.

g) Foreign currency transactions

The Company's functional currency is the euro. Therefore, transactions in currencies other than the euro are deemed to be "foreign currency transactions" and are recognised by applying the exchange rates prevailing at the date of the transaction.

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to euros at the rates then prevailing. Any resulting gains or losses are recognised directly in the income statement in the year in which they arise.

h) Income tax

The income tax expense is calculated on the basis of profit before tax, increased or decreased, as appropriate, by the permanent differences between taxable profit and accounting profit. Based on the legislation applicable to the 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 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 Company recognises 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.

i) Revenue and expense recognition

Revenue and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

The Company recognises each year as the period result on its contracts the difference between period production (measured at the selling price of the service provided during the period, as specified in the principal contract or in approved amendments thereto, and the selling price of other as yet unapproved services for which there is reasonable assurance of collection) and the costs incurred. Additionally, late-payment interest is recognised as income when it is approved or finally collected.

The difference between the amount of production and the amount billed until the date of the financial statements is recorded as "Unbilled Production" under "Trade Receivables for Sales and Services". Pre-billings for various items are recognised under "Current Liabilities – Trade and Other Payables – Customer Advances".

Interest income from financial assets is recognised using the effective interest method and dividend income is recognised when the shareholder's right to receive payment has been established. Interest and dividends from financial assets accrued after the date of acquisition are recognised as income.

In accordance with the accounting principle of prudence, the Company only records realised income at year-end, whereas foreseeable contingencies and losses, including possible losses, are recognised as soon as they become known, by recording the appropriate provisions.

j) Provisions and contingencies

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

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

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

Provisions are classified as current or non-current in the accompanying 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.

It should be noted that contingent liabilities due to possible obligations that arise from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the Company's control, are not recognised in the financial statements as the probability that such obligation will have to be settled is remote.

k) Environmental assets and liabilities

As indicated in Note 1, the Company engages mainly in Environmental Services and Integral Water Management activities which, due to their nature, involve special care in controlling environmental impact. For example, with regard to the operation under concession of landfills, the Company is generally responsible for the sealing, control and reforestation thereof upon completion of its operations. Also, the Company has non-current assets for the protection of the environment and bears any costs required for this purpose in the performance of its business activities.

The acquisition costs of these non-current assets used in environmental conservation are recognised under "Property, Plant and Equipment" or "Intangible Assets" based on the nature of the investment, and are depreciated or amortised over the useful lives of the assets or on the basis of the demand for or the use of the infrastructure in the service concession arrangements. Also, in accordance with current accounting legislation, the Company recognises the expenses and provisions arising from its environmental obligations.

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

Company management considers that the possible contingencies relating to environmental protection and improvement at 31 December 2013 would not have a significant impact on the accompanying financial statements, which include provisions to cover any probable environmental risks that might arise.

l) Pension obligations

The Company has not established any pension plans to supplement the social security pension benefits. In accordance with the Consolidated Pension Plan and Fund Law, in specific cases where similar obligations exist, the Company externalises its obligations to its employees in this connection.

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

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

The contributions made by the Company in this connection are recognised under "Staff Costs" in the income statement.

m) Grants

The Company accounts for grants received as follows:

m.1) Non-refundable grants

These are measured at the amount received or the fair value of the asset received, based on whether or not they are monetary grants, and they are taken to income in proportion to the period depreciation taken on the assets for which the grants were received or, where appropriate, on disposal of the asset or on the recognition of an impairment loss, except for grants received from shareholders, which are recognised directly in equity.

m.2) Grants related to income

Grants related to income are credited to income when granted, unless their purpose is to finance losses from operations in future years, in which case they are allocated to income in those years. If grants are received to finance specific expenses, they are allocated to income as the related expenses are incurred.

n) Use of estimates

In preparing the accompanying financial statements estimates were made by the Company's Directors in order to measure certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- The recoverability of deferred tax assets (see Note 20).
- The recoverability of the investments in Group companies and associates, and of any loans to or receivables from them (see Note 10).
- The evaluation of possible impairment losses on certain assets (see Note 4-c).
- The assumptions used in the calculation of the fair value of share-based payments (see Note 15).
- The useful life of intangible assets and property, plant and equipment (see Notes 4-a and 4-b).
- The market value of certain financial instruments (see Note 13).
- The calculation of certain provisions (see Notes 4-j and 16).
- The market value of non-current assets classified as held for sale (see Note 11).

Although these estimates were made on the basis of the best information available at 31 December 2013, events that take place in the future might make it necessary to change these estimates. Changes in accounting estimates would be applied prospectively.

ñ) Related party transactions

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

Note 23 "Related Party Transactions and Balances" details the main transactions with the significant shareholders of the Company, its Directors and Senior Executives and between Group companies.

o) Non-current assets and associated liabilities classified as held for sale

The Company classifies assets under "Non-Current Assets Classified as Held for Sale" if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition and the sale is expected to be completed within one year from the date of classification.

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

The associated liabilities are classified under "Liabilities Associated with Non-Current Assets Classified as Held for Sale".

5. INTANGIBLE ASSETS

The changes in "Intangible Assets" in the accompanying balance sheet in 2013 and 2012 were as follows:

	Concessions	Computer software	Concession arrangements	Other intangible assets	Accumulated amortisation	Total
Balance at 31/12/11	**24,630**	**24,973**	**168,530**	**16,811**	**(100,943)**	**134,001**
Additions or charge for the year	20,440	5,182	25,155	450	(13,135)	38,092
Disposals or reductions	(2,387)	—	(7,058)	(41)	6,877	(2,609)
Transfers	—	—	1,819	(1,819)	—	—
Balance at 31/12/12	**42,683**	**30,155**	**188,446**	**15,401**	**(107,201)**	**169,484**
Additions or charge for the year	4,376	11,267	2,324	2,731	(13,229)	7,469
Disposals or reductions	—	(6)	(627)	—	18	(615)
Transfers	—	261	(25,383)	195	(482)	(25,409)
Balance at 31/12/13	**47,059**	**41,677**	**164,760**	**18,327**	**(120,894)**	**150,929**

"Concessions", which relates mainly to businesses carried on through JVs, includes primarily the amounts paid for obtaining the water supply and urban cleaning concessions. Noteworthy in 2013 were the EUR 4,376 thousand relating to the award of the integral urban cleaning service in the municipality of Alicante. 2012 included most notably the EUR 20,269 thousand in relation to the renewal of the integral water supply and cleaning management concession in Lleida.

The balance of "Computer Software" relates mainly to the implementation, development and improvement costs of the corporate information system.

With regard to the service concession arrangements, the most significant change in 2013 was the transfer to "Concession Arrangements, Collection Rights" of the urban solid waste treatment plant in Manises (Valencia). In 2012 there was a significant addition of EUR 13,941 thousand in relation to an advance on this concession. Note 8 to these financial statements contains a specific detail of the Company's service concession arrangements.

The detail of the intangible assets and of the related accumulated amortisation at 31 December 2013 and 2012 is as follows:

	Cost	Accumulated amortisation	Net
2013			
Concessions	47,059	(19,125)	27,934
Computer software	41,677	(17,172)	24,505
Concession arrangements	164,760	(74,995)	89,765
Other intangible assets	18,327	(9,602)	8,725
	271,823	**(120,894)**	**150,929**
2012			
Concessions	42,683	(17,746)	24,937
Computer software	30,155	(13,324)	16,831
Concession arrangements	188,446	(67,917)	120,529
Other intangible assets	15,401	(8,214)	7,187
	276,685	**(107,201)**	**169,484**

Of the net amount of intangible assets, EUR 73,382 thousand relate to assets used in joint ventures (31 December 2012: EUR 99,824 thousand).

At the reporting date, all the intangible assets were used in the various production processes. However, a portion of these intangible assets, basically computer software amounting to EUR 20,630 thousand, was fully amortised (31 December 2012: EUR 6,328 thousand), while the amounts relating to JVs were not significant.

At 31 December 2013, the Company did not have any intangible assets located outside Spain. There were also no assets used as security.

6. PROPERTY, PLANT AND EQUIPMENT

The changes in "Property, Plant and Equipment" in the accompanying balance sheet in 2013 and 2012 were as follows:

	Land and buildings	Plant and other items of property, plant and equipment	Property, plant and equipment in the course of construction and advances	Accumulated depreciation	Total
Balance at 31/12/11	**98,782**	**891,729**	**16,816**	**(555,481)**	**451,846**
Additions or charge for the year	851	23,114	8,929	(74,652)	(41,758)
Disposals or reductions	(7,428)	(20,914)	(47)	16,245	(12,144)
Transfers	8,421	2,324	(10,813)	(285)	(353)
Balance at 31/12/2012	**100,626**	**896,253**	**14,885**	**(614,173)**	**397,591**
Additions or charge for the year	3,268	23,303	4,647	(70,084)	(38,866)
Disposals or reductions	—	(27,741)	(7)	23,674	(4,074)
Transfers	2,412	10,166	(12,515)	—	63
Balance at 31/12/2013	**106,306**	**901,981**	**7,010**	**(660,583)**	**354,714**

The main changes in "Property, Plant and Equipment" relate to assets associated with the services and water concession arrangements operated by the Company.

The detail of the property, plant and equipment and of the related accumulated depreciation at 31 December 2013 and 2012 is as follows:

	Cost	Accumulated depreciation	Net
2013			
Land and buildings	106,306	(33,790)	72,516
Plant and other items of property, plant and equipment	901,981	(626,793)	275,188
Property, plant and equipment in the course of construction and advances	7,010	—	7,010
	1,015,297	(660,583)	354,174
2012			
Land and buildings	100,626	(30,159)	70,467
Plant and other items of property, plant and	896,253	(584,014)	312,239
Property, plant and equipment in the course of construction and advances	14,885	—	14,885
	1,011,764	(614,173)	397,591

The Company owns buildings, the value of which, net of depreciation, and that of the land, were as follows at 2013 year-end:

	2013	2012
Land	26,097	24,455
Buildings	46,419	46,012
	72,516	70,467

Of the net amount of property, plant and equipment, EUR 45,618 thousand relate to assets used in joint ventures (31 December 2012: EUR 43,901 thousand).

In 2013 and 2012 the Company did not capitalise borrowing costs to "Property, Plant and Equipment".

At 2013 year-end the Company held various items of property, plant and equipment under finance leases (see Note 7).

At the reporting date, all the items of property plant and equipment were used in the various production processes. However, a portion of these assets amounting to EUR 347,168 thousand, was fully depreciated (31 December 2012: EUR 298,385 thousand), of which EUR 13,081 thousand were recognised under "Buildings" (31 December 2012: EUR 12,788 thousand) while the amounts relating to UTEs were not significant.

At 31 December 2013, the Company did not have any significant investments in property, plant and equipment abroad. It also did not have any significant firm property, plant and equipment purchase commitments.

The Company's property, plant and equipment subject to restrictions on title relates mainly to assets held under finance leases.

The Company takes out insurance policies to cover the possible risks to which its property, plant and equipment are subject. At 2013 year-end the property, plant and equipment were fully insured against these risks.

7. LEASES

a) Finance leases

The Company has recognised assets leased under leases with basically a maximum term of two to five years and, in general, lease payments payable in arrears. Consequently, the present value of the payments does not differ significantly from their nominal value. The leased assets include notably the lorries and machinery used in the waste collection and cleaning services provided by the Company.

The detail of the finance leases in force at the end of 2013 and 2012 are as follows:

	2013	2012
Carrying amount	**24,761**	**38,980**
Accumulated depreciation	6,656	15,067
Cost of the assets	**31,417**	**54,047**
Finance costs	2,962	3,199
Capitalised cost of the assets	**34,379**	**57,246**
Lease payments paid in the year	(7,061)	(16,009)
Lease payments paid in prior years	(8,237)	(20,186)
Lease payments outstanding, including purchase option	**19,081**	**21,051**
Unaccrued borrowing costs	(1,021)	(1,167)
Present value of lease payments outstanding, including purchase option	**18,060**	**19,884**
Contract term (years)	2 to 5	2 to 5
Value of purchase options	223	463

The payment dates of the outstanding lease payments of the committed payments are shown in Note 17.

The finance leases arranged by the Company 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 Company makes operating lease payments basically for the use of buildings and structures relating to the Central Services offices in Madrid and Barcelona, and for the leases of premises and industrial buildings used by the Company as offices, warehouses, changing rooms and garages in the course of its activities.

The amount relating to the aforementioned leases in 2013 totalled EUR 42,395 thousand (31 December 2012: EUR 37,884 thousand).

Also worthy of note among the operating lease agreements entered into by Fomento de Construcciones y Contratas, S.A. due to the magnitude of the sums involved are those relating to the corporate headquarters of the FCC Group:

- Office buildings located at Federico Salmón, 13, Madrid and Balmes, 36, Barcelona.
  On 29 December 2011, the owners of these buildings and Fomento de Construcciones y Contratas, S.A. entered into two lease agreements relating thereto for a minimum period of 30 years, extendable for two five-year periods at the discretion of the Company, with an initial annual rent adjustable based on the CPI. These buildings were transferred by the Company to their current owners under a sale and leaseback agreement. The owners, in turn, granted a purchase option to Fomento de Construcciones y Contratas, S.A., which can be exercised only at the end of the lease term at the higher of fair value and the CPI-adjusted selling price.

- Office building located in Las Tablas (Madrid).
  On 19 December 2010, the owner and the Company entered into an agreement to lease the aforementioned building, the lease period commencing once construction of the building had been completed on 23 November 2012. The term of this lease is 18 years, extendable at the Company's discretion by two five-year periods, each with an annual rent adjustable each year based on the CPI.

At 2013 year-end there were non-cancellable future committed payments in relation to the aforementioned items amounting to EUR 325,008 thousand (2012: EUR 335,934 thousand). The detail, by maturity, of the non-cancellable future minimum payments at 31 December 2013 and 2012 is as follows:

	2013	2012
Within one year	27,999	31,601
Between one and five years	89,035	95,178
After five years	207,974	209,155
	325,008	335,934

As lessor, the Company, as the holder of the aforementioned leases, billed the FCC Group investees for the space that they occupy in the aforementioned buildings and recognised these amounts as operating income.

8. SERVICE CONCESSION ARRANGEMENTS

This Note presents an overview of the Company's investments in concession businesses, mainly Environmental Services and Integral Water Management, which are recognised under the following balance sheet line items: intangible assets for the concessions classified as intangible assets and non-current and current trade receivables for the concessions classified as financial assets (see Note 4-a.1).

The following table details, by asset class and concession activity, the total amount of the assets held by the Company under service concession arrangements.

	Environmental services	Integral water management	Total
2013			
Intangible assets	57,621	32,144	89,765
Financial assets	32,521	—	32,521
	90,142	32,144	122,286
2012			
Intangible assets	84,718	35,811	120,529
Financial assets	—	—	—
	84,718	35,811	120,529

The detail of the Company's most significant contracts due to service concession arrangements is as follows:

a) **Intangible assets**

- El Campello urban solid waste treatment plant.
  Construction and operation of the Integrated Urban Solid Waste Centre of El Campello (Alicante). It was awarded to the Company in 2003 and the construction phase was completed in November 2008, when the initial operation phase of 20 years began, which was subsequently extended to 21 years and 9 months. The net assets relating to the aforementioned contract total EUR 43,196 thousand (31 December 2012: EUR 44,414 thousand).

- Integrated management of the municipal water supply and sewerage service of Vigo.
  Award to the Aqualia-FCC-Vigo joint venture (50% Fomento de Construcciones y Contratas, S.A. and 50% Aqualia Gestión Integral del Agua, S.A., wholly owned by the Company) of the operation of the concession, including investments for the extension, renovation and/or improvement of the existing infrastructures that the grantor placed at the disposal of the joint venture. It was awarded in 1991 for an initial term of 25 years, extendible for five-year periods up to a maximum legal term of 50 years. The grantor extended the concession in 2011 for an additional five years until 2020. The net assets relating to the aforementioned contract amount to EUR 20,916 thousand (31 December 2012: EUR 24,341 thousand).

b) **Financial assets**

- Urban solid waste treatment plant in Manises (Valencia).
  Award to the Gestión Instalación III joint venture (in which Fomento de Construcciones y Contratas, S.A. holds a 34.99% interest) for the construction and operation of the urban solid waste management system of certain areas of the province of Valencia. It was awarded in 2005 for an initial period of 20 years from the operational start-up of the plant which occurred in December 2012. As a result of an amendment to the contract, this concession was reclassified as a financial asset. The net assets relating to the aforementioned contract amount to EUR 28,884 thousand (31 December 2012: EUR 25,201 thousand).

9. NON-CURRENT AND CURRENT FINANCIAL ASSETS

a) Non-current financial assets

The detail of "Non-Current Financial Assets" at the end of 2013 and 2012 is as follows:

	Equity instruments	Loans to third parties	Derivatives	Other financial assets	Total
2013					
Loans and receivables	—	29,337	—	5,295	34,632
Available-for-sale financial assets	20,611	—	—	—	20,611
	20,611	29,337	—	5,295	55,243
2012					
Loans and receivables	—	30,692	—	8,656	39,348
Available-for-sale financial assets	20,559	—	—	—	20,559
Held-for-trading financial assets (Note 13)	—	—	1,252	—	1,252
Hedging derivatives (Note 13)	—	—	136	—	136
	20,559	30,692	1,388	8,656	61,295

The detail, by maturity, of the loans and receivables is as follows:

	2015	2016	2017	2018	2019 and subsequent years	Total
Loans and receivables	4,454	254	119	—	29,805	34,632

Loans and receivables

"Loans and Receivables" includes mainly the participating loans granted to Xfera Móviles, S.A. This heading also includes the guarantees and deposits relating to legal and contractual obligations in the pursuit of the Company's business activities, and long-term deposits, together with the amounts granted to public entities to carry out works and build facilities in the water supply network. 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).

Available-for-sale financial assets

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

	Effective percentage of ownership	Fair value
2013		
Vertederos de Residuos, S.A.	16.03%	9,128
Xfera Móviles, S.A.	3.44%	11,215
Other		268
		20,611
2012		
Vertederos de Residuos, S.A.	16.03%	9,076
Xfera Móviles, S.A.	3.44%	11,215
Other		268
		20,559

b) Current financial assets

At 2013 year-end, substantially all the "Current Financial Assets" were loans and receivables.

10. INVESTMENTS IN AND PAYABLES TO GROUP COMPANIES AND ASSOCIATES

a) Non-current investments in Group companies and associates

At 31 December 2013 and 2012, the detail of "Non-Current Investments in Group Companies and Associates" is as follows:

	Cost	Accumulated impairment losses	Total
2013			
Equity instruments of Group companies	2,378,801	(299,186)	2,079,615
Equity instruments of associates	21,540	(4,311)	17,229
Loans to Group companies	1,687,717	(882,467)	805,250
	4,088,058	**(1,185,964)**	**2,902,094**
2012			
Equity instruments of Group companies	2,303,958	(10,902)	2,293,056
Equity instruments of associates	736,431	(246,272)	490,159
Loans to Group companies	1,968,406	(647,966)	1,320,440
Loans to associates	6,244	—	6,244
Derivatives	217	—	217
	5,015,256	**(905,140)**	**4,110,116**

The changes in the line items in the foregoing table are as follows:

	Equity instruments of Group companies	Equity instruments of associates	Loans to Group companies	Loans to associates	Derivatives	Net impairment losses	Total
Balance at 31/12/11	**1,634,920**	**736,064**	**1,907,486**	**5,720**	**2,376**	**(79,076)**	**4,207,490**
Additions or charge for the year	725,451	367	49,058	1,006	2,166	(836,696)	(58,648)
Disposals or reversals	(49,910)	—	(1,086)	(167)	—	10,632	(40,531)
Transfers	(6,503)	—	12,948	(315)	(4,325)	—	1,805
Balance at 31/12/2012	**2,303,958**	**736,431**	**1,968,406**	**6,244**	**217**	**(905,140)**	**4,110,116**
Additions or charge for the year	401,051	59,732	122,080	133	—	(524,555)	58,441
Disposals or reversals	(326,208)	(119,827)	(402,769)	(6,377)	(119)	66,193	(789,107)
Transfers	—	(654,796)	—	—	(98)	177,538	(477,356)
Balance at 31/12/2013	**2,378,801**	**21,540**	**1,687,717**	**—**	**—**	**(1,185,964)**	**2,902,094**

Equity instruments of Group companies

The most significant changes in 2013 detailed in the foregoing table were as follows:

- Contribution to the equity of the wholly-owned subsidiary FCC Construcción, S.A. of the participating loan granted to this company in 2012 amounting to EUR 400,000 thousand. In addition, the Company recognised an impairment loss of EUR 273,116 thousand on the investment in FCC Construcción, S.A. as a result of the reduction in the present value of the expected cash flows. The assumptions used in this estimate envisage the maintenance of the current moderate level of activity in the domestic market, in both infrastructure and construction, partially offset by international activity. The time horizon of the expected cash flows is five years, using a zero growth rate to calculate perpetual return. The discount rate used was 7.20%.

- The wholly-owned investee (directly and indirectly) Fedemes, S.L. repaid the non-monetary contribution made by the Company in the previous year amounting to EUR 325,374 thousand.

- Merger by absorption of Corporación Financiera Hispánica, S.A., Compañía Auxiliar de Agencia y Mediación, S.A., Puerto Cala Merced, S.A. and Eusko Lanak, S.A., all of which were wholly-owned investees (directly and indirectly) of Fomento de Construcciones y Contratas, S.A., into Per Gestora Inmobiliaria, S.L. (absorbing company), the only result of which was that the investment in the absorbed companies was reclassified to the absorbing company. As a result, the investment in Per Gestora Inmobiliaria, S.L. increased to EUR 71,543 thousand.

The following changes were of note in 2012:

- The Company subscribed in full the capital increase of EUR 400,000 thousand at the wholly-owned investee FCC Construcción, S.A., through the conversion into capital of the loan for the same amount that the Company had granted in prior years to FCC Construcción, S.A.

- Non-monetary contribution to the equity of the wholly-owned investee (directly and indirectly) Fedemes, S.L. of 99% of the equity that Fomento de Construcciones y Contratas, S.A. owned in the joint property entity Parcela A-1 de Azca and its buildings, valued at EUR 325,374 thousand.

- Liquidation of the wholly-owned investee FCC Internacional B.V. valued in the balance sheet at EUR 49,910 thousand, giving rise to a gain of EUR 8,033 thousand, recognised under "Impairment and Gains or Losses on Disposals of Financial Instruments" in the income statement.

The detail, by company, of the investments in Group companies and associates is presented in Appendixes I and III, respectively, indicating for each company in which a direct ownership interest is held the company name, registered office, line of business, the percentage of capital held directly or indirectly, the amount of equity (capital, reserves and other), profit or loss, dividends received, whether or not it is listed and the carrying amount of the ownership interest.

Equity instruments of associates

The most significant changes in 2013 were as follows:

- The sale of Proactiva Medio Ambiente, S.A. and Proactiva Doña Juana E.S.P.S.A., which had an investment value of EUR 119,827 thousand and accumulated impairment losses of EUR 64,951 thousand, thereby generating a gain of EUR 63,094 thousand, which was recognised under "Impairment and Gains or Losses on Disposals of Financial Instruments" in the income statement.

- A capital increase at Realia Business, S.A. amounting to EUR 7,199 thousand, with a share premium of EUR 50,391 thousand, with the increase being subscribed in full through the offset of the participating loan granted by the Company in prior years.

- Reclassification to "Non-Current Assets Classified as Held for Sale" of the investments in and impairment losses on Realia Business, S.A. and Global Via Infraestructuras, S.A.

Long-term loans to Group companies

The most significant amounts are as follows:

	2013	2012
Azincourt Investment, S.L. (Sole-Shareholder Company)	1,100,728	1,100,728
Aqualia Gestión Integral del Agua, S.A.	153,752	153,752
FCC Versia, S.A.	140,000	140,000
Cementos Portland Valderrivas, S.A.	108,207	35,652
FCC PFI Holdings Group	93,507	46,962
Enviropower Investments, Ltd.	37,873	35,864
Dédalo Patrimonial, S.L. (Sole-Shareholder Company)	29,004	30,316
ASA Abfall Services AG	14,000	14,000
FCC Construcción, S.A.	—	400,000
Other	10,646	11,132
	1,687,717	1,968,406
Impairment:		
Azincourt Investment, S.L. (Sole-Shareholder Company)	(853,463)	(647,966)
Dédalo Patrimonial, S.L. (Sole-Shareholder Company)	(29,004)	—
	805,250	1,320,440

In the foregoing table the following is noteworthy:

- This heading included most notably the participating loan of EUR 1,100,728 thousand granted to Azincourt Investment, S.L. (Sole-Shareholder Company), a wholly-owned investee of Fomento de Construcciones y Contratas, S.A., the former being the holder of all the shares of FCC Environment (UK), formerly WRG, acquired in 2006. This loan earns fixed interest at 2.95% on a portion thereof and floating interest on another portion based on certain performance indicators of the borrower. At 2013 year-end, interest of EUR 34,733 thousand had been earned on the participating loan (31 December 2012: EUR 35,040 thousand), which was recognised under "Finance Income from Marketable Securities and Other Financial Instruments of Group Companies and Associates" in the accompanying income statement. In 2013 additional impairment losses amounting to EUR 205,947 thousand were recognised as a result of the adjustment of the goodwill and exchange rate differences relating to the investment in the FCC Environment (UK) Group (31 December 2012: EUR 647,966 thousand). The assumptions used envisage a ten-year time horizon, in view of the structural characteristics of the business and the long life of its assets. A zero growth rate was used to calculate perpetual return. The expected flows envisages a reduction in the tonnage treated at landfills, partially offset by the incineration and other activities. The discount rate used was 6.32%.

- The participating loan of EUR 400,000 thousand granted to the wholly-owned subsidiary FCC Construcción, S.A. was contributed to the investee's equity, as detailed in the "Equity Instruments of Group Companies" section.

- The participating loan of EUR 149,250 thousand granted on 1 May 2010 to the subsidiary Aqualia Gestión Integral del Agua, S.A. matures annually and is automatically renewable for successive one-year periods. The interest is calculated on the basis of various accounting indicators of the borrower. This loan earned interest of EUR 5,736 thousand in 2013 (2012: EUR 4,595 thousand).

- The long-term loan of EUR 140,000 thousand granted on 9 February 2007 to the investee FCC Versia, S.A., which initially matured in two years, automatically extendable by successive two-year periods. The interest rate is established on the basis of the average 3-month Euribor of the month prior to the month on which it is to be reviewed, plus a spread of 0.75%. At 2013 year-end this loan had earned interest of EUR 1,445 thousand (31 December 2012: EUR 2,216 thousand).

- The subordinated loan of EUR 100,000 thousand (31 December 2012: EUR 35,000 thousand) granted to Cementos Portland Valderrivas, S.A. in relation to the obligation of Fomento de Construcciones y Contratas, S.A. to contribute equity of up to an additional EUR 200,000 thousand to Cementos Portland Valderrivas, S.A. in a future capital increase thereat. This obligation was assumed in the framework of the bank refinancing of the aforementioned investee. At 2013 year-end this loan had earned interest of EUR 7,555 thousand (31 December 2012: EUR 652 thousand).

The other loans relate to amounts granted to Group companies that mature in more than one year and earn interest at market rates.

b) Current investments in Group companies and associates

"Current Investments in Group Companies and Associates" includes basically the loans and other non-trade credit facilities granted to Group companies and associates, among other things, to cater for certain specific cash situations, and other short-term investments. These investments are measured at the lower of cost and market value, plus the related interest at market rates.

The most significant amounts are as follows:

	2013	2012
Azincourt Investment, S.L. (Sole-Shareholder Company)	315,727	278,522
FCC Construcción, S.A.	307,783	53,155
FCC Medio Ambiente, S.A.	116,266	—
Dédalo Patrimonial, S.L. (Sole-Shareholder Company)	63,446	58,919
Per Gestora Inmobiliaria, S.L.	41,612	—
Aqualia Gestión Integral del Agua, S.A.	29,936	100,785
FCC Environment (UK) Ltd.	27,121	—
Realia Business, S.A.	—	56,441
Corporación Financiera Hispánica, S.A.	—	40,114
Other	71,312	60,702
	973,203	648,638
Impairment:		
Dédalo Patrimonial, S.L. (Sole-Shareholder Company)	(44,246)	—
Other	(4,384)	—
	924,573	648,638

These loans mature annually and earn interest at market rates.

c) Current payables to Group companies and associates

The most noteworthy balances of "Current Payables to Group Companies and Associates", which includes the loans received by the Company bearing interest at market rates and trade accounts payable to these companies, recognised under liabilities in the accompanying balance sheet, are as follows:

	2013	2012
FCC Versia, S.A.	178,703	202,194
FCC Construcción, S.A.	132,089	68,064
Aqualia Gestión Integral del Agua, S.A.	60,799	21,351
Asesoría Financiera y de Gestión, S.A.	44,932	38,483
Fedemes, S.L.	35,559	403,424
Ecoparque Mancomunidad del Este, S.A.	22,120	18,829
Azincourt Investment, S.L. (Sole-Shareholder Company)	11,066	13,758
FCC Medio Ambiente, S.A.	—	177,532
Proactiva Medio Ambiente, S.A.	—	7,234
Other	30,814	42,114
	516,082	992,983

Noteworthy in 2013 was the reduction in the debt owed by Fedemes, S.L. as a result of the repayment of the non-monetary contribution mentioned in 10-a above. It is also important to note the cancellation of the debt of FCC Medio Ambiente, S.A. through the distribution of dividends by this investee (see Appendix 1).

11. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

At 2013 year-end, Fomento de Construcciones y Contratas, S.A., the Parent of the FCC Group, presented its ownership interests in FM Green Power, S.L., Sole-Shareholder Company (Energy business), Globalvía Infraestructuras, S.A. (Infrastructure Management business) and Realia Business, S.A. (Property business) as "Non-Current Assets Classified as Held for Sale" (see Note 1) for a total amount of EUR 378,239 thousand. In the particular case of FM Green Power, S.L., Sole-Shareholder Company, at 2013 year-end an agreement had been entered into to sell 51% of the company for EUR 8,000 thousand. This sale is to be completed in the first half of 2014. The impairment losses recognised on the non-current assets classified as held for sale amounted to EUR 360,126 thousand and were recognised under "Impairment and Gains or Losses on Disposals of Financial Instruments".

12. TRADE RECEIVABLES FOR SALES AND SERVICES

"Trade Receivables for Sales and Services" in the accompanying balance sheet includes the present value of the Company's sales and services.

	2013	2012
Production billed not yet collected	304,594	460,737
Unbilled production	125,984	146,648
Trade receivables for sales and services	430,578	607,385
Customer advances	(16,592)	(90,229)
Total trade receivables, net	**413,986**	**517,156**

The foregoing total is the net balance of trade receivables after deducting the balance of "Customer Advances" on the liability side of the accompanying balance sheet which, as required by accounting regulations, includes the collected and uncollected pre-billings for various items and the advances received (normally in cash).

"Production Billed Not Yet Collected" reflects the amount of the billings issued to customers for services provided not yet collected at the balance sheet date.

"Unbilled Production" reflects the difference between the production recognised by the Company on each contract and the amount of the billings issued to the customers. The balance of this account relates basically to the price revisions under the various contracts which, although as yet unapproved, the Company considers will be duly billed since there are no doubts as to their being accepted.

The Company factors trade receivables to banks without recourse against Fomento de Construcciones y Contratas, S.A. in the event of default. The amount deducted from the trade receivables balance at 2013 year-end in this connection amounted to EUR 97,401 thousand (31 December 2012: EUR 106,427 thousand).

Of the net balance of trade receivables, EUR 72,518 thousand (31 December 2012: EUR 82,019 thousand) relate to balances from contracts performed through joint ventures.

13. DERIVATIVE FINANCIAL INSTRUMENTS

The assets and liabilities relating to derivatives included in the accompanying balance sheet and the impact thereof on equity and the income statement are as follows:

	Fair value			
	Assets (Note 9)	Liabilities (Note 17)	Impact on equity	Impact on the income statement
2013				
Hedging derivatives	—	5,962	(4,234)	—
Other derivatives	274	39,490	—	18,344
	274	45,452	(4,234)	18,344
2012				
Hedging derivatives	138	40,039	(29,469)	—
Other derivatives	6,941	74,383	—	(34,648)
	7,079	114,422	(29,469)	(34,648)

Hedging derivatives

Following is a detail of the hedging derivatives arranged by the Company for 2013 and 2012, all of which are cash flow hedges, subdivided according to the hedged transaction, and including the type of derivative, the amounts arranged or notional amounts, the expiry date, the fair value at year-end and the impact on equity net of the tax effect:

2013

Hedged transaction	Type of derivative	Amount arranged	Expiry	Fair value Assets	Fair value Liabilities	Impact on equity
Syndicated loan (Note 17-b)	IRS	612,500	08/05/2014	—	4,219	(2,953)
					4,219	(2,953)
Other payables (Note 17-b)	IRS	9,364	02/04/2024	—	824	(577)
	IRS	4,682	02/04/2024	—	412	(288)
	IRS	3,000	02/04/2024	—	267	(187)
	IRS	2.643	02/04/2024	—	240	(168)
				—	1,743	(1,220)
Share option plan (Note 15)	CALL (2nd plan)	37,065	10/02/2014	—	—	(61)
				—	—	(61)
Total				—	5,962	(4,234)

2012

Hedged transaction	Type of derivative	Amount arranged	Expiry	Fair value Assets	Fair value Liabilities	Impact on equity
Syndicated loan (Note 17-b)	IRS	125,549	30/12/2013	—	5,089	(3,562)
	IRS	9,847	30/12/2013	—	374	(262)
	IRS	82,469	30/12/2013	—	3,276	(2,293)
	IRS	108,545	30/12/2013	—	4,965	(3,476)
	IRS	70,160	30/12/2013	—	2,776	(1,943)
	BASIS SWAP	150,000	30/12/2013	—	(362)	253
	BASIS SWAP	111,027	30/12/2013	—	(251)	176
	BASIS SWAP	26,998	28/06/2013	—	(27)	19
				—	15,840	(11,088)
Syndicated loan (Note 17-b)	IRS	1,225,000	08/05/2014	—	21,413	(14,989)
	IRS	15,076	10/10/2013	—	20	(14)
				-	21,433	(15,003)
Other payables (Note 17-b)	IRS	9,761	02/04/2024	—	1,316	(921)
	IRS	4,880	02/04/2024	—	658	(461)
	IRS	3,127	02/04/2024	—	422	(295)
	IRS	2,755	02/04/2024	—	370	(259)
				—	2,766	(1,936)
Share option plan (Note 15)	CALL (1st plan)	61,596	30/09/2013	2	—	(674)
	CALL (2nd plan)	37,065	10/02/2014	136	—	(768)
				138	-	(1,442)
Total				138	40,039	(29,469)

The detail, by maturity, 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
IRS (syndicated loan)	612,500	—	—	—	
IRS (other payables)	1,016	1,062	1,135	1,154	15,322
CALL	37,065	—	—	—	

Other derivatives

Following is the detail for 2013 and 2012 of the derivative financial instruments that do not qualify for hedge accounting, subdivided according to the hedged transaction, and including a detail of the type of derivative, the amounts arranged or the notional amount, the expiry date, the fair value at year-end and the impact on the income statement under "Changes in Fair Value of Financial Instruments":

2013

	Type of derivative	Amount arranged	Expiry	Fair value Assets	Fair value Liabilities	Impact on the income statement
Share option plan (Note 15)	PUT (1)	53,838	20/01/2014	—	25,559	11,900
	PUT (2nd plan)	37,065	10/02/2014	—	13,410	10,603
	IFE (1)	53,838	20/01/2014	—	234	(1,797)
	IFE (2nd plan)	37,065	10/02/2014	—	13	(2,038)
				—	**39,216**	**18,668**
Convertible bonds (Note 14-f)	Trigger call	450,000	31/10/2014	—	—	(324)
				—	**—**	**(324)**
Exchange rate hedge	IRS	73,201	21/03/2014	274	—	(1,190)
	IRS	36,600	21/03/2014	—	137	595
	IRS	36,600	21/03/2014	—	137	595
				274	**274**	**—**
				274	39,490	18,344

(1) Derivative financial instruments assigned until October 2013 to the first option plan, on which date they expired. The derivatives were renewed partially until January 2014. The impact on results of the portion assigned to the first option plan was a gain of EUR 14,203 thousand for the PUT and a loss of EUR 1,794 thousand for the IFE.

2012

	Type of derivative	Amount arranged	Expiry	Fair value Assets	Fair value Liabilities	Impact on the income statement
Share option plan (Note 15)	PUT (1st plan)	61,596	30/09/2013	—	45,218	(15,657)
	PUT (2nd plan)	37,065	10/02/2014	—	24,014	(10,784)
	IFE (1st plan)	61,596	30/09/2013	538	—	(1,719)
	IFE (2nd plan)	37,065	10/02/2014	928	—	(2,484)
				1,466	**69,232**	**(30,644)**
Convertible bonds (Note 14-f)	Trigger call	450,000	31/01/2014	324	—	(4,004)
				324	**—**	**(4,004)**
Exchange rate hedge	IRS	73,201	21/03/2014	1,464	—	(912)
	IRS	36,600	21/03/2014	—	732	456
	IRS	36,600	21/03/2014	—	732	456
				1,464	**1,464**	**-**
Equity swap	Share Swap	94,990	18/01/2013	—	3,687	(4,576)
	Share Forward	94,990	18/01/2013	3,687	—	4,576
				3,687	**3,687**	**—**
				6,941	74,383	(34,648)

14. EQUITY

a) Share capital

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

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

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

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

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

c) 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 legal reserve had reached the stipulated level.

d) Restricted reserves

"Other Reserves" in the accompanying balance sheet notably includes EUR 6,034 thousand of restricted reserves, equal to the par value of the treasury shares retired in 2002 and 2008 which, in accordance with Article 335.c of the Spanish Limited Liability Companies Law, are restricted, unless the same requirements as those stipulated for capital reductions are met.

e) Treasury shares

At 31 December 2013, the Company held 280,670 treasury shares (31 December 2012: 3,292,520 treasury shares), accounting for 0.22% of the share capital and amounting to EUR 6,103 thousand (31 December 2012: EUR 90,228 thousand). The sale of treasury shares in 2013 gave rise to a loss of EUR 40,806 thousand which was recognised under "Other Reserves - Reserves for Treasury Share Transactions" in the accompanying balance sheet (31 December 2012: a loss of EUR 1,516 thousand).

In addition, Asesoría Financiera y de Gestión, S.A., a wholly owned (directly and indirectly) subsidiary of Fomento de Construcciones y Contratas, S.A., does not hold treasury shares of the Company, since it sold all those that it held at 31 December 2012 (9,379,138 shares with a cost on the balance sheet of EUR 253,696 thousand).

The disposals of treasury shares by both the Company and its subsidiary Asesoría Financiera y de Gestión, S.A. were made basically to institutional investors.

f) Other equity instruments

In accordance with recognition and measurement standard 9 of the Spanish National Chart of Accounts, "Other Equity Instruments" includes the measurement of the equity component resulting from accounting for the issue of bonds convertible into shares of the Company, which when added to the amount expressed under "Debt Instruments and Other Marketable Securities" in the accompanying balance sheet, makes up the total amount of the issue of such bonds.

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 will 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 Company may be delivered.
- This issue is backed by the Company's equity and there are no other special third-party guarantees.
- The issue is underwritten by financial institutions and is intended for qualified international investors.

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

I) Pursuant to Article 414 of the Consolidated Spanish Limited Liability Companies Law, to increase share capital by the amount required to 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 estimated 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 Company has a trigger call option that allows it to call the bonds under certain circumstances (Trigger call) (see Note 13).

g) Valuation adjustments

The valuation adjustments relating to hedges are disclosed in Note 13 "Derivative Financial Instruments", and those relating to available-for-sale financial assets are disclosed in Note 9 "Non-Current and Current Financial Assets".

h) Grants

The accompanying balance sheet includes grants received amounting to EUR 6,642 thousand (31 December 2012: same amount), net of the tax effect, with EUR 5,113 thousand having been taken to the income statement (31 December 2012: EUR 4,925 thousand), of which EUR 251 thousand related to 2013 (31 December 2012: EUR 262 thousand) The above amount relates mainly to grants received by the joint ventures through which the Company jointly performs contracts.

15. EQUITY INSTRUMENT-BASED TRANSACTIONS

In accordance with a decision by the Board of Directors of 29 July 2008, Fomento de Construcciones y Contratas, S.A. has a remuneration plan in force for the Executive Directors and Executives which is linked to the value of the Company'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.

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.

Second tranche

- Commencement date: 6 February 2009.
- Exercise period: from 6 February 2012 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.

In accordance with applicable regulations, the Company 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 income statement for the year.

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

Initially, the Company arranged with financial institutions a call option and a put option for each of the tranches described above, together with an interest rate/dividend swap with the same exercise price, nominal amount and maturity as the plan. The treasury shares linked to this hedge were delivered to the aforementioned financial institutions. Although the derivatives relating to the first plan matured on the same date as this plan, i.e. 1 October 2013, an agreement was reached with the banks to partially postpone their maturity until 15 January 2014 (see Note 13).

With respect to the 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 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 income statement.

The impact on equity and on the income statement of the aforementioned derivative financial instruments at 31 December 2013 and 2012 is disclosed in Note 13 to these financial statements.

Lastly, it should be noted that, at the date of authorisation for issue of these financial statements, the second tranche had expired and no options had been exercised.

16. LONG-TERM PROVISIONS

The changes in 2013 were as follows:

	Actions on infrastructure	Litigation	Liabilities and contingencies	Contractual and legal guarantees and obligations	Other	Total
Balance at 31/12/11	**12,769**	**89,259**	**172,311**	**86,841**	**33,588**	**394,768**
Charge for the year	7,158	2,194	6,006	3,384	504	19,246
Amounts used	(174)	(275)	—	(1,014)	(32)	(1,495)
Reversals	—	—	(64,469)	(47,816)	(2,548)	(114,833)
Balance at 31/12/12	**19,753**	**91,178**	**113,848**	**41,395**	**31,512**	**297,686**
Charge for the year	1,867	164	13,601	70,919	6,888	93,439
Amounts used	(942)	(60,689)	—	(1,934)	(574)	(64,139)
Reversals	—	(30,248)	(2,801)	(13,879)	(27,491)	(74,419)
Balance at 31/12/13	**20,678**	**405**	**124,648**	**96,501**	**10,335**	**252,567**

Provisions for actions on infrastructure

Under the service concession arrangements, these provisions cover the actions required to return the infrastructure at the end of the concession term, namely dismantling, retiring or refurbishing these assets, replacement and major repair work and actions taken to improve and enhance capacity. Also, provisions to replace and repair the infrastructure are systematically recognised in profit or loss as the obligation is incurred (see Note 4-a.1).

Provisions for litigation

Provisions for litigation cover the contingencies of the Company acting as defendant in certain proceedings in relation to the liability inherent to the business activities carried on by it, and tax assessments (see Note 20-f). The lawsuits, although numerous, are not expected to have an impact on the Company according to estimates regarding their final outcomes.

Provisions for liabilities and contingencies

Provisions for liabilities and contingencies cover the risks, not included in other categories, to which the Company may be exposed as a result of the activities it carries on. In particular, they include the provisions for covering the risks arising from the expansion of international activity.

Provisions for guarantees and contractual and legal obligations

Provisions for guarantees and contractual and legal obligations include the provisions to cover the expenses arising from contractual and legal obligations of a non-environmental nature.

Other provisions

"Other Provisions" include the items not classified in the foregoing accounts, including provisions to cover environmental contingencies, self-insurance activity and the Company's obligations in relation to equity-based transactions.

17. NON-CURRENT AND CURRENT PAYABLES

"Non-Current Payables" and "Current Payables" include the following:

	Non-current	Current
2013		
Debt instruments and other marketable securities	—	448,012
Bank borrowings	39,353	3,599,928
Obligations under finance leases	12,094	5,966
Derivatives (Note 13)	1,743	43,709
Other financial liabilities	3,461	16,283
	56,651	4,113,898
2012		
Debt instruments and other marketable securities	435,587	4,875
Bank borrowings	1,800,182	1,839,547
Obligations under finance leases	10,825	9,059
Derivatives (Note 13)	48,410	66,012
Other financial liabilities	3,799	9,085
	2,298,803	1,928,578

The detail, by maturity, of "Non-Current Payables" is as follows:

	Maturity					
	2015	2016	2017	2018	2019 and subsequent years	Total
Bank borrowings	7,834	2,397	1,412	4,940	22,770	39,353
Obligations under finance leases	3,651	2,386	3,401	1,173	1,483	12,094
Derivatives	—	—	—	—	1,743	1,743
Other financial liabilities	217	41	41	110	3,052	3,461
	11,702	4,824	4,854	6,223	29,048	56,651

a) Debt instruments and other marketable securities

On 30 October 2009, the Company launched an issue of subordinated convertible bonds amounting to EUR 450,000 thousand. This issue was intended for international institutional investors. The purpose of the issue was to strengthen the balance sheet equity structure due to the bonds' convertible nature and fact that they are subordinate to the corporate loans arranged by the Company, 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 14-f to these financial statements. Note 14-f also describes the terms of the convertible bond issue. The balance recognised in this connection at 31 December 2013 under "Current Payables - Debt Instruments and Other Marketable Securities" in the accompanying balance sheet amounted to EUR 448,012 thousand, which amount was transferred from "Non-Current Payables - Debt Instruments and Other Marketable Securities" since it matures in October 2014. At 31 December 2012, the combined amount recognised under "Non-Current Payables - Debt Instruments and Other Marketable Securities" and "Current Payables - Debt Instruments and Other Marketable Securities" was EUR 440,462 thousand. These bonds traded at 99.99% of par at 31 December 2013 according to Bloomberg.

b) Non-current and current bank borrowings

In 2013 Fomento de Construcciones y Contratas, S.A. decided to commence the overall refinancing of most of its borrowings in order to attain a sustainable financial structure adapted to the forecast cash generation for the various businesses, thereby enabling it to focus on the targets of improving profitability and reducing debt set in the current strategic plan. Therefore, at the beginning of the process, in order to facilitate negotiations of the terms and conditions of the refinancing and to finance, inter alia, the general cash needs of the Company and the FCC Group over the period, a loan agreement was entered into on 15 April 2013 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. It also forms part of the refinancing together with the other debt to be refinanced.

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

(a) The bolstering of the Company's and 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 the 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 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 Company 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 balance sheet.

As regards the financial ratios of the syndicated corporate agreements in force, the FCC 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 agreement. .

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.

At 2013 year-end, the short-term and long-term credit limit granted to the Company by the banks amounted to EUR 4,017,793 thousand (31 December 2012: EUR 3,829,935 thousand), EUR 387,799 thousand of which had not been drawn down at 31 December 2013 (31 December 2012: EUR 195,998 thousand).

With regard to the credit facilities and loans arranged by the Company in prior years that were in force at the balance sheet date, it is important to note the following, all of which were assigned to the refinancing process:

- 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 matured 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 (on 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 facility of EUR 330.8 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 upon maturity.

- 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 (on 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. Various financial derivatives associated with the syndicated loan have been arranged.

- 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.

In 2013 an agreement was entered into whereby the maturities falling due in 2013 of the Forward Start facility, the syndicated loan of EUR 120 million 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 postponed until 31 March 2014.

18. TRADE AND OTHER NON-CURRENT AND CURRENT PAYABLES

a) Accounts payable to Public Authorities

The entire balance of "Trade and Other Non-Current Payables" and a portion of the balance of "Other Accounts Payable to Public Authorities" under "Trade and Other Current Payables" (see Note 20-a) include the deferral of the payment of certain taxes and social security contributions, authorised by the Large Taxpayers Central Office of the State Tax Agency and the Social Security General Treasury, respectively. The deferred amounts are payable monthly up to a maximum of four years at an interest rate of 5%.

The detail of the aforementioned deferred payments is as follows:

	2013	2012
Non-current	136,430	103,132
Current	105,243	46,288
	241,673	149,420

b) Deferral of payment to suppliers in commercial transactions

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 Company operates mainly with public-sector customers such as the State, Autonomous Communities, local corporations and other public bodies which take 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.

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 Company with the various Public Authorities.

Due to this situation, in order to adapt the Company's financial policy to reasonable levels of efficiency, the usual payment periods to the suppliers in the sectors in which the Company operates were maintained throughout 2013.

The Company's supplier payment policy described in the two preceding paragraphs is thus supported by a) Payments to suppliers of agreements entered into by the Company 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 Company operates.

Furthermore, the Company 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 Company. 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.

PAYMENTS MADE AND OUTSTANDING PAYMENTS AT THE BALANCE-SHEET DATE	2013		2012	
	Amount	%	Amount	%
Within the maximum payment period	127,000	84	114,764	70
Other	24,494	16	49,056	30
Total payments made in the year	**151,494**	**100**	**163,820**	**100**
Weighted average period of late payment	85 days		76 days	
Payments at year-end not made in the maximum payment period	19,870		13,257	

19. INFORMATION ON THE NATURE AND RISKS OF FINANCIAL INSTRUMENTS

The concept of financial risk refers to the changes in the financial instruments entered into by Fomento de Construcciones y Contratas, S.A. as a result of political, market and other factors, the repercussion thereof on the maximisation of the available financial resources at a reasonable cost, and their impact on the financial statements.

The risk management philosophy of the Company and the FCC Group 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 Company enters into hedges initially to hedge the underlying transaction and not for speculative purposes.

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

Capital risk

The Company and the FCC Group manage capital to ensure that the companies comprising the Group are able to continue 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, with reports from other functional areas, if required, and are subsequently approved or rejected by the corresponding committee or by the Board of Directors.

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

The Company manages floating-rate debt proactively through the on-going monitoring of market interest rate trends and the analysis of the advisability of entering into 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.

Furthermore, as part of its risk management policy, the Company performed interest rate hedging transactions in 2013, ending the year with various hedging instruments of varying maturities on 66.96% of the total net debt.

Complying with the policy of classifying original instruments as hedges, the Company has entered into interest rate hedges, mainly swaps (IRSs), which guarantee fixed interest rates.

Sensitivity analyses are carried out periodically in order to observe the effect of a possible change in interest rates on the Company'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 year-end with an impact on equity are shown below (in thousands of euros).

	Hedging derivatives			
	-25 bp	+25 bp	+50 bp	+100 bp
Impact on equity	(489)	683	1,361	2,698

Changes in the value of financial derivatives entered into by the Company for hedging purposes (see Note 13 "Derivative Financial Instruments") are recognised mainly in reserves.

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, the table below summarises 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 Company's income statement:

	Net debt			
	-25 bp	+25 bp	+50 bp	+100 bp
Impact on the income statement	(1,607)	1,607	3,215	6,430

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

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

Solvency risk

It is important to note with regard to "Solvency Risk" that, although the Company's financial statements present losses of EUR 436,494 thousand, these relate mostly to accounting losses or, in the case of non-recurring losses, as a result of asset write-downs, impairment losses on goodwill and adjustments to various investments at the Azincourt groups performed by FCC Environment (UK), Energy, Realia Business, Globalvía Infraestructuras and FCC Construcción. 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 Company is present in various markets in order to facilitate the obtainment of financing and to mitigate liquidity risk.

Fomento de Construcciones y Contratas, S.A., as Parent of the FCC Group, considers that the adverse performance of certain markets and businesses in which the Group has been carrying on its activity gave rise to the recognition of considerable losses in 2013, as a result mainly of the need to recognise significant write-downs of the goodwill of several investees, associates and discontinued operations, and to implement actions aimed at laying the foundations of a strategic re-focus, involving the withdrawal from certain Construction and Cement markets, and the costs of restructuring certain activities.

Noteworthy among the liquidity risks arising in 2013 was that relating to Alpine, the subsidiary of FCC Construcción, S.A. in Central and Eastern Europe, which firstly initiated solvency proceedings and subsequently entered into liquidation. 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. As a result of the above, Fomento de Construcciones y Contratas, S.A., which in turn wholly owns FCC Construcción, S.A., recognised an impairment loss of EUR 273,116 thousand on its investment in this company.

At 31 December 2013, the Company had a working capital deficiency of EUR 3,005 million and current bank borrowings amounting to EUR 4,114 million. Despite the above, the Directors of Fomento de Construcciones y Contratas, S.A. prepared these financial statements in accordance with the going-concern principle of accounting, since they have no doubts regarding the capacity of the Company or its group to refinance or restructure their financial debt, or to generate resources from its operations and through the disposal of non-strategic assets to enable it to adapt the 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 Company and 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, the main source of its 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 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:

- Note 17-b "Non-Current and Current Bank Borrowings" includes a detail of the refinancing process launched in 2013.
- The Group also had cash and current financial assets amounting to EUR 1,380 million.
- At 31 December 2013, the Group had drawable credit amounting to EUR 601 million in various working capital credit facilities.
- A significant portion of the FCC Group's 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.

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

In order to optimise its financial position, the Company and the FCC Group implement a proactive policy to manage liquidity risk which includes exhaustive monitoring on a fortnightly basis of the current and forecast cash position. For the purpose of ensuring liquidity and enabling them to meet all the payment obligations arising from their business activities, the Company and the Group have the cash and cash equivalents disclosed in the balance sheet, together with the credit and financing facilities detailed in Note 17.

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

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 Company, 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.

Fomento de Construcciones y Contratas, S.A. 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 Company 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.

Concentration risk

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

- Sources of financing: the Company and the FCC Group obtain financing from over 70 Spanish and international financial institutions.
- Markets / geographical areas (domestic and foreign): the Company operates basically in the domestic market and, therefore, the debt is concentrated mainly in euros.
- Products: the Company arranges a broad spectrum of financial products, including loans, credit facilities, debt instruments, syndicated transactions and discounting facilities.

20. DEFERRED TAXES AND TAX MATTERS

a) Tax receivables and payables

The detail of the tax receivables and payables from/to Public Authorities is as follows:

a.1) Tax receivables

	2013	2012
Non-current		
Deferred tax assets	220,126	144,758
	220,126	**144,758**
Current		
Current tax assets	21,894	—
Other accounts receivable from Public Authorities	7,637	9,855
	29,531	**9,855**

"Deferred Tax Assets" includes basically, inter alia, the temporary differences arising from period depreciation and amortisation, provisions, impairment losses on investments and finance costs recognised that will be tax deductible in subsequent years, the deferral of losses contributed by joint ventures which will be included in the tax base for the following year and the temporary differences arising from the liability balance on measurement of derivatives.

Management of Fomento de Construcciones y Contratas, S.A., Parent of tax group 18/89 (see Note 20-g), assessed the recoverability of the deferred tax assets by estimating the future tax bases relating to this group and concluded that there are no doubts as to their recoverability in a period of no more than ten years.

a.2) Tax payables

		2013		2012
Non-current				
Deferred tax liabilities		87,203		101,740
Other accounts payable to Public Authorities		136,430		103,132
		223,633		**204,872**
Current				
Current tax liabilities		—		4,067
Other accounts payable to Public Authorities:		157,448		125,637
Tax withholdings payable	10,189		10,762	
VAT and other indirect taxes payable	20,900		27,017	
Accrued social security taxes payable	16,283		19,734	
Deferral of payment to Public Authorities (see Note 18)	105,243		46,288	
Other	4,833		21,836	
		157,448		**129,704**

"Deferred Tax Liabilities" includes mainly the deferral of the depreciation charge relating to the non-current assets held under leases and that relating to investments in property, plant and equipment subject to accelerated depreciation pursuant to Law 4/2008, in addition to the deferral of the profits contributed by joint ventures which are included in the tax base for the following year.

b) Reconciliation of the accounting profit (loss) to the taxable profit

The reconciliation of the accounting profit (loss) to the taxable profit for income tax purposes is as follows:

	2013			2012		
Accounting profit (loss) for the year before tax			**(470,068)**			**(746,514)**
	Increase	**Decrease**		**Increase**	**Decrease**	
Permanent differences	815,732	(4,292)	811,440	954,870	(26,646)	928,224
Adjusted accounting profit			341,372			181,710
Temporary differences						
- Arising in the year	301,108	(18,718)	282,390	220,089	(22,095)	197,994
- Arising in prior years	61,624	(16,188)	45,436	59,486	(118,306)	(58,820)
Taxable profit			669,198			320,884

The above table includes notably the permanent differences relating to 2013 and 2012. These differences arose from the impairment losses on the investments in investees which form part of the tax group 18/89 and, therefore, any reversal of the impairment loss in question in the coming years would be performed under the same item.

The changes in deferred tax assets and liabilities in 2013 and 2012 were as follows:

	Deferred tax assets	Deferred tax liabilities
Taxable timing differences		
Balance at 31/12/11	**92,158**	**104,892**
Arising in the year	66,027	6,629
Arising in prior years	(35,492)	(17,846)
Tax assets	6,736	—
Other adjustments	(126)	(18,753)
Balance at 31/12/12	**129,303**	**74,922**
Arising in the year	90,332	5,615
Arising in prior years	(4,856)	(18,487)
Tax assets	(1,753)	—
Other adjustments	5,285	1,224
Balance at 31/12/13	**218,311**	**63,274**
Temporary differences arising in the balance sheet		
Balance at 31/12/11	**20,453**	**25,617**
Arising in the year	—	1,201
Arising in prior years	(4,998)	—
Balance at 31/12/12	**15,455**	**26,818**
Arising in the year	—	—
Arising in prior years	(13,640)	(2,889)
Balance at 31/12/13	**1,815**	**23,929**
Total at 31/12/13	220,126	87,203

c) Tax recognised in equity

At 31 December 2013, the tax recognised in equity related basically to the change in value of the Company's hedging instruments amounting to EUR 1,319 thousand (31 December 2012: EUR 12,069 thousand).

d) Reconciliation of the accounting result to the income tax expense

The reconciliation of the accounting result to the income tax expense is as follows:

	2013	2012
Adjusted accounting profit	341,372	181,710
Income tax charge (30%)	102,412	54,513
Tax credit for intra-Group double taxation	(131,157)	(89,761)
Reinvestment tax credit	(31)	(297)
Other tax credits and tax relief	(1,017)	(2,098)
Other adjustments	(3,781)	6,888
Income tax expense	(33,574)	(30,755)

e) Tax loss and tax credit carryforwards

At 2013 year-end the Company did not have any tax loss carryforwards.

In addition, it should be noted that the Company had tax credit carryforwards and, consequently, recognised the tax credit for reinvestment of extraordinary income arising in 2011 from the sale of the Torre Picasso building, amounting to EUR 4,983 thousand, which will be used in subsequent years (31 December 2012: EUR 6,736 thousand). The income qualifying for the tax credit for reinvestment amounted to EUR 81,700 thousand. This reinvestment must be made by 2014 at the latest in the assets listed in Article 42 of Legislative Royal Decree 4/2004, which will be retained during the legally established periods.

f) Years open for review and tax audits

Fomento de Construcciones y Contratas, S.A. has all the years not yet statute-barred open for review by the tax authorities for the taxes applicable to it. The criteria that the tax authorities might adopt in relation to the years open for review could give rise to contingent tax liabilities which cannot be objectively quantified. However, the Group's Senior Executives consider that any resulting liabilities would not significantly affect the Company's equity.

With respect to the years reviewed, it should be noted that the Company 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 Company in relation to the income tax assessments for the years from 1991 to 1994. The sentence was enforced in 2013 and did not affect the Company's equity since provisions had been recognised for these tax assessments (see Note 16).

To comply with the legal requirements concerning transfer pricing, the Company has established the necessary procedures to support its transfer prices and considers that there are no significant risks that they could give rise to any contingent liabilities.

g) Other tax disclosures

Under authorisation 18/89, Fomento de Construcciones y Contratas, S.A. files consolidated income tax returns with all the other Group companies that meet the requirements established by tax legislation.

21. GUARANTEE COMMITMENTS TO THIRD PARTIES AND OTHER CONTINGENT LIABILITIES

At 31 December 2013, Fomento de Construcciones y Contratas, S.A. had provided EUR 595,598 thousand (31 December 2012: EUR 523,723 thousand) of guarantees, mostly consisting of completion bonds provided to Government Agencies and private-sector customers as security for the provision of urban cleaning contract services.

At 2013 year-end the Company had also provided guarantees to third parties for certain Group companies amounting to EUR 507,227 thousand (31 December 2012: EUR 509,714 thousand). These include, most notably, EUR 321,104 thousand relating to Environmental Services companies that mainly guarantee loans granted to them by banks, and EUR 133,782 thousand relating to Construction companies in relation to the activity carried on by them. Guarantees amounting to EUR 29,658 thousand were also provided to third parties for companies in the Energy Area (see Note 11).

Fomento de Construcciones y Contratas, S.A. and the joint ventures in which it has interests are acting as defendants in lawsuits in relation to the liability inherent to the various business activities carried on by the Company in the performance of the contracts awarded, for which the related provisions have been recognised (see Notes 16 and 4-j). Accordingly, any resulting liabilities would not have a significant effect on the Company's equity.

22. INCOME AND EXPENSES

The net revenue and the income from sales and services include the dividends and the accrued interest on the financing granted to investees. Substantially all of the balance of "Sales and Services" was earned in Spain. However, it is important to note that in 2012 EUR 262,276 thousand were generated abroad, specifically by the project to construct Line 1 of the Panama City metro (see Note 2).

The detail, by area, of "Sales and Services" is as follows:

	2013	2012
Environmental Services	1,200,717	1,221,400
Integral Water Management	66,996	57,621
Construction	—	262,276
	1,267,713	1,541,297

"Finance Income From Marketable Securities and Other Financial Instruments of Group Companies and Associates" includes the interest earned on the financing granted to investees (see Note 10), which includes most notably that relating to FCC Construcción, S.A., amounting to EUR 69,795 thousand (31 December 2011: EUR 56,286 thousand) and to Azincourt Investment, S.L., amounting to EUR 34,733 thousand (31 December 2012: EUR 35,040 thousand).

As regards the transactions with Group companies and associates, Fomento de Construcciones y Contratas, S.A. performed work and services amounting to EUR 70,250 thousand (31 December 2012: EUR 61,998 thousand). These include most notably EUR 22,044 thousand (31 December 2012: EUR 15,928 thousand) billed to FCC Construcción, S.A., which is wholly owned by the Company. In addition, the Company also acquired services and purchased consumables from Group companies and associates amounting to EUR 34,088 thousand (31 December 2012: EUR 39,712 thousand).

At 31 December 2013, "Staff Costs" included EUR 13,547 thousand relating to the cost of the collective redundancy procedure carried out by the Company in 2013. This amount includes termination benefits and the estimated social security obligations arising from this collective redundancy procedure. On 13 August 2013, the Company formally notified the workers' representatives of the commencement of a consultation period in relation to the collective redundancy procedure at Central Services on economic, organisational and production-related grounds for the termination of 222 employment contracts. The Directorate-General for Employment of the Spanish Ministry of Employment and Social Security was notified of this circumstance. On 10 September 2013, the Company and the workers' representatives reached an agreement, to remain in force until 31 January 2014, whereby the number of employment contracts to be terminated was lowered to a maximum of 155. However, at the reporting date, most of the redundancies had been carried out.

23. RELATED PARTY TRANSACTIONS AND BALANCES

a) Related party transactions

The detail of the transactions with related parties in 2013 and 2012 is as follows:

	Group companies	Joint ventures	Associates	Total
2013				
Services rendered	60,365	9,005	880	70,250
Services received	33,513	349	226	34,088
Dividends	434,338	2,929	1,198	438,465
Finance costs	26,406	—	—	26,406
Finance income	147,124	2,113	1	149,238
2012				
Services rendered	50,311	10,765	922	61,998
Services received	39,167	334	211	39,712
Dividends	296,486	3,844	74	300,404
Finance costs	48,205	30	—	48,235
Finance income	131,678	2,533	11	134,222

b) Related party balances

The detail of the related party balances at 31 December 2013 is as follows:

	Group companies	Joint ventures	Associates	Total
2013				
Current financial assets (Note 10)	918,989	2,078	3,506	924,573
Non-current financial assets (Note 10)	2,884,865	8,918	8,311	2,902,094
Current payables (Note 10)	516,057	25	—	516,082
Trade receivables	44,492	5,930	205	50,627
Trade payables	17,067	131	54	17,252
2012				
Current financial assets (Note 10)	582,513	62,628	3,497	648,638
Non-current financial assets (Note 10)	3,613,713	483,528	12,875	4,110,116
Current payables (Note 10)	971,445	21,538	—	992,983
Trade receivables	40,673	4,935	401	46,009
Trade payables	14,918	373	60	15,351

The detail of the trade receivables from and payables to Group companies and associates is as follows:

	2013		2012	
Company	Receivable	Payable	Receivable	Payable
FCC Construcción, S.A.	19,927	1,361	17,569	862
Aqualia Gestión Integral del Agua, S.A.	4,678	1,614	3,853	1,504
Limpieza e Higiene de Cartagena, S.A.	3,385	14	4,649	—
Servicios Urbanos de Málaga, S.A.	1,941	—	1,029	—
FCC Ámbito, S.A.	1,879	275	1,242	308
Ingeniería Urbana, S.A.	1,866	—	1,656	—
FCC Industrial e Infraestructuras Energéticas, S.A., Sole-Shareholder Company	1,551	1,567	109	221
Societat Municipal Mediambiental d'Igualada, S.L.	1,551	—	1,160	—
Empresa Comarcal de Serveis Mediambientals del Baix Penedès ECOBP, S.A.	1,543	—	1,102	—
Serveis Municipals de Neteja de Girona, S.A.	1,336	—	1,285	—
A.S.A. Group	1,334	—	1,016	—
Gandia Serveis Urbans, S.A.	1,111	—	305	—
Ecoparc del Besòs, S.A.	1,078	12	1,654	27
FM Green Power Investments, S.L.	1,023	—	1,026	—
FCC Medio Ambiente, S.A.	1,023	734	1,134	451
Manipulación y Recuperación MAREPA, S.A.	710	36	641	18
Aqualia Infraestructuras, S.A.	573	631	344	305
Palacio de Exposiciones y Congresos de Granada, S.A.	474	36	167	—
Servicios Especiales de Limpieza, S.A.	437	1,607	417	1,130
Conservación y Sistemas, S.A.	—	—	1,070	175
Other	3,207	9,365	4,581	10,350
	50,627	17,252	46,009	15,351

c) Remuneration of the Directors of the Company and Senior Executives of the FCC Group

The Directors of Fomento de Construcciones y Contratas, S.A. earned the following amounts (in thousands of euros):

	2013	2012
Fixed remuneration	2,950	3,445
Other remuneration	784	1,149
	3,734 (*)	**4,594**

(*) Furthermore, EUR 7,500 thousand should be added to the figures in the foregoing table in relation to the termination benefit agreed upon with the former CEO for 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	
Mr. Agustín García Gila	Chairman of FCC Medio Ambiente
Mr. Eduardo González Gómez	Chairman of Energy and Chairman of Aqualia
Mr. Fernando Moreno García	Chairman of FCC Construcción, S.A.
Mr. Antonio Gómez Ciria	General Administration Manager
Mr. Miguel Hernanz Sanjuan	General Internal Audit Manager
Mr. Victor Pastor Fernández	General Finance Manager
Mr. José Luis Sáenz de Miera	Chairman and CEO of Cementos Portland Valderrivas
Mr. José Manuel Velasco Guardado	General Communication and Corporate Responsibility Manager
Ms Ana Villacañas Beades	General Organisation Manager

2012

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

In the past, an insurance policy was arranged and the premium paid to meet payment of the contingencies relating to death, permanent occupational disability, retirement bonuses and other items for some of the Executive Directors and Executives of Fomento de Construcciones y Contratas, S.A. (see Note 4-l). In 2013 a further contribution was made through premiums for this insurance amounting to EUR 800 thousand and income amounting to EUR 3,259 thousand was received for rebates on premiums paid previously.

Except as indicated in the foregoing paragraphs, no other remuneration, advances, loans or guarantees have been granted to the Directors and there are no pension or life insurance obligations to former or current Directors.

d) Detail of investments in companies engaging in similar activities and performance of similar activities by the Directors or persons related to them as independent professionals or as employees

In relation to the investments held by the Directors of Fomento de Construcciones y Contratas, S.A., or persons related to them, in the share capital of companies outside the FCC Group; or in relation to whether they, as independent professionals or as employees, engage in a similar or complementary activity to that which constitutes the company object of the Group; or in relation to whether they themselves or a person acting on their behalf have performed, with the Company or with any company of the same Group, other transactions outside the course of the Company's ordinary business operations or in conditions that were not on an 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 Mr. Henri Proglio, who is Chairman and CEO of Electricité de France (EDF).

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

Name or company name of Director	Group company name	Position
CARTERA DEVA, S.A.	CEMENTOS PORTLAND VALDERRIVAS, S.A.	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 CONSTRUCCIÓN, 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.

24. INFORMATION ON THE ENVIRONMENT

As indicated in Note 1, by their very nature, the Company's Environmental Services and Integral Water Management businesses are geared towards environmental protection and conservation, not only through the production activity itself (waste collection, operation and control of landfills, sewer cleaning, treatment and elimination of industrial waste, wastewater treatment, etc.), but also as a result of performing these activities using production techniques and systems designed to reduce environmental impact in accordance with the limits established in the relevant legislation.

The performance of production activities described above requires the use of specialised structures, plant and machinery that are efficient in terms of environmental protection and conservation. At 31 December 2013, the acquisition cost of the non-current assets assigned to the above activity totalled EUR 1,170,094 thousand (31 December 2012: EUR 1,156,403 thousand), with accumulated depreciation amounting to EUR 735,579 thousand (31 December 2012: EUR 682,090 thousand).

Company management considers that any possible contingencies in relation to the protection and improvement of the environment at 31 December 2013 would not have a material impact on the accompanying financial statements.

As indicated in Note 1, Fomento de Construcciones y Contratas, S.A. is the Parent of the FCC Group which operates various business lines and, due to the nature thereof, pays particular attention to controlling the impact on the environment. These matters are discussed in detail in the Group's Corporate Social Responsibility report, which is published annually on FCC's website, www.fcc.es, among other channels, and provides the reader with more representative information than that included in this Note.

25. OTHER DISCLOSURES

a) Employees

The average number of employees at the Company in 2013 and 2012 was as follows:

	2013	2012
Managers and university graduates	383	440
Professionals with qualifications	364	377
Clerical and similar staff	841	901
Other salaried employees	23,383	23,431
	24,971	25,149

At 31 December 2013 and 2012, the number of employees, Directors and Senior Executives of the Company, by gender, was as follows:

	Men	Women	Total
2013			
Directors	13	5	18
Senior Executives	6	1	7
Managers and university graduates	244	89	333
Professionals with qualifications	270	66	336
Clerical and similar staff	351	416	767
Other salaried employees	17,929	4,786	22,715
	18,813	5,363	24,176

	Men	Women	Total
2012			
Directors	13	5	18
Senior Executives	7	—	7
Managers and university graduates	305	130	435
Professionals with qualifications	293	84	377
Clerical and similar staff	444	474	918
Other salaried employees	17,573	4,868	22,441
	18,635	5,561	24,196

b) Fees paid to auditors

In 2013 and 2012 the fees for financial audit and other services provided by the Company's auditors, Deloitte, S.L., or by a company related to the auditors as a result of a relationship of control, common ownership or common management were as follows: fees paid to auditors: EUR 214 thousand (31 December 2012: same amount), fees for other attest services: EUR 33 thousand (31 December 2012: EUR 31 thousand), and fees for other services: EUR 50 thousand (31 December 2012: EUR 41 thousand).

26. EVENTS AFTER THE REPORTING PERIOD

As indicated in Note 17 to these financial statements, lenders holding 99.4% of the total volume of the debt had approved the refinancing agreement, the final completion of which is conditional upon compliance with certain conditions precedent. This situation will enable the Company to obtain a sustainable financial structure adapted to the forecast generation of cash flows for the various businesses, thereby enabling it to focus on the profitability improvement and debt reduction targets set in the FCC Group Strategic Plan.

In relation to the Energy Area, as indicated in Note 11 to these financial statements, an agreement was entered into to sell the investment in FM Green Power, S.L., Sole-Shareholder Company to Plenium FMGP. Since the agreement is subject to the customary conditions precedent for this type of agreement, the investment in this company was recognised under "Non-Current Assets Classified as Held for Sale" at the sale price stipulated in this agreement. On 31 January 2014, the Ministry of Industry, Energy and Tourism submitted to the Spanish National Markets and Competition Commission, for a mandatory report, its draft order approving the remuneration parameters for standard facilities applicable to certain electricity production facilities, based on renewable energy, cogeneration and waste sources. Since, as indicated above, the investment was measured at its sale price, the application of the proposed order will not have any impact on the Company's financial statements.

27. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

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

GROUP COMPANIES

APPENDIX I

Company	Carrying amount		% of ownership	Dividends received	Share capital	Reserves	Other equity items	2013 Profit (loss)		
	Assets	Impairment						From operations	From continuing operations	From discontinued operations
Aqualia Gestión Integral del Agua, S.A. Federico Salmón, 13 - Madrid -Water management-	254,768	—	100.00	-	145,000	385,942	—	66,817	123,955	—
Armigesa, S.A. Pza. Constitución, s/n - Armilla (Granada) -Urban cleaning-	612	—	51.00	—	1,200	148	—	192	107	—
A.S.A. Abfall Service AG Hans-Hruschka-Gasse, 9 - Himberg (Austria) -Urban cleaning-	226,784	—	Direct 99.98 Indirect 0.02	—	5,000	48,757	(306)	(7,978)	(3,936)	—
Asesoría Financiera y de Gestión, S.A. Federico Salmón, 13 - Madrid -Financial services-	3,008	—	Direct 43.84 Indirect 56.16	82,422	6,843	66,223	—	3,981	34,383	—
Azincourt Investment, S.L., Sole-Shareholder Company Federico Salmón, 13 - Madrid -Holding company-	3	3	100.00	—	3	(512,661)	—	(22)	(78,638)	—
Bvefdomintaena Beteiligungsverwaltung, GmbH Nottendorfer, 11 - Vienna (Austria) -Corporate vehicle-	135	—	100.00	—	35	100	—	—	—	—
Cementos Portland Valderrivas, S.A. Estella, 6 - Pamplona -Cement-	298,705	—	Direct 59.34 Indirect 12.94	—	56,896	1,099,395	11,896	1,161	(312,032)	—
Compañía General de Servicios Empresariales, S.A., Sole-Shareholder Company Federico Salmón, 13 - Madrid -Corporate vehicle-	60	—	100.00	3	60	17	—	4	3	—
Corporación Española de Servicios, S.A. Federico Salmón, 13 - Madrid -Corporate vehicle-	44	—	Direct 99.99 Indirect 0.01	2	60	16	—	3	2	—
Dédalo Patrimonial, S.L., Sole-Shareholder Company Federico Salmón, 13 - Madrid -Holding company-	61	61	100.00	—	61	(6,658)	—	(136)	(30,001)	—

GROUP COMPANIES

APPENDIX I/2

Company	Carrying amount		% of ownership	Dividends received	Share capital	Reserves	Other equity items	2013 Profit (loss)		
	Assets	Impairment						From operations	From continuing operations	From discontinued operations
Ecoparque Mancomunidad del Este, S.A. Federico Salmón, 13 - Madrid -Urban cleaning-	16,803	—	Direct 99.99 Indirect 0.01	—	16,805	5,534	—	2,298	2,219	—
Egypt Environment Services SAE Cairo - Egypt -Urban cleaning-	7,760	3,495	Direct 97.00 Indirect 3.00	135	36,400 (EGP)(*)	(3,166) (EGP)(*)	—	19,846 (EGP)(*)	8,941 (EGP)(*)	—
Empresa Comarcal de Serveis Mediambientals del Baix Penedés, ECOBP, S.L. Plaça del Centre, 3 - El Vendrell (Tarragona) -Urban cleaning-	200	—	66.60	168	540	109	211	533	321	—
Empresa Municipal de Desarrollo Sostenible Ambiental de Ubeda, S.L. Pza. Vázquez Molina, s/n- Úbeda (Jaén) -Urban cleaning-	720	—	90.00	359	800	235	—	311	210	—
Europea de Gestión, S.A., Sole-Shareholder Company Federico Salmón, 13 - Madrid -Corporate vehicle-	63	—	100.00	4	60	22	—	4	3	—
FCC Construcción, S.A. Balmes, 36 - Barcelona -Construction-	1,358,051	273,117	100.00	—	220,000	1,054,270	—	(172,777)	(236,625)	(443,070)
FCC Construcciones y Contratas Internacional, S.L. Sole-Shareholder Company Federico Salmón, 13 - Madrid -Corporate vehicle-	3	—	100.00	—	3	—	—	—	—	—
FCC Fomento de Obras y Construcciones, S.L. Sole-Shareholder Company Federico Salmón, 13 - Madrid -Corporate vehicle-	3	—	100.00	—	3	—	—	—	—	—

GROUP COMPANIES

APPENDIX I/3

Company	Carrying amount		% of ownership	Dividends received	Share capital	Reserves	Other equity items	2013 Profit (loss)		
	Assets	Impairment						From operations	From continuing operations	From discontinued operations
FCC Inmobiliaria Conycon, S.L. Sole-Shareholder Company Federico Salmón, 13 - Madrid -Corporate vehicle-	3	—	100.00	—	3	—	—	—	—	—
FCC Medio Ambiente, S.A. Federico Salmón, 13 - Madrid -Urban cleaning-	35,102	—	Direct 98.98 Indirect 1.02	291,981	43,272	(101,203)	—	140,142	129,463	—
FCC Power Generation, S.L., Sole-Shareholder Company Federico Salmón, 13 - Madrid -Energy-	903	3	100.00	—	228	1	—	(356)	(276)	—
FCC Versia, S.A. Federico Salmón, 13 - Madrid -Management company-	62,625	7,431	100.00	—	40,337	224,270	—	118,572	(201,120)	—
FCC 1, S.L., Sole-Shareholder Company Federico Salmón, 13 - Madrid -Corporate vehicle-	3	(3)	100.00	—	3	(1,673)	—	3,854	2,819	—
F-C y C, S.L., Sole-Shareholder Company Federico Salmón, 13 - Madrid -Corporate vehicle-	3	—	100.00	—	3	—	—	—	—	—
Fedemes, S.L. Federico Salmón, 13 - Madrid -Property development-	10,764	—	Direct 92.67 Indirect 7.33	9,764	10,301	18,228	—	807	2,890	—
Gandia Serveis Urbans, S.A. Llanterners, 6 - Gandia (Valencia) -Urban cleaning-	78	—	65.00	—	120	1,226	—	1,667	640	—

GROUP COMPANIES

APPENDIX I/4

Company	Carrying amount		% of ownership	Dividends received	Share capital	Reserves	Other equity items	2013 Profit (loss)		
	Assets	Impairment						From operations	From continuing operations	From discontinued operations
Geral I.S.V. Brasil Ltda. Río Bravo, 138 - 10" - Andar Parte Centro Rio de Janeiro (Brazil) -Vehicle roadworthiness testing-	27	—	100.00	—	—	—	—	—	—	—
Limpiezas Urbanas de Mallorca, S.A. Crta. Can Picafort, s/n - Santa Margalida (Balearic Islands) -Urban cleaning-	5,097	503	Direct 99.92 Indirect 0.08	—	308	3,567	—	1,031	764	—
Per Gestora Inmobiliaria, S.L. Federico Salmón, 13 - Madrid -Corporate vehicle-	71,543	—	Direct 99.00 Indirect 1.00	49,500	60	108,143	—	110,194	(16,102)	—
Serveis Municipals de Neteja de Girona, S.A. Pza. del vi, 1- Girona -Urban cleaning-	45	—	75.00	—	60	184	—	355	(14)	—
Societat Municipal Medioambiental d'Igualada, S.L. Pl. del Ajuntament, 1 - Igualada (Barcelona) -Urban cleaning-	870	—	65.91	—	1,320	66	—	172	21	—
Tratamientos y Recuperaciones Industriales, S.A. Rambla Catalunya, 2-4 - Barcelona -Waste treatment-	21,455	14,570	Direct 74.92 Indirect 0.08	—	72	7,931	—	44	64	—

GROUP COMPANIES

APPENDIX I/5

Company	Carrying amount		% of ownership	Dividends received	Share capital	Reserves	Other equity items	2013 Profit (loss)		
	Assets	Impairment						From operations	From continuing operations	From discontinued operations
Valoración y Tratamiento de Residuos Urbanos, S.A. Riu Magre, 6 - Pol. Ind. Patada del Cid- Quart de Poblet (Valencia) -Waste treatment-	2,500	—	80.00	—	3,125	(57)	—	673	407	—
TOTAL	2,378,801	299,186		434,338						

(*) (EGP): Egyptian pound.

NOTE:

- Of the companies shown above, only Cementos Portland Valderrivas, S.A. is a listed company and its market price at the balance sheet date was EUR 5.56. The average market price in the last quarter of 2013 was EUR 6.356.

- As required by Article 155 of the Consolidated Text of the Spanish Limited Liability Companies Law, in 2013 the Company made the related notifications to the companies in which it had acquired direct or indirect holdings of over 10%.

APPENDIX II

JOINT VENTURES

	% of ownership
ABASTECIMIENTO VILLALÓN	20.00
AGARBI	60.00
AGUAS TOMELLOSO	20.00
AIGÜES DE LLEIDA	50.00
AQUALBAL	20.00
AQUALIA - FCC - MYASA	20.00
AQUALIA - FCC - OVIEDO	5.00
ARGÍ GUEÑES	70.00
ARUCAS II	70.00
ASEOS EMT	50.00
AZUD VILLAGONZALO	20.00
BARRIO CARMELITAS	20.00
BILBOKO LORATEGIAK	60.00
BILBOKO SANEAMENDU	50.00
BILBOKO SANEAMENDU BI	50.00
BIOCOMPOST DE ÁLAVA	50.00
BOADILLA	50.00
CAMÍ SA VORERA	20.00
CANA PUTXA	20.00
CANAL DEL ARAMO	20.00
CANDAS	20.00
CANGAS	50.00
CASTELLAR DEL VALLÈS	50.00
CASTELLAR POLÍGONOS	50.00
CEMENTERIOS PERIFÉRICOS II	50.00
CENTRO DEPORTIVO GRANADILLA DE ABONA	20.00
CENTRO DEPORTIVO VILLENA	81.83
CGR GUIPUZCOA	35.14
CHIPIONA	50.00
COLEGIOS SANT QUIRZE	50.00
COMPLEJO DP. CABEZO DE TORRES	20.00
CONSERVACIÓN ALCORCON	50.00
CONSERVACIÓN Y SISTEMAS	60.00
CONSERVACIÓN DE GALERÍAS	50.00
CONSORCIO LÍNEA UNO	45.00
CONTENEDORES MÓSTOLES	30.00
CTR DE L'ALT EMPORDÀ	45.00
CTR-VALLÈS	20.00
CUENCA	20.00
CYCSA-EYSSA VIGO	50.00
DEIXALLERIES	20.00
DOS AGUAS	35.00
ECOPARQUE CÁCERES	50.00
ECOURENSE	50.00
EDAR ALMANSA	5.00
EDAR CUERVA	5.00
EDAR RANILLA	25.00
EDAR REINOSA	5.00
EDAR SAN VICENTE DE LA BARQUERA	5.00
EDIFICIO ARGANZUELA	95.00
ENERGÍA SOLAR ONDA	25.00
ERETZA	70.00
EXPL. PL. BIO LAS DEHESAS	50.00
F.L.F. LA PLANA	47.00

APPENDIX II/2

	% of ownership
F.S.S.	50.00
FCC - ACISA - AUDING	45.00
FCC - AQUALIA SALAMANCA	5.00
FCC - ERS LOS PALACIOS	50.00
FCC - FCCMA ALCOY	20.00
FCC - FCCMA R.B.U. - L.V. JAVEA	20.00
FCC - FCCMA R.B.U. SAN JAVIER	20.00
FCC - FCCMA SEGRIÀ	20.00
FCC - FCCMA S.U. DENIA	20.00
FCC - HIJOS DE MORENO, S.A.	50.00
FCC - LUMSA	50.00
FCC - PALAFRUGELL	20.00
FCC - PAS SALAMANCA	100.00
FCC - PERICA	60.00
FCC - SUFI MAJADAHONDA	50.00
FCCSA - GIRSA	80.00
FCCSA - VIVERS CENTRE VERD, S.A.	50.00
FUENTES XÀTIVA	50.00
GESTIÓ INTEGRAL DE RUNES DEL PAPIOL	40.00
GESTIÓN INSTALACIÓN III	34.99
GESTIÓN PISCINA DE MULA	20.00
GESTION SERVICIOS DEPORTES CATARROJA	100.00
GIREF	20.00
GIRSA - FCC	20.00
G. RESIDUOS AENA PALMA	100.00
GUADIANA	20.00
INTERIORES BILBAO	80.00
JARDINES MOGAN	51.00
JARDINES PROTECCIÓN ESPECIAL	50.00
JARDINES TELDE	95.00
JUNDIZ	51.00
JUNDIZ II	51.00
KABIEZESKO KIROLDEGIA	60.00
LA CANDA	30.00
LA LLOMA DEL BIRLET	80.00
LAS YUCAS	50.00
LEA - ARTIBAI	60.00
LEGIO VII	50.00
LEKEITIOKO MANTENIMENDUA	60.00
L.V. SAN SEBASTIÁN	20.00
L.V. Y RBU ARUCAS	70.00
LIMPIEZA CARRIL BUS	30.00
LIMPIEZA Y RSU LEZO	55.00
LODOS ARAZURI	50.00
LOGROÑO LIMPIO	50.00
LOTES A Y B FUENLABRADA 2010	50.00
MANACOR	30.00
MANCOMUNIDAD DE ORBIGO	20.00
MANTENIMENT REG DE CORNELLÀ	60.00
MANTENIMIENTO DE COLEGIOS II	60.00
MANTENIMIENTO DE EDIFICIOS	60.00
MANTENIMIENTO INSPECCION DE TRABAJO	100.00
MELILLA	50.00
MÉRIDA	10.00
MOLINA	5.00
MOLLERUSA	60.00

	% of ownership
MURO	20.00
MUSKIZ III	70.00
NIGRÁN	10.00
NÍJAR	20.00
ONDA EXPLOTACIÓN	33.33
PÁJARA	70.00
PAMPLONA	80.00
PARQUES SINGULARES MÓSTOLES	50.00
PASAIA	70.00
PAVIMENTO ZONA I	50.00
PINTO	50.00
PISCINA CUBIERTA BENICARLO	65.00
PISCINA CUBIERTA C. DEP. ALBORAYA	99.00
PISCINA CUBIERTA MANISES	100.00
PISCINA CUBIERTA MUN. L'ELIANA	100.00
PISCINA CUBIERTA PAIPORTA	90.00
PISCINA MUNICIPAL ALBATERA	93.00
PLA D'URGELL	100.00
PLANTA DE TRATAMIENTOS VALLADOLID	60.00
PLANTA RSI TUDELA	60.00
PLAYAS GIPUZKOA	55.00
PLAYAS GIPUZKOA II	55.00
UTE PONIENTE ALMERIENSE	50.00
POSU - FCC VILLALBA	50.00
POZUELO	20.00
PUENTE LADRILLO	20.00
PUERTO	50.00
PUERTO DE PASAIA	55.00
PUERTO DE PTO. DEL ROSARIO	70.00
PUERTO II	70.00
QUINTO CONTENEDOR	50.00
RBU VILLA-REAL	47.00
R.S. UTE PONIENTE ALMERIENSE	50.00
REDONDELA	10.00
REPARACIONES CASA CAMPO	100.00
REPOSTADOS ENTREVÍAS	50.00
RESIDENCIA	50.00
RIVAS	30.00
RSU TOLOSALDEA	60.00
S.U. BENICASSIM	35.00
S.U. BILBAO	70.00
SALTO DEL NEGRO	50.00
SAN FERNANDO	20.00
SANEAMIENTO URBANO CASTELLÓN	65.00
SANT QUIRZE	50.00
SANT QUIRZE DEL VALLÉS	50.00
SANTA COLOMA DE GRAMANET	61.00
SANTOMERA	60.00
SANTURTZIKO GARBIKETA	60.00
SANTURTZIKO GARBIKETA II	60.00
SASIETA	75.00
SAV - FCC TRATAMIENTOS	35.00
SELECTIVA LAS PALMAS	55.00
SELECTIVA SAN MARCOS	65.00
SELECTIVA UROLA-KOSTA	60.00
SELLADO VERTEDERO LOGROÑO	50.00
SERAGUA-FCC-VIGO	50.00
SIMÓN HERNÁNDEZ	50.00
TABLADA	20.00

APPENDIX II/4

	% of ownership
TORREJÓN	25.00
TORRIBERA V	50.00
TRANSPORTE DE TXINGUDI	60.00
TRANSPORTE SAN MARCOS	80.00
TREMP	51.00
TÚNEL PUERTO ALGECIRAS	30.00
TXINGUDI	75.00
TXINGUDIKO GARBIKETA	73.00
URNIETA	20.00
UROLA ERDIA	60.00
URRETXU Y ZUMARRAGA	65.00
VALDEMORO	100.00
VALDEMORO 2	100.00
VERTEDERO ARTIGAS	50.00
VERTEDERO GARDELEGUI II	70.00
VERTEDERO TALES Y CORTES	50.00
VERTRESA	10.00
VIGO RECICLA	70.00
VILLALÓN DE CAMPOS	20.00
VINAROZ	50.00
ZARAGOZA DELICIAS	51.00
ZARAUTZ	20.00
ZARAUZKO GARBIETA	60.00
ZUMAIA	60.00
ZURITA	50.00
ZURITA II	50.00

ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

Company	Carrying amount		% of ownership	Dividends received	Share capital	Reserves	Other equity items	2013 Profit (loss)	
	Assets	Net impairment losses						From operations	From continuing operations
Clavegueram de Barcelona, S.A. Acer, 16 - Barcelona -Urban cleaning-	733	—	20.33	59	3,606	3,996	—	1,284	905
Ecoparc del Besòs, S.A. Rambla Cataluña, 91-93 - Barcelona -Urban cleaning-	2,621	—	Direct 31.00 Indirect 54.00	—	7,710	969	19,599	4,124	1,630
Ecoserveis Urbans Figueres, S.L. Avda. Alegries, s/n - Lloret de Mar (Girona) -Urban cleaning-	301	—	50.00	118	601	120	—	215	350
Empresa Mixta de Limpieza de la Villa de Torrox, S.A. Pz. de la Constitución, 1 - Torrox (Malaga) -Urban cleaning-	300	—	50.00	129	600	280	—	344	231
Empresa Mixta de Medio Ambiente de Rincón de la Victoria, S.A. Avda. Zorreras, 1 - Rincón de la Victoria (Málaga) -Urban cleaning-	301	—	50.00	124	601	229	—	477	245
Gestión Integral de Residuos Sólidos, S.A. Profesor Beltrán Ibaquena, 4 - Valencia -Urban cleaning-	6,937	4,056	49.00	—	5,281	1,152	272	(796)	(936)
Ingeniería Urbana, S.A. Pol. Industrial Pla de Vallonga, s/n - Alicante -Urban cleaning-	3,786	—	35.00	748	6,010	6,018	—	1,842	1,180
Palacio de Exposiciones y Congresos de Granada, S.A. Ps del Violón, s/n - Granada -Equipment management-	255	255	50.00	—	510	(328)	—	(1,153)	(820)

ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

Company	Carrying amount		% of ownership	Dividends received	Share capital	Reserves	Other equity items	2013 Profit (loss)	
	Assets	Net impairment losses						From operations	From continuing operations
Pallars Jussà Neteja i Serveis, S.A. Pau Casals, 14 - Tremp (Lleida) -Urban cleaning-	25	—	40.00	-	60	42	—	4	3
Port Torredembarra, S.A. Edificio Capitanía Puerto Deportivo y Pesquero Torredembarra (Tarragona) -Operation of marinas-	304	-	Direct 15.71 Indirect 13.09	-	1,865	203	—	(163)	(116)
Servicios Urbanos de Málaga, S.A. Ulises, 18 - Madrid -Urban cleaning-	1,610	—	51.00	248	3,156	540	—	—	673
Suministros de Agua de Queretaro S.A. de C.V. Santiago de Queretaro (Mexico) -Water management-	4,367	—	Direct 24.00 Indirect 2.00	1,140	347,214 (MXN)(*)	324,706 (MXN)(*)	—	203,762 (MXN)(*)	92,233 (MXN)(*)
TOTAL	21,540	4,311		2,566					

(*) (MXN): Mexican peso.

NOTE:

- As required by Article 155 of the Consolidated Text of the Spanish Limited Liability Companies Law, in 2013 the Company made the related notifications to the companies in which it had acquired direct or indirect holdings of over 10%.

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
2013						
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**

<u>2012</u>

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. Ceské 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. Hódmezövásárhely 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

APPENDIX I/6

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	

APPENDIX I/7

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

Company	Registered office	Effective percentage of ownership	Auditor
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

APPENDIX II

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

Company	Registered office	Carrying amount of the investment 2013	Carrying amount of the investment 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	
Compañia 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	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

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					
Globalvía 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.	Còrcega, 270 - Barcelona	—	1,007	3.24	
Tramvia Metropolità del Besòs, S.A.	Còrcega, 270 - Barcelona	—	648	3.24	

APPENDIX III/2

Company	Registered office	Carrying amount of the investment 2013	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

APPENDIX III/3

Company	Registered office	Carrying amount of the investment 2013	2012	Effective percentage of ownership	Auditor
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.	Vía Augusta, 255 Local 4 - Barcelona	(613)	(507)	25.00	
Teide Gestión del Sur, S.L.	José Luis 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 5° - L'Hospitalet de Llobregat (Barcelona)	23	17	40.00	
Tramvia Metropolità, S.A.	Còrcega, 270 - Barcelona	—	3,963	1.00	KPMG
Tramvía Metropolitá 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

APPENDIX IV/3

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

APPENDIX IV/4

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

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

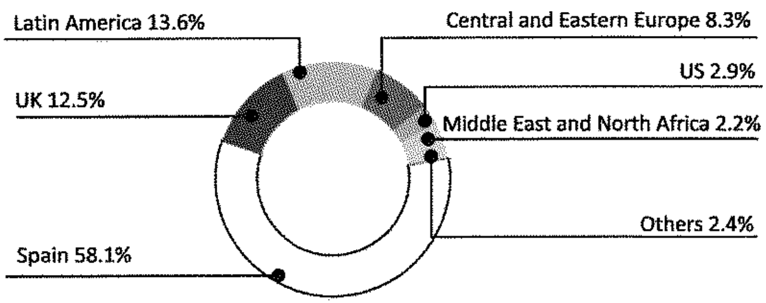
Consolidated revenues totalled 6,726.5 million euro in 2013, a decline of 9.5% year-on-year. In Spain, revenues fell by 15.4%, due mainly to the negative impact on the Construction and Cement areas of the sharp reduction in public expenditure on infrastructure; meanwhile, international revenues increased 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



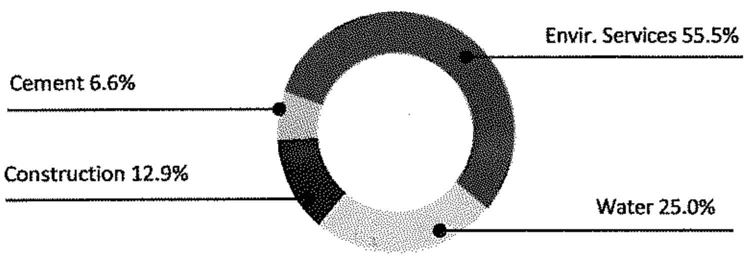
2.1.4.2. EBITDA

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

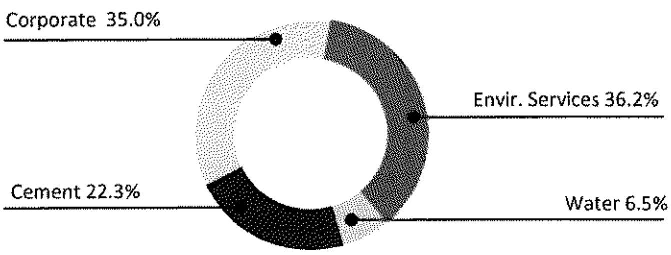
At 31 December 2013, net interest-bearing debt amounted to 5,975.5 million euro, i.e. a decline of 1,112.2 million euro compared with the end of 2012, due mainly to the effect of deconsolidating Alpine and to divestments over the course of the year.

(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.

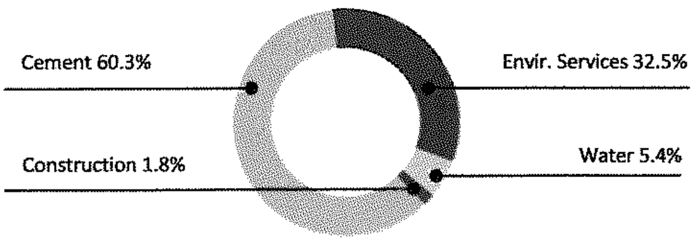
Environmental Services and Water accounted for 42.7% of net debt, connected to regulated long-term public service contracts; 22.3% of net debt corresponds to Cement, which represents a large proportion of fixed assets on the balance sheet. The remaining 35% corresponds to the Parent company, which includes 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.

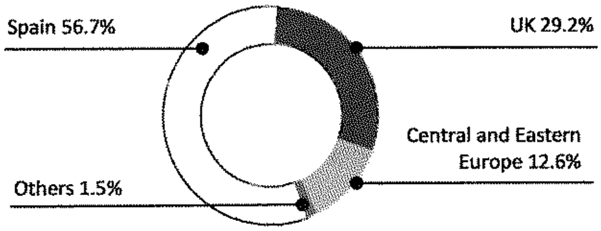
Revenue breakdown by region

(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.

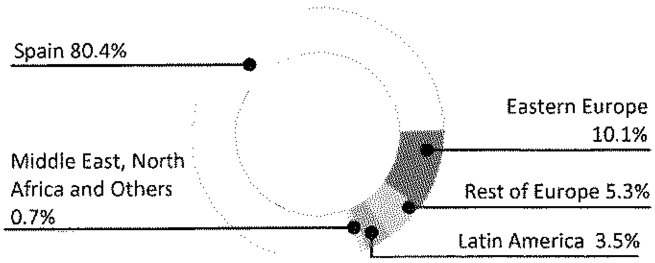
Revenue breakdown by region

	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.*

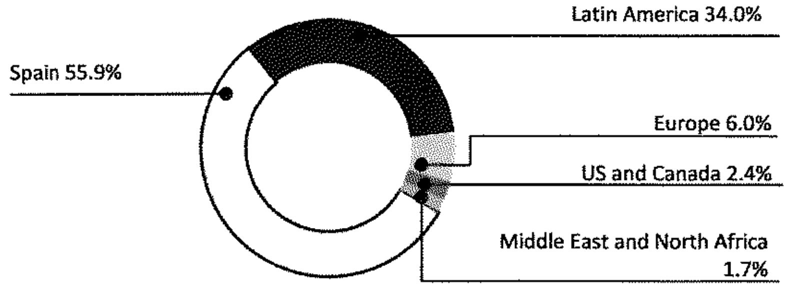
Revenues in the Construction area totalled 2,589.2 million euro in 2013, a decline of 11.8% year-on-year. The sharp adjustment in public spending on infrastructure reduced revenues in Spain by 25.3%. In contrast, revenues from other countries expanded by 14.5%.

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.

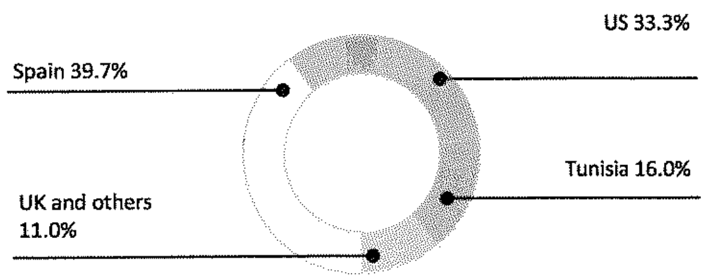
Revenue breakdown by region

(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).

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.

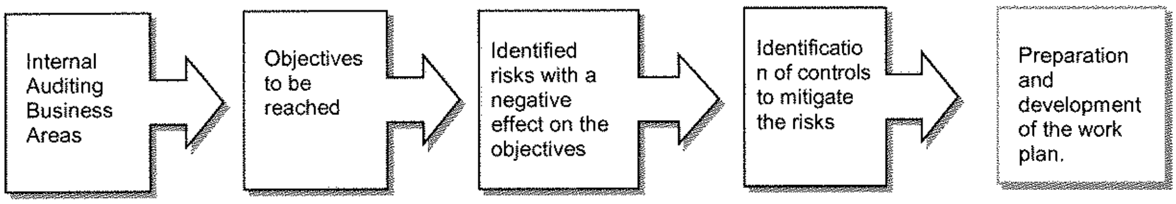
The scope of the auditing tasks is defined according to these variables, in order to provide the Audit and Control Committee and Management in general with reasonable security on the proper functioning of the internal control systems, on the compliance with the policies for managing the main risks of 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