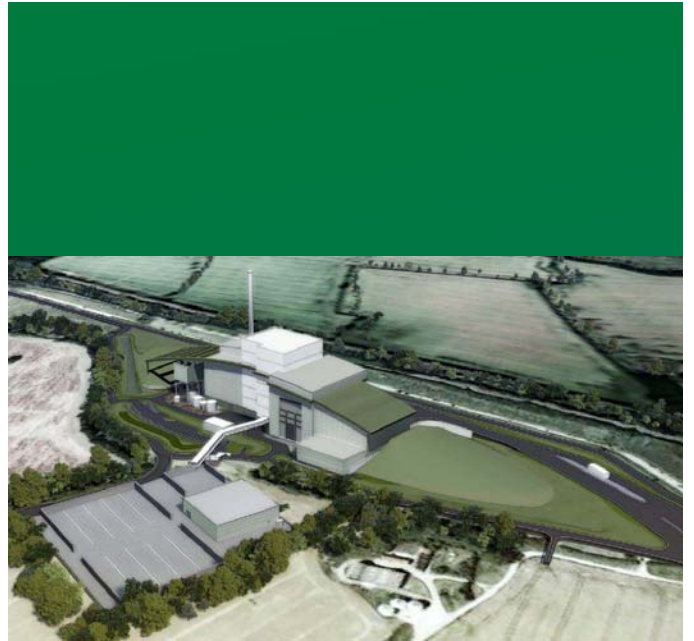




# 2015 EARNINGS REPORT



**Environmental  
Services**



**Water**



**Infrastructures**



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*FCC to recycle waste in Dallas, Texas, for 15 years*

## 1. HIGHLIGHTS

### **Resolution to increase capital by €709.5 million**

On 17 December 2015, the Board of Directors resolved to take the necessary steps to increase capital by €709.5 million at an issue price of €6 per share. The transaction is intended to strengthen the Group's capital structure and reduce interest-bearing debt. The Group's two main shareholders, who have representatives on the Board, undertook to subscribe for their proportion of the issue. Additionally, the Slim Group undertook to subscribe for any amount not taken up by the other shareholders during the ordinary subscription process. At the date of publication of this document, the capital increase is at the final phase and will conclude early in March.

### **FCC Aqualia lands largest-ever contract, worth €2.4 billion, in Egypt**

In August 2015, a consortium headed by FCC Aqualia was awarded the contract for the Abu Rawash wastewater treatment plant in Cairo (Egypt). Once completed, the plant will process 1.6 million m<sup>3</sup> of water per day and serves 5.5 million people, making it one of the largest of its kind in the world. This is a BOT type contract, requiring €500 million in investment, and total revenues over the concession term are estimated at €2.4 billion.

The project, which will be included in the backlog once it achieves financial closure, is strongly supported by the EBRD, the World Bank and Egyptian banks. This contract is part of an ambitious programme of water and sanitation works implemented by the Egyptian government and is FCC Aqualia's second big contract in that country; in 2010, it was awarded the contract to design, build and operate, for 20 years, the New Cairo wastewater treatment plant.

In 2015, FCC Aqualia landed major international contracts (which was one of its strategic objectives), notably for network construction and water treatment plant maintenance in Latin America (Mexico and Chile) and Saudi Arabia.

### **FCC Environment obtains 15-year recycling contract in Dallas, Texas**

In November, FCC's environmental services area was awarded a contract to build and operate a waste recycling plant in Dallas, initially for 15 years, with the possibility of a 10-year extension; revenues are estimated at approximately €270 million. This contract is in addition to the one obtained in the US in September, for municipal solid waste collection in two areas of Orange county (Florida) with a total population of 400,000; this 10-year contract is worth €85 million.

In Spain, the environmental services area obtained new contracts worth €1.4 billion in 2015. This amount was achieved in a context of municipal government elections and is a testimony to the experience, soundness and service quality of the Group's core business. The main contracts include waste processing in Granada, and waste collection and sewer maintenance in other cities such as Vitoria, San Sebastián and Barcelona.

### **FCC Construction heads consortium for Toyo tunnel (Colombia), worth €392 million**

In October, a consortium headed by FCC, which holds a 40% stake, was awarded the contract to build the Toyo tunnel and an adjacent section of toll road, in Colombia, for a total of €392 million. The contract covers design and construction of the tunnel, followed by operation and maintenance for a period of 10 years.

Additionally, in May, a consortium involving FCC was awarded the contract to design and build Panama City Metro line 2; FCC's share will amount to €663 million. The line will include 16 stations and 21 km. of overhead line to the east of the city. Overall, the backlog stood at €6,230 million at 2015 year-end, a slight (0.3%) increase with respect to the previous year, and strengthened the Group's presence in certain growth markets, such as Chile and Colombia.

### **FCC agrees to sell Globalvia for up to €220 million**

In June, FCC, which owns 50% of Globalvia, and the owner of the other 50% agreed to sell 100% of the company for an amount attributable to FCC of up to €220 million. The deal is structured in a payment of €83 million, scheduled for the first half of 2016, and a deferred payment of up to €137 million, scheduled for February 2017.

## 2. EXECUTIVE SUMMARY

- ◇ FCC Group revenues increased by 2.2%. In particular, international revenues increased by 9.8%, with growth in all business areas, particularly Water (39.5%).
- ◇ EBITDA increased by 1.3% to €814.6 million despite the adverse baseline effect caused by the lower sales of CO<sub>2</sub> emission rights by the Cement division. Adjusting for that effect, EBITDA would have increased by 3.5%.
- ◇ Environmental utilities (services and water) gained in importance to account for 79.3% of EBITDA, which lends greater stability and visibility to the income statement and cash flow.
- ◇ Profit from continuing operations amounted to €35.1 million, while the Group booked an attributable net loss of €46.3 million due to the impact of discontinued operations, impairments and the capacity adjustment in the Construction area.
- ◇ Net interest-bearing debt was reduced by €243.9 million with respect to the preceding quarter due to the increase in ordinary operating cash flow and rise by 9.1% y/y, which is attributable to the reclassification of current financial assets as long term, lower divestments in 2015, and the exchange rate effect on the debt.

### NOTE: ASSETS HELD FOR SALE

Assets corresponding to the holding in Globalvia (GVI) have been classified as "*held for sale*" since 31 December 2013, pending completion of the sale in the coming quarters. The residual assets and liabilities of Cemusa (Portugal) following the sale of the bulk of its business in November 2015, are also so classified (Note 5.2). Accordingly, their earnings are recognised under "*income from discontinued operations*" (Note 4.5.2).

### KEY FIGURES

(M€)	Dec. 15	Dec. 14	Chg. (%)
Net sales	6,476.0	6,334.1	2.2%
EBITDA	814.6	804.0	1.3%
<i>EBITDA margin</i>	12.6%	12.7%	-0.1 p.p.
EBIT	323.8	(345.6)	-193.7%
<i>EBIT margin</i>	5.0%	-5.5%	10.5 p.p.
Income attributable to equity holders of the parent company	(46.3)	(724.3)	-93.6%
Operating cash flow	600.3	608.9	-1.4%
Investing cash flow	(412.6)	(167.2)	146.8%

(M€)	Dec, 15	Dec, 14	Chg, (%)
Equity	487.2	495.4	-1.7%
Net interest-bearing debt	5,473.6	5,016.0	9.1%
Backlog	32,499.7	32,996.5	-1.5%

## 3. SUMMARY BY BUSINESS AREA

Area	Dec. 15	Dec. 14	Chg. (%)	% of 2015 total	% of 2014 total
<i>(M€)</i>					
<b>BUSINESS PERFORMANCE</b>					
Environmental Services	2,855.6	2,805.0	1.8%	44.1%	44.3%
Water	1,033.5	954.0	8.3%	16.0%	15.1%
Construction	1,992.9	2,076.1	-4.0%	30.8%	32.8%
Cement	580.4	542.9	6.9%	9.0%	8.6%
Corp. services and adjust.	13.6	(43.9)	-131.0%	0.2%	-0.7%
<b>Total</b>	<b>6,476.0</b>	<b>6,334.1</b>	<b>2.2%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>REVENUES BY GEOGRAPHIC AREA</b>					
Spain	3,407.8	3,540.5	-3.7%	52.6%	55.9%
United Kingdom	1,029.1	931.8	10.4%	15.9%	14.7%
MENA	610.8	338.9	80.2%	9.4%	5.4%
Central Europe	520.2	520.0	0.0%	8.0%	8.2%
Latin America	491.5	672.7	-26.9%	7.6%	10.6%
US and Canada	256.5	203.5	26.0%	4.0%	3.2%
Others	160.1	126.7	26.4%	2.5%	2.0%
<b>Total</b>	<b>6,476.0</b>	<b>6,334.1</b>	<b>2.2%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>EBITDA</b>					
Environmental Services	425.3	418.3	1.7%	52.2%	52.0%
Water	227.5	208.4	9.2%	27.9%	25.9%
Construction	75.8	98.2	-22.8%	9.3%	12.2%
Cement	94.3	104.8	-10.0%	11.6%	13.0%
Corp. services and adjust.	(8.3)	(25.7)	-67.7%	-1.0%	-3.2%
<b>Total</b>	<b>814.6</b>	<b>804.0</b>	<b>1.3%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>EBIT</b>					
Environmental Services	191.5	(437.8)	-143.7%	59.1%	126.7%
Water	145.3	123.9	17.3%	44.9%	-35.9%
Construction	(19.2)	27.8	-169.1%	-5.9%	-8.0%
Cement	28.6	35.9	-20.3%	8.8%	-10.4%
Corp. services and adjust.	(22.4)	(95.4)	-76.5%	-6.9%	27.6%
<b>Total</b>	<b>323.8</b>	<b>(345.6)</b>	<b>-193.7%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>NET DEBT</b>					
With recourse	3,254.3	2,798.3	16.3%	59.5%	55.8%
Without recourse					
Environmental Services	659.6	625.5	5.5%	12.1%	12.5%
Water	249.8	240.2	4.0%	4.6%	4.8%
Construction	0.0	68.0	-100.0%	0.0%	1.4%
Cement	1,248.9	1,283.9	-2.7%	22.8%	25.6%
Corporate	61.0	0.1	N/A	1.1%	0.0%
<b>Total</b>	<b>5,473.6</b>	<b>5,016.0</b>	<b>9.1%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>BACKLOG</b>					
Environmental Services	11,825.7	11,669.7	1.3%	36.4%	35.4%
Water	14,443.7	15,113.8	-4.4%	44.4%	45.8%
Construction	6,230.3	6,213.0	0.3%	19.2%	18.8%
<b>Total</b>	<b>32,499.7</b>	<b>32,996.5</b>	<b>-1.5%</b>	<b>100.0%</b>	<b>100.0%</b>

#### 4. INCOME STATEMENT

(M€)	Dec. 15	Dec. 14	Chg. (%)
<b>Net sales</b>	<b>6,476.0</b>	<b>6,334.1</b>	<b>2.2%</b>
<b>EBITDA</b>	<b>814.6</b>	<b>804.0</b>	<b>1.3%</b>
<i>EBITDA margin</i>	<i>12.6%</i>	<i>12.7%</i>	<i>-0.1 p.p.</i>
Depreciation and amortisation	(433.2)	(404.3)	7.1%
Other operating income	(57.6)	(745.3)	-92.3%
<b>EBIT</b>	<b>323.8</b>	<b>(345,6)</b>	<b>-193.7%</b>
<i>EBIT margin</i>	<i>5.0%</i>	<i>-5.5%</i>	<i>10.5 p.p.</i>
Financial income	(354.3)	(375.8)	-5.7%
Other financial results	(10.6)	(12.7)	-16.5%
Equity-accounted affiliates	35.4	(84.8)	-141.7%
<b>Earnings before taxes (EBT) from continuing operations</b>	<b>(5.7)</b>	<b>(818.8)</b>	<b>-99.3%</b>
Corporate income tax expense	40.8	64.2	-36.4%
<b>Income from continuing operations</b>	<b>35.1</b>	<b>(754.6)</b>	<b>-104.7%</b>
Income from discontinued operations	(89.3)	21.2	N/A
<b>Net profit</b>	<b>(54.2)</b>	<b>(733.4)</b>	<b>-92.6%</b>
Non-controlling interests	7.9	9.1	-13.2%
<b>Income attributable to equity holders of the parent company</b>	<b>(46.3)</b>	<b>(724.3)</b>	<b>-93.6%</b>

#### 4.1 Revenues

The Group's consolidated revenues increased by 2.2% in 2015 to €6,476 million, driven by a notable 9.8% increase in international revenues, with growth in all areas, particularly Water, Cement and Environmental Services.

In Spain, revenues declined by 3.7% to €3,407.8 million due mainly to the 13.4% decline in the Construction area's domestic revenues as a result of the steady decline in public investment in infrastructure in recent years.

Revenue breakdown, by region			
(M€)	Dec. 15	Dec. 14	Chg. (%)
Spain	3,407.8	3,540.5	-3.7%
United Kingdom	1,029.1	931.8	10.4%
Middle East & North Africa	610.8	338.9	80.2%
Central Europe	520.2	520.0	0.0%
Latin America	491.5	672.7	-26.9%
US and Canada	256.5	203.5	26.0%
Others	160.1	126.7	26.4%
<b>Total</b>	<b>6,476.0</b>	<b>6,334.1</b>	<b>2.2%</b>

Construction revenues expanded by a sizeable 80.2% in the Middle East and North Africa due to progress with major projects such as the Doha metro and, very particularly, the Riyadh metro. Water network contracts in Saudi Arabia in the Water division also made a larger contribution.

Revenues increased by 10.4% in the UK as the positive exchange rate effect (11%) fully offset the progressive closure of the landfill business in the Environmental Services area, which resulted in lower revenues for landfill taxes collected on behalf of the government.

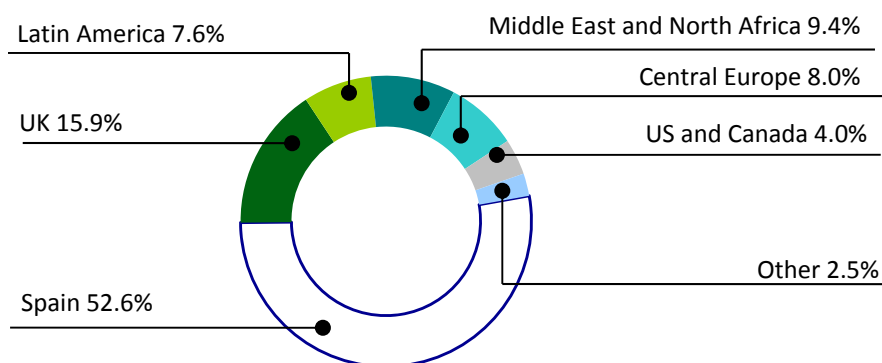
Revenues in Central Europe were stable following the completion of several projects in the Construction area, such as Riga airport in Latvia and other smaller projects in Poland, which temporarily offset the strong growth in the Environmental Services and Water businesses in the region.

Revenues in Latin America fell by 26.9% due to the time lag between the completion of major Construction works, such as Metro Line 1 and the road realignment in Panama City, and the start of other projects such as Lima Metro, the recently awarded Panama City Metro line 2 and the Toyo tunnel in Colombia. This situation was partially mitigated by the increase in revenues from designing and building water treatment systems in the region, such as construction of a water supply system and water mains in Mexico.

Revenues in the United States and Canada rose by 26% due to the effect of the dollar exchange rate (19.6%) in the Cement area and to the Gerald Desmond Bridge project, in the Construction area.

Other markets registered 26.4% growth, broadly due to the tariff update on the end-to-end water cycle management contracts in Italy, and a number of Construction contracts in Portugal.

**% Revenues by region**



#### 4.2 EBITDA

EBITDA amounted to €814.6 million in 2015, a 1.3% increase year-on-year, driven by the End-to-End Water Management area (9.2%) and, to a lesser extent, the Environmental Services area (1.7%).

EBITDA growth in the Water and Environmental Services areas plus savings by Corporate Services offset a contraction of 22.8% in Construction and 10.0% in Cement.

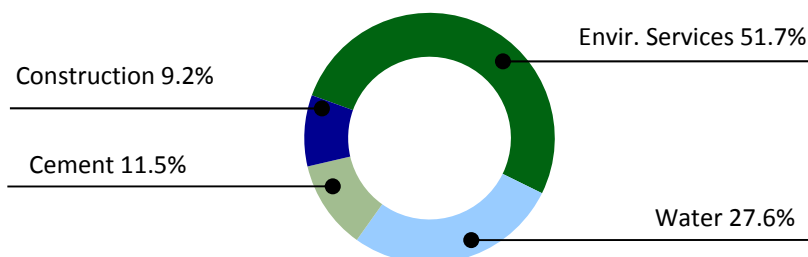
The reduction in EBITDA in the Cement area was due to the lower sale of CO<sub>2</sub> emission rights (€3.9 million in 2015, compared with €20.8 million in 2014). The decline in EBITDA in the Construction area was attributable to the lower volume of business in Spain, a temporary consequence of a more selective bidding policy and the deterioration of margins in the domestic market.

Adjusting for the lower sale of emission rights, EBITDA would have increased by 3.5% in 2015.

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**% EBITDA by Business Area\***


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\*Adjusted for corporate services

At year-end, the Environmental Services and End-to-End Water Management areas represented 79.3% of Group EBITDA, whereas cyclical businesses, related to infrastructure construction and building, accounted for 20.7%.

#### 4.3 EBIT

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EBIT amounted to €323.8 million in 2015, compared with a loss of €345.6 million in 2014.

Depreciation and amortisation amounted to €433.2 million, a 7.1% increase with respect to 2014, mainly as a result of the entry into operation of the waste recycling and treatment plants in the Environmental Services area and the larger impairment charge for landfill assets in the UK following the review of the ongoing closure of the bulk of the landfills. Period depreciation in 2015 included €45 million for assets that were written up on acquisition (€44.8 million in 2014).

Other operating income was negative in the amount of €57.6 million in 2015, concentrated almost entirely in the Construction area. This item included €22.3 million for the workforce restructuring during the year together with a one-time charge for the closure of certain international projects.

The loss of €745.3 million in 2014 included €649.7 million in impairment of non-current assets in the FCC Environment subgroup (environmental services in the UK), a €64 million charge for the challenge to the sale of Alpine Energie, and €34 million for sundry risks in the Construction area's real estate business.

#### 4.4 Earnings before taxes (EBT) from continuing operations

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Earnings before taxes from continuing operations were negative in the amount of €5.7 million in 2015 due to the aforementioned impacts on EBIT and the following items:

##### 4.4.1 Financial result

Net financial expenses fell by 5.7% year-on-year to €354.3 million due to the reduction in average indebtedness and in the average cost of debt in 2015. The amount in 2015 included €25.1 million of capitalizable interest accrued on Tranche B of the corporate syndicated loan, with no effect on cash flow. In 2014, this item included the €135 million haircut agreed on Tranche B.

##### 4.4.2 Equity-accounted affiliates

Companies accounted for using the equity method contributed €35.4 million in income, mainly from the release of a €25.7 million provision for the holding in Realia following the decision to reclassify it to continuing operations as of 31 December 2014, together with €16.4 million in income from holdings in transport infrastructure concession companies.



The loss of €84.8 million booked in 2014 included mainly impairments and losses in a number of infrastructure concession companies and the €35.8 loss on the Realia stake.

#### **4.5 Income attributable to the parent company**

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Net attributable income was negative in the amount of €46.3 million (compared with a loss of €724.3 million in 2014), after including the following items in EBT:

##### **4.5.1 Income tax**

The corporate income tax expense includes a reversal of deferred taxes in the amount of €40.8 million (€64.2 million in 2014).

##### **4.5.2 Income from discontinued operations**

Discontinued operations contributed a loss of €89.3 million in 2015, due entirely to Cemusa, reflecting impairment of its value in 2015 until its sale in November.

The figure of €21.2 million reported in 2014 included mainly the effect of divestments (Logistics and 51% of FCC Energy).

##### **4.5.3 Non-controlling interests**

Non-controlling interests, concentrated mainly in the Cement business, were attributed a loss of €7.9 million, compared with a loss of €9.1 million in 2014.

## 5. BALANCE SHEET

<i>(M€)</i>	<b>Dec. 15</b>	<b>Dec. 14</b>	<b>Change (M€)</b>
Intangible assets	3,026.4	2,967.5	58.9
Property, plant and equipment	3,146.4	3,175.6	(29.2)
Equity-accounted affiliates	587.0	239.8	347.2
Non-current financial assets	392.8	426.7	(33.9)
Deferred tax assets and other non-current assets	1,031.8	1,044.2	(12.4)
<b>Non-current assets</b>	<b>8,184.3</b>	<b>7,853.8</b>	<b>330.5</b>
Non-current assets available for sale	235.9	1,002.5	(766.6)
Inventories	648.6	760.6	(112.0)
Trade and other accounts receivable	2,217.1	2,488.4	(271.3)
Other current financial assets	230.7	380.4	(149.7)
Cash and cash equivalents	1,345.5	1,537.1	(191.6)
<b>Current assets</b>	<b>4,677.8</b>	<b>6,169.1</b>	<b>(1,491.3)</b>
<b>TOTAL ASSETS</b>	<b>12,862.1</b>	<b>14,022.9</b>	<b>(1,160.8)</b>
Equity attributable to equity holders of parent company	280.7	271.7	9.0
Non-controlling interests	206.5	223.7	(17.2)
<b>Net equity</b>	<b>487.2</b>	<b>495.4</b>	<b>(8.2)</b>
Grants	248.3	239.3	9.0
Non-current provisions	1,254.1	1,157.9	96.2
Long-term interest-bearing debt	5,612.2	5,615.7	(3.5)
Other non-current financial liabilities	66.6	66.5	0.1
Deferred tax liabilities and other non-current liabilities	536.7	754.6	(217.9)
<b>Non-current liabilities</b>	<b>7,717.8</b>	<b>7,834.0</b>	<b>(116.2)</b>
Liabilities linked to non-current assets available for sale	15.9	776.9	(761.0)
Non-current provisions	194.7	288.5	(93.8)
Short-term interest-bearing debt	1,437.6	1,317.9	119.7
Other current financial liabilities	91.8	63.2	28.6
Trade and other accounts payable	2,917.0	3,247.0	(330.0)
<b>Current liabilities</b>	<b>4,657.0</b>	<b>5,693.5</b>	<b>(1,036.5)</b>
<b>TOTAL LIABILITIES</b>	<b>12,862.1</b>	<b>14,022.9</b>	<b>(1,160.8)</b>

### 5.1 Equity-accounted affiliates

The investment in equity-accounted companies (€587 million) comprised the following at 31 December 2015:

- 1) €120.2 million for the 36.9% stake in Realia.
- 2) €81.6 million for investments in companies in the Water area, mainly concession companies in other countries (Algeria, Mexico and Egypt).
- 3) €80.8 million for holdings in companies in the Environmental Services area (recycling and municipal services).
- 4) €304.3 million for the other holdings (infrastructure concessions, cement and renewable energy companies) and loans to affiliated companies.

The increase with respect to the balance at 31 December 2014 is due mainly to the transfer to this item, in 1Q15, of €193.9 million in loans granted to joint ventures and affiliates in the Construction area which had been classified as current financial assets. Also, the value of the stake in Realia includes the amount of the December capital increase that FCC subscribed for.

### 5.2 Non-current assets and liabilities available for sale

Of the €235.9 million in non-current assets available for sale at year-end, €220 million correspond to the 50% stake in Globalvía Infraestructuras and the remainder to the residual business of Cemusa in Portugal.

The Cemusa assets have associated liabilities amounting to €15.9 million, including payment obligations tied to long-term rights to exploit advertising urban fixture.

The sharp decline in the balance of this item with respect to 2014 is due to the sale in November of the Cemusa subgroup (apart from the aforementioned business in Portugal).

### 5.3 Net equity

Net equity at year-end amounted to €487.2 million, a slight €8.2 million reduction with respect to 2014 year-end. This decline is due to the loss for the year and other positive adjustments, mainly translation differences. In this respect, the Board of Directors resolved in December to increase capital by €709.5 million. This transaction, which seeks to strengthen the Group's capital structure, is under way and will be completed in March.

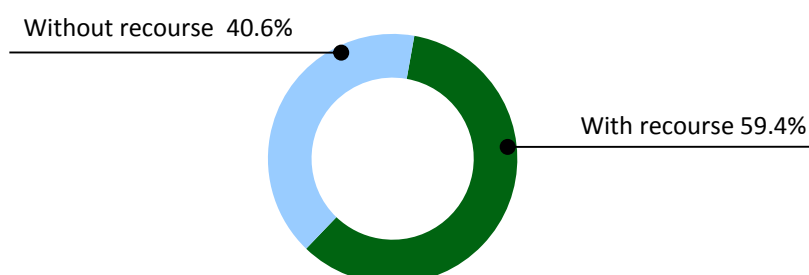
### 5.4 Net interest-bearing debt

(M€)	Dec. 15	Dec. 14	Change (M€)
Bank borrowings	5,647.7	5,756.4	(108.7)
Debt instruments and other loans	1,088.5	906.7	181.8
Accounts payable due to financial leases	62.1	53.6	8.5
Derivatives and other financial liabilities	251.5	216.9	34.6
<b>Gross interest-bearing debt</b>	<b>7,049.8</b>	<b>6,933.6</b>	<b>116.2</b>
Cash and other financial assets	(1,576.2)	(1,917.6)	341.4
<b>Net interest-bearing debt</b>	<b>5,473.6</b>	<b>5,016.0</b>	<b>457.6</b>
<i>With recourse</i>	3,254.3	2,798.3	456.0
<i>Without recourse</i>	2,219.3	2,217.7	1.6

Net interest-bearing debt stood at €5,473.6 million at 31 December 2015, i.e. €243.9 million less than at the end of September and €457.6 million more than at 2014 year-end. This increase is due mainly to the reclassification of financial assets in the Construction area as long term (€193.9 million), the net exchange rate effect on debt denominated in foreign currencies (€83.3 million) and the reduction in the balance of cash.

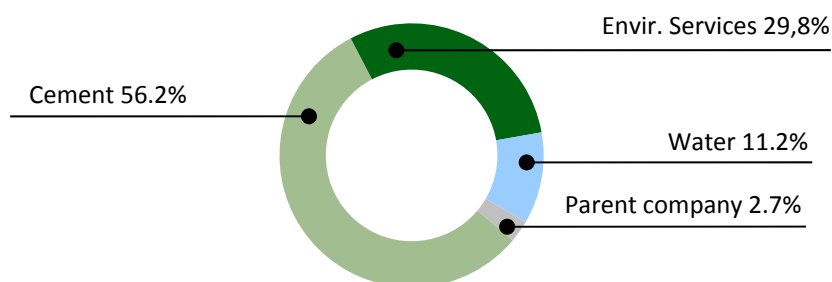
The balance of gross interest-bearing debt, which is the origin of the financial expenses, increased by €116.2 million to €7,049.8 million, mainly as a result of the aforementioned exchange rate effect; the balance of cash and current financial assets was reduced by €341.4 million, mainly as a result of the aforementioned reclassification and the lower amount of customer receivables that were discounted in 2015.

#### Debt with and without recourse



Net financial debt is divided between corporate debt (59.4%) and debt with limited recourse (40.6%). Net debt with recourse amounted to €3,254.3 million at 31 December 2015, including legacy debt from the acquisition of a number of operating companies in the various divisions, excluding Cement, and is structured mainly as a syndicated loan and a €450 million convertible bond issued by the parent company.

#### Net debt without recourse, by area



Net interest-bearing debt without recourse to the Group parent company amounted to €2,219.3 million at year-end. A large proportion of that is connected to the Cement area (€1,248.9 million). Environmental Services accounts for €659.6 million (€571.1 million in the UK, €60.1 million in Central Europe and the remainder in other waste treatment and recycling plants in Spain and Portugal). Net debt without recourse in the Water area amounted to €249.8 million, of which €175.7 million relate to the Czech Republic and the other €74.1 million to a number of end-to-end water concessions in Spain. The €61 million at parent company level are the project net debt of the concession companies for the Coatzacoalcos tunnel in Mexico and the Conquense highway in Spain.

#### 5.5 Other current and non-current financial liabilities

The balance of other current and non-current financial liabilities, which do not qualify as interest-bearing debt, was €158.4 million at year-end. It includes financial liabilities such as those associated with hedging derivatives, suppliers of fixed assets, and deposits and guarantees received.

## 6. CASH FLOW

(M€)	Dec. 15	Dec. 14	Chg. (%)
<b>EBITDA</b>	<b>814.6</b>	<b>804.0</b>	<b>1.3%</b>
(Increase)/decrease in working capital	(35.7)	22.3	-260.1%
Income tax (paid)/received	(77.2)	(78.7)	-1.9%
Other operating cash flow	(101.4)	(138.7)	-26.9%
<b>Operating cash flow</b>	<b>600.3</b>	<b>608.9</b>	<b>-1.4%</b>
Investment payments	(431.9)	(485.5)	-11.0%
Divestment receipts	38.5	227.6	-83.1%
Other investing cash flow	(19.2)	90.7	-121.2%
<b>Investing cash flow</b>	<b>(412.6)</b>	<b>(167.2)</b>	<b>146.8%</b>
Interest paid	(269.5)	(358.5)	-24.8%
(Payment)/receipt of financial liabilities	(90.2)	(554.4)	-83.7%
Other financing cash flow	(32.8)	998.6	-103.3%
<b>Financing cash flow</b>	<b>(392.5)</b>	<b>85.7</b>	<b>N/A</b>
Exchange differences, change in consolidation scope, etc.	13.1	22.2	-41.0%
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>(191.6)</b>	<b>549.5</b>	<b>-134.9%</b>

### 6.1 Operating cash flow

Group operating cash flow totalled €600.3 million in 2015, practically the same as in 2014.

However, it is important to note the favourable underlying trend in working capital in the period. The total increase of €35.7 million includes payment, on schedule, of €183.6 million of taxes that were deferred in prior years, whereas the 2014 figure included €71 million collected in 1Q14 under the Spanish government's second supplier payment plan. Moreover, in accordance with the financial objectives, the amount of customer receivables factored to banks without recourse was reduced by €53 million with respect to 2014 year-end. All these factors represent a substantial improvement in working capital in like-for-like terms, due to the efforts to reduce the balance of customer receivables.

(M€)	Dec. 15	Dec. 14	Change (M€)
Environmental Services	(71.7)	(8.2)	(63.5)
Water	(3.3)	21.6	(24.9)
Construction	71.0	67.5	3.5
Cement	9.9	(2.0)	11.9
Corporate services and adjustments	(41.6)	(56.6)	15.0
<b>(Increase)/decrease in working capital</b>	<b>(35.7)</b>	<b>22.3</b>	<b>(58.0)</b>

Moreover, the other operating cash outflows, amounting to €101.4 million in 2015 and €138.7 million in 2014, were due mainly to the application of provisions for use in restructuring the Construction area.

## 6.2 Investing cash flow

Investing cash flow absorbed €412.6 million in 2015, compared with €167.2 million in 2014. The difference is due broadly to lower divestment collections, which declined from €189.1 million to €38.5 million. Moreover, the variation in other investing cash flows was negative this year in the amount of €19.2 million, whereas in 2014 the company recovered deposits and sureties and collected loans to investees and discontinued operations for a total amount of €90.7 million.

The breakdown of net investments by area, in terms of investment payments and divestment collections, is as follows:

<i>(M€)</i>	<b>Dec. 15</b>	<b>Dec. 14</b>	<b>Change (M€)</b>
Environmental services	(250.1)	(168.7)	(81.4)
Water	(71.3)	(96.7)	25.4
Construction	(40.1)	(77.1)	37.0
Cement	(12.6)	8.2	(20.8)
Corporate services and adjustments	(19.3)	76.4	(95.7)
<b>Net investments (Payments - Collections)</b>	<b>(393.4)</b>	<b>(257.9)</b>	<b>(135.5)</b>

The Environmental Services area was notable in terms of net investments, including investments in plants under development, particularly the incinerator in Buckinghamshire, UK.

## 6.3 Financing cash flow

Consolidated financing cash flow in the year was negative in the amount of €392.5 million, including primarily €269.5 million in interest payments, there being no appreciable changes in the volume of gross interest-bearing debt in the period, apart from early repayment of €100 million of bank debt by the Cement area's parent company in the first quarter of 2015. This item in 2014 reflected the effect on the cash position of the €1,000 million capital increase performed at the end of the year.

## 6.4 Exchange differences, change in consolidation scope, etc.

This item, which increased by €13.1 million in the year, includes the effect of exchange rate fluctuations on cash, mainly in the Environmental area (UK).

## 6.5 Variation in cash and cash equivalents

Combining the foregoing flows, the Group's net cash position was reduced by €191.6 million to €1,345.5 million at year-end.

## 7. BUSINESS PERFORMANCE

### 7.1 Environmental Services

The Environmental Services area accounts for 51.7% of FCC Group EBITDA. A total of 95.7% of its activities involve municipal solid waste collection, treatment and disposal, along with other municipal services such as street cleaning and green area upkeep. The other 4.3% corresponds to industrial waste collection and management.

FCC's business in Spain focuses on municipal waste management and street cleaning; in the UK, it is involved principally in municipal waste treatment, recovery and disposal; in Central Europe, mainly Austria and the Czech Republic, it has a balanced presence throughout the municipal waste management chain (collection, processing and disposal). In Portugal and other countries, FCC is involved in both industrial and municipal waste management.

#### 7.1.1 Results

(M€)	Dec. 15	Dec. 14	Chg. (%)
Revenues	2,855.6	2,805.0	1.8%
<i>Environmental Services</i>	2,731.5	2,680.5	1.9%
<i>Industrial Waste</i>	124.1	124.5	-0.3%
EBITDA	425.3	418.3	1.7%
<i>EBITDA margin</i>	14.9%	14.9%	0.0 p.p.
EBIT	191.5	(437.8)	-143.7%
<i>EBIT margin</i>	6.7%	-15.6%	22.3 p.p.

Environmental Services revenues increased by 1.8% in 2015, to €2,855.6 million, driven by 8.9% growth in international revenues.

Revenue breakdown, by region			
(M€)	Dec. 15	Dec. 14	Chg. (%)
Spain	1,518.1	1,576.9	-3.7%
United Kingdom	926.9	846.0	9.6%
Central Europe	369.0	347.3	6.2%
Portugal, etc.	41.6	34.8	19.5%
<b>Total</b>	<b>2,855.6</b>	<b>2,805.0</b>	<b>1.8%</b>

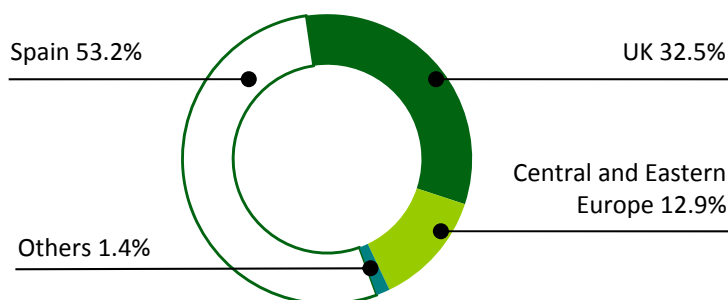
In Spain, revenues amounted to €1,518.1 million, a decline of 3.7% year-on-year, due mainly to withdrawal of the waste collection contract for Madrid suburbs in the fourth quarter of 2014.

Revenues increased by 9.6% in the UK to €926.9 million, boosted by sterling's appreciation against the euro. This trend was accompanied by an increase in municipal waste treatment and incineration revenues, broadly offsetting the effect of progressively closing the landfills, which impacted revenues due to the effect of landfill taxes collected by the company on behalf of the government. Additionally, construction of the Buckinghamshire incinerator is advancing, with entry into service scheduled for the second half of 2016.

Revenues in Central Europe increased by 6.2% year-on-year due to execution of a soil decontamination project in Slovakia, improved performance in Austria and the Czech Republic and expansion of the waste collection business in Poland.

The 19.5% increase in revenues in other markets is due basically to expansion of the Industrial Waste management business in the US.

#### Revenue breakdown, by region



EBITDA increased by 1.7% year-on-year to €425.3 million, while the EBITDA margin was the same as in 2014. The withdrawal from the Madrid suburb waste collection contract had a positive impact on the average margin in Spain. Meanwhile, the EBITDA margin in the UK increased due to a larger contribution from the municipal waste incineration business. However, this improvement was not visible in the area's margin since the Buckinghamshire plant is still at the construction phase (with a lower margin than in the operational phase).

EBIT was positive in the amount of €191.5 million, including a higher charge related to the plan to close the bulk of the landfills in the UK, which was implemented in 2014. The 2014 figure included an impairment charge of €649.7 million against the value of the property, plant and equipment affected by that plan, which explains the negative EBIT of €437.8 million in 2014.

#### Backlog breakdown, by region

(M€)	Dec. 15	Dec. 14	Chg. (%)
Spain	7,112.0	7,070.9	0.6%
International	4,713.7	4,598.8	2.5%
<b>Total</b>	<b>11,825.7</b>	<b>11,669.7</b>	<b>1.3%</b>

The area's backlog increased by 1.3% with respect to 2014 year-end, to €11,825.7 million. In Spain, this area landed a 25-year municipal waste treatment contract in the province of Granada, worth €394 million. The international backlog expanded by 2.5%, mainly as a result of the appreciation of sterling against the euro. The total backlog amounts to over 4 times revenues in the last twelve months.



### 7.1.2 Cash flow

(M€)	Dec. 15	Dec. 14	Chg. (%)
<b>EBITDA</b>	<b>425.3</b>	<b>418.3</b>	<b>1.7%</b>
(Increase)/decrease in working capital	(71.7)	(8.2)	N/A
Income tax (paid)/received	(26.4)	(57.4)	-54.0%
Other operating cash flow	7.0	(15.8)	-144.3%
<b>Operating cash flow</b>	<b>334.2</b>	<b>336.9</b>	<b>-0.8%</b>
Investment payments	(270.7)	(254.9)	6.2%
Divestment receipts	20.6	86.2	-76.1%
Other investing cash flow	16.2	50.3	-67.8%
<b>Investing cash flow</b>	<b>(233.9)</b>	<b>(118.4)</b>	<b>97.6%</b>
Interest paid	(95.4)	(160.7)	-40.6%
(Payment)/receipt of financial liabilities	(6.3)	(281.3)	-97.8%
Other financing cash flow	(120.5)	417.6	-128.9%
<b>Financing cash flow</b>	<b>(222.2)</b>	<b>(24.4)</b>	<b>N/A</b>
Exchange rate variations, etc.	11.1	12.1	-8.3%
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>(110.8)</b>	<b>206.1</b>	<b>-153.8%</b>

(M€)	Dec. 15	Dec. 14	Change (M€)
Net interest-bearing debt without recourse	659.6	625.5	34.1

Operating cash flow in the Environmental Services area was stable with respect to 2014: €334.2 million. In addition to a slight increase in EBITDA, tax expenses were lower, offset by a reduction in factored customer receivables to banks without recourse by €50.6 million, which was evident in the increase in working capital. Overall, the area's average payment period remained stable at 3.1 months.

Investment payments amounted to €270.7 million, compared with €254.9 million in 2014, mainly as a result of progress with the construction of the Buckinghamshire incineration plant in the UK.

Interest payments were reduced by 40.6% to €95.4 million, broadly due to the reduction in interest-bearing debt, which includes the effect of FCC Environment (UK) repaying €100 million of debt at the beginning of the year and the lower internal allocation of financial expenses was associated with prior years' acquisitions, which was transferred to the parent company; consequently, this did not have any impact on the Group's overall indebtedness or interest expenses.

Overall, including the additional negative impact on debt of sterling's appreciation, the area's net interest-bearing debt without recourse increased by just €34.1 million at year-end, to €659.6 million. Of that amount, €571.1 million relates to the UK, €60.1 million to Central Europe and the remaining €28.4 million to waste treatment and recycling plants in Spain.

## 7.2 End-to-End Water Management

The Water area accounts for 27.6% of FCC Group EBITDA. Public concessions and end-to-end water management (capture, purification, distribution and treatment) account for 84.2% of total revenues, and design and construction of technology solutions for water treatment and water networks account for the other 15.8%.

FCC serves more than 13 million people in over 850 municipalities in Spain. In Central Europe, FCC serves 1.3 million users, mainly in the Czech Republic. It also has a strong presence in Italy and Portugal. FCC engages in water treatment plant construction and operation in Latin America and the Middle East and North Africa. Overall, FCC Aqualia provides water supply and/or sewage treatment services to over 23 million people.

### 7.2.1 Results

(M€)	Dec. 15	Dec. 14	Chg. (%)
Revenues	1,033.5	954.0	8.3%
<i>Concessions and services</i>	869.8	872.5	-0.3%
<i>Technology and networks</i>	163.7	81.5	100.9%
EBITDA	227.5	208.4	9.2%
<i>EBITDA margin</i>	22.0%	21.8%	0.2 p.p.
EBIT	145.3	123.9	17.3%
<i>EBIT margin</i>	14.1%	13.0%	1.1 p.p.

The area's revenues increased by a notable 8.3% year-on-year to €1,033.5 million, driven by strong growth in technology and networks in Spain and, to a greater extent, in other countries.

Revenue breakdown, by region			
(M€)	Dec. 15	Dec. 14	Chg. (%)
Spain	779.8	772.1	1.0%
Central Europe	92.1	90.0	2.3%
Rest of Europe (Portugal and Italy)	62.8	51.2	22.7%
Latin America	62.0	24.1	157.3%
Middle East, North Africa and Others	36.8	16.6	121.7%
<b>Total</b>	<b>1,033.5</b>	<b>954.0</b>	<b>8.3%</b>

Revenues increased by 1% year-on-year in Spain due to the higher volume of work on water treatment and distribution infrastructure. This low level of growth is characteristic of a year with municipal elections (mid-year), coupled with a very low level of public investment in water infrastructure since the priority is to reduce public deficit.

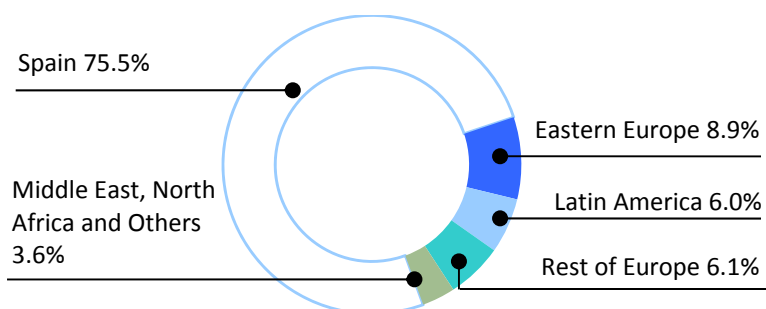
Latin America registered strong growth due to execution of a number of projects, such as a water supply system and water mains in Mexico, and a sewage treatment plant in Chile. The rapid growth experienced in the Middle East, North Africa and other markets is mainly due to work on networks in Riyadh and treatment plants in Mecca (Saudi Arabia).

Revenues increased by 2.3% in Central Europe, mainly in the Czech Republic; elsewhere in Europe, they increased by 22.7% as a result of the tariff update on the end-to-end water management contract in Sicily (Italy).

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**Revenue breakdown, by region**


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EBITDA increased sharply, by 9.2% year-on-year, to €227.5 million. The EBITDA margin expanded slightly to 22% despite the greater exposure to the technology and networks business, due to the steady improvement in technical efficiency in the concession business and to withdrawal from a number of loss-making contracts in Spain.

**Backlog breakdown, by region**

(M€)	Dec. 15	Dec. 14	Chg. (%)
Spain	9,924.2	10,575.1	-6.2%
International	4,519.5	4,538.7	-0.4%
<b>Total</b>	<b>14,443.7</b>	<b>15,113.8</b>	<b>-4.4%</b>

The backlog of future revenues declined by 4.4% with respect to 2014 year-end, to €14,443.7 million, i.e. 14 times the last twelve months' revenues. The international backlog of €4,519.5 million does not yet include the contract awarded recently to a consortium headed by FCC Aqualia for the design, construction and operation of the Abu Rawash sewage treatment plant in Egypt, which represents close to €2,400 million in revenues and is pending financial closure of the project finance for development and commissioning.

### 7.2.2 Cash flow

(M€)	Dec. 15	Dec. 14	Chg. (%)
<b>EBITDA</b>	<b>227.5</b>	<b>208.4</b>	<b>9.2%</b>
(Increase)/decrease in working capital	(3.3)	21.6	-115.3%
Income tax (paid)/received	(38.6)	(19.3)	100.0%
Other operating cash flow	18.0	20.1	-10.4%
<b>Operating cash flow</b>	<b>203.6</b>	<b>230.8</b>	<b>-11.8%</b>
Investment payments	(78.8)	(106.4)	-25.9%
Divestment receipts	7.5	9.7	-22.7%
Other investing cash flow	(88.4)	(123.8)	-28.6%
<b>Investing cash flow</b>	<b>(159.7)</b>	<b>(220.5)</b>	<b>-27.6%</b>
Interest paid	(37.2)	(45.3)	-17.9%
(Payment)/receipt of financial liabilities	38.3	71.4	-46.4%
Other financing cash flow	(69.9)	3.7	N/A
<b>Financing cash flow</b>	<b>(68.8)</b>	<b>29.8</b>	<b>N/A</b>
Exchange rate variations, etc.	(2.8)	(0.5)	N/A
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>(27.7)</b>	<b>39.6</b>	<b>-169.9%</b>

(M€)	Dec. 15	Dec. 14	Change (M€)
Net interest-bearing debt without recourse	249.8	240.2	9.6

Despite the improvement in EBITDA, the area's operating cash flow declined by €27.2 million with respect to 2014, to €203.6 million, due to variations in working capital. The latter increased by €3.3 million in 2015 due to payment of €22.9 million in taxes that had been deferred in previous years, whereas in the first quarter of 2014 the company collected 16 million under the second supplier payment plan. Adjusting for both items, ordinary working capital performed positively with respect to the previous year.

Investment payments amounted to €78.8 million, 25.9% less than in 2014. Other investing cash flow includes mainly loans to Group companies, which are adjusted in the consolidated cash flow statement.

Overall, net cash in the area was reduced by €27.7 million. Net debt without recourse amounted to €249.8 million, practically unchanged; of that amount, €175.7 million relates to the business in the Czech Republic and the other €74.1 million to a number of end-to-end water concessions in Spain.

### 7.3 Construction

The Construction area accounted for 9.2% of FCC Group EBITDA in 2015. 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.

#### 7.3.1 Results

(M€)	Dec. 15	Dec. 14	Chg. (%)
Revenues	1,992.9	2,076.1	-4.0%
EBITDA	75.8	98.2	-22.8%
<i>EBITDA margin</i>	<i>3.8%</i>	<i>4.7%</i>	<i>-0.9 p.p</i>
EBIT	(19.2)	27.8	-169.1%
<i>EBIT margin</i>	<i>-1.0%</i>	<i>1.3%</i>	<i>-2.3 p.p</i>

This area's revenues amounted to €1,992.9 million in 2015, down 4% year-on-year due to the 13.4% decline in revenues in Spain. That decline was the result of steady cutbacks in public investment in infrastructure in recent years.

Nevertheless, the decline in revenues in Spain was partly offset by 5.4% growth in international revenues, which now account for 54.9% of the area's total.

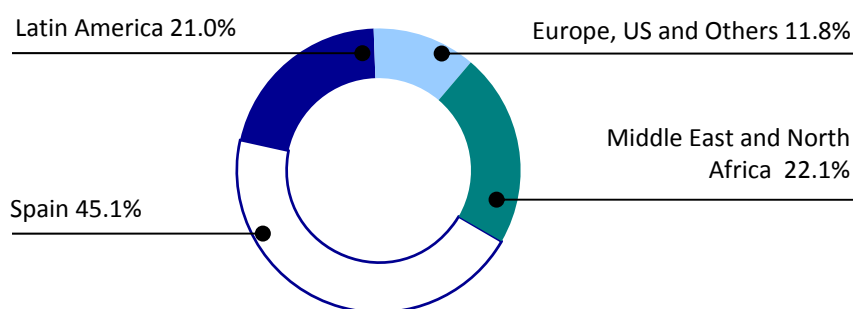
Revenue breakdown, by region			
(M€)	Dec. 15	Dec. 14	Chg. (%)
Spain	898.7	1,037.9	-13.4%
Middle East and North Africa	439.6	184.5	138.3%
Latin America	419.4	640.4	-34.5%
Europe, US, etc.	235.2	213.2	10.3%
<b>Total</b>	<b>1,992.9</b>	<b>2,076.1</b>	<b>-4.0%</b>

Revenues surged in the Middle East and North Africa due mainly to the execution of the Riyadh metro project and the commencement of work on Doha metro at the end of 3Q14.

Revenues in Latin America declined by 34.5% because of the completion of major projects, such as Metro line 1 and road reorganisation in Panama City, while work on Lima metro commenced at the end of 1Q15 and construction of Panama Metro line 2 in the fourth quarter.

The 10.3% increase in revenues in Europe, the US and other markets was due broadly to commencement of work on the Mersey Gateway Bridge in the UK in the second quarter of 2014. Construction of the Gerald Desmond Bridge in Los Angeles (USA) continues.

### Revenue breakdown, by region



EBITDA declined by 22.8% year-on-year, to €75.8 million. This was due to the lower volume of business in Spain and the deterioration of margins in the domestic market as a temporary consequence of the more selective bidding policy.

EBIT was negative in the amount of €19.2 million, after deducting a number of items from EBITDA, including notably €37.7 million in depreciation and amortisation, a €22.3 million charge for workforce restructuring in the year, and a €26.8 million one-time charge for the withdrawal from certain geographies.

### Backlog breakdown, by region

(M€)	Dec. 15	Dec. 14	Chg. (%)
Spain	1,358.8	2,019.7	-32.7%
International	4,871.5	4,193.3	16.2%
<b>Total</b>	<b>6,230.3</b>	<b>6,213.0</b>	<b>0.3%</b>

The area's backlog was practically unchanged with respect to 2014, having increased by just 0.3% to €6,230.3 million. The sharp reduction in the backlog in Spain caused by low demand for civil engineering work and the change in the company's market approach was offset by larger international order intake; the international backlog expanded by 16.2% to €4,871.5 million after the inclusion of the contract to design and build Panama City Metro line 2 (attributable amount: €663 million).

### Backlog breakdown, by business segment

(M€)	Dec. 15	Dec. 14	Chg. (%)
Civil engineering	5,008.2	5,002.2	0.1%
Building	907.2	886.5	2.3%
Industrial projects	314.9	324.3	-2.9%
<b>Total</b>	<b>6,230.3</b>	<b>6,213.0</b>	<b>0.3%</b>

Civil engineering and industrial projects declined slightly as a share of the total, to 85.4%, while building (almost entirely non-residential) accounted for the remaining 14.6%.

### 7.3.2 Cash flow

(M€)	Dec. 15	Dec. 14	Chg. (%)
<b>EBITDA</b>	<b>75.8</b>	<b>98.2</b>	<b>-22.8%</b>
(Increase)/decrease in working capital	71.0	67.5	5.2%
Income tax (paid)/received	(25.6)	50.6	-150.6%
Other operating cash flow	(25.7)	(119.2)	-78.4%
<b>Operating cash flow</b>	<b>95.5</b>	<b>97.1</b>	<b>-1.6%</b>
Investment payments	(52.4)	(104.5)	-49.9%
Divestment receipts	12.3	27.4	-55.1%
Other investing cash flow	130.9	(137.5)	-195.2%
<b>Investing cash flow</b>	<b>90.8</b>	<b>(214.6)</b>	<b>-142.3%</b>
Interest paid	(11.7)	(45.7)	-74.4%
(Payment)/receipt of financial liabilities	(72.5)	208.8	-134.7%
Other financing cash flow	0.0	0.9	-100.0%
<b>Financing cash flow</b>	<b>(84.2)</b>	<b>164.0</b>	<b>-151.3%</b>
Exchange rate variations, etc.	(39.1)	7.7	N/A
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>63.0</b>	<b>54.2</b>	<b>16.2%</b>

(M€)	Dec. 15	Dec. 14	Change (M€)
Net interest-bearing debt without recourse	0.0	68.0	(68.0)

The area's operating cash flow amounted to €95.5 million, in line with 2014. That included positive working capital performance, including the seasonal improvement that occurs towards year-end; cash flow amounted to €71 million in the full year. Additionally, other operating cash flow (€25.7 million) included restructuring expenses during the year.

Working capital in 2015 included the payment of €41.2 million in tax that had been deferred in previous years; in 2014, this item included €44 million collected under the Spanish government's second supplier payment plan.

Investment payments amounted to €52.4 million, compared with €104.5 million in 2014, which included €49.2 million invested in infrastructure concessions, whereas the 2015 figure mainly refers to investment in specialised plant to start work on a number of contracts (mainly underground civil engineering). Other investing cash flow, which was positive in the amount of €130.9 million, basically refers to changes in loans to Group companies.

Consequently, the area's net cash position increased by €63 million, 16.2% more than the variation in 2014. This area had no net interest-bearing debt without recourse at year-end since the stakes in the two companies where the debt was located were transferred to the Group parent company during the year. Consequently, the balance of net debt relating to those two concession companies (Coatzacoalcos tunnel, in Mexico, and Conquense highway, in Spain) was retired from this area.

## 7.4 Cement

The Cement area accounted for 11.5% of FCC Group EBITDA in 2015, through the 77.9% stake in Cementos Portland Valderrivas (CPV). This area produces cement; it has seven factories in Spain, three in the US and one in Tunisia.

### 7.4.1 Results

(M€)	Dec. 15	Dec. 14	Chg. (%)
Revenues	580.4	542.9	6.9%
<i>Cement</i>	514.9	467.2	10.2%
<i>Other</i>	65.5	75.7	-13.5%
EBITDA	94.3	104.8	-10.0%
<i>EBITDA margin</i>	16.2%	19.3%	-3.1 p.p
EBIT	28.6	35.9	-20.3%
<i>EBIT margin</i>	4.9%	6.6%	-1.7 p.p

This area's revenues increased by 6.9% in 2015 to €580.4 million, boosted by a 10.3% increase in cement revenues, which was partly offset by the closure of the less profitable concrete, mortar and aggregate businesses in Spain during the year.

Revenue breakdown, by region			
(M€)	Dec. 15	Dec. 14	Chg. (%)
Spain	197.2	196.0	0.6%
US and Canada	212.8	180.0	18.2%
Tunisia	80.3	83.8	-4.2%
UK and others	90.1	83.1	8.4%
<b>Total</b>	<b>580.4</b>	<b>542.9</b>	<b>6.9%</b>

Revenues in Spain continued to recover (+0.6% in the year) after six years of steady decline. Cement sales increased by 4.3%, while cement consumption in the domestic market increased by 5.3% in the year. However, revenues in other activities declined by 20% because of the aforementioned closure of less profitable concrete, mortar and aggregate plants in 2014.

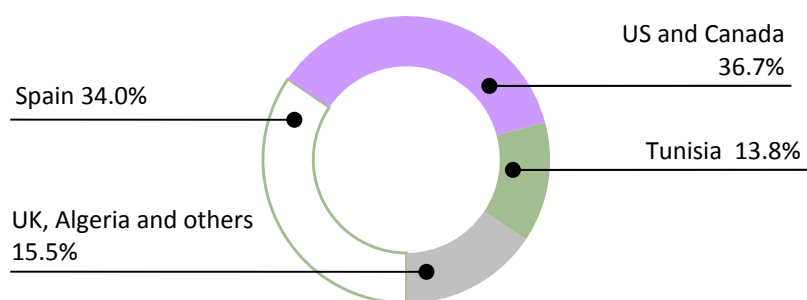
Revenues expanded by 18.2% in the US and Canada, supported by the dollar's appreciation against the euro. Good cement revenue performance (+26.7%) was partly offset by lower concrete sales after this business was discontinued in 2015.

In contrast, revenues declined by 4.2% in Tunisia due to a reduction in local cement consumption from the peak in the first half of 2014. Exchange rate fluctuations had a positive 3.1% impact.

Revenues from exports to the UK and other markets increased by 8.4%, favoured by higher demand in the UK, the favourable sterling exchange rate, and entry into new markets.



### Revenue breakdown, by region



Despite the increase in revenues, EBITDA amounted to €94.3 million, compared with €104.8 million in 2014. This was due principally to lower non-recurring revenues from the sale of CO<sub>2</sub> emission rights (€3.9 million in 2015, vs. €20.8 million in 2014).

Adjusting for this effect, EBITDA would have increased by 7.6% in like-for-like terms in 2015.

#### 7.4.2 Cash flow

(M€)	Dec. 15	Dec. 14	Chg. (%)
<b>EBITDA</b>	<b>94.3</b>	<b>104.8</b>	<b>-10.0%</b>
(Increase)/decrease in working capital	9.9	(2.0)	N/A
Income tax (paid)/received	(6.9)	(5.5)	25.5%
Other operating cash flow	(10.7)	(12.5)	-14.4%
<b>Operating cash flow</b>	<b>86.6</b>	<b>84.8</b>	<b>2.1%</b>
Investment payments	(16.8)	(14.6)	15.1%
Divestment receipts	4.2	22.8	-81.6%
Other investing cash flow	0.8	0.7	14.3%
<b>Investing cash flow</b>	<b>(11.8)</b>	<b>8.9</b>	<b>N/A</b>
Interest paid	(94.0)	(71.4)	31.7%
(Payment)/receipt of financial liabilities	3.7	(23.8)	-115.5%
Other financing cash flow	(2.3)	(4.1)	-43.9%
<b>Financing cash flow</b>	<b>(92.6)</b>	<b>(99.3)</b>	<b>-6.7%</b>
Exchange rate variations, etc.	3.4	2.9	17.2%
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>(14.4)</b>	<b>(2.7)</b>	<b>N/A</b>

(M€)	Dec. 15	Dec. 14	Change (M€)
<i>Without recourse</i>	1,248.9	1,283.9	(35.0)
<i>With recourse</i>	126.6	20.4	106.2
<b>Net interest-bearing debt</b>	<b>1,375.5</b>	<b>1,304.3</b>	<b>71.2</b>

Despite the lower operating profit caused by the reduction in emission rights sales, operating cash flow increased slightly year-on-year to €86.6 million due to the improvement in working capital.

Investment payments were basically for maintenance and amounted to €16.8 million, in line with 2014; divestment collections declined due to the reduction in sales of non-operational real estate. Overall, investing cash flow amounted to just €11.8 million in the period.

Interest expenses amounted to €94 million in 2015, compared with €71.4 million in 2014; the increase was due mainly to differences in interest settlement calendars between years. Overall, the balance of cash and cash equivalents was reduced by €14.4 million in 2015.

As is appropriate for a listed company with minority shareholders that is managed independently, the bulk of the Cement area's debt is without recourse to FCC. The €35 million reduction in that amount was due to repayment of bank debt by the area's parent company in the first quarter.

Net debt with recourse is confined to the balance of the amount that FCC, S.A. loaned to its subsidiary, which amounted to €126.6 million at 2015 year-end and is underpinned by the commitment which the shareholder made to CPV's financiers in 2012 for a maximum amount of €200 million.

## 8. SHARE DATA

### 8.1 Share performance

	Jan. - Dec. 2015	Jan. - Dec. 2014
Closing price (euro)	7.00	11.75
<i>Appreciation</i>	<i>(40.4%)</i>	<i>(0.8%)</i>
High (euro)	11.89	15.49
Low (euro)	5.56	9.54
Average daily trading (shares)	1,907,102	1,331,501
Average daily trading (M€)	17.8	20.4
Market capitalization at end of year (M€)	1,824	3,062
No. of shares outstanding	260,572,379	260,572,379

### 8.2 Dividends

FCC has not declared a dividend since December 2012; consequently, no dividends have been paid since then.

### 8.3 Own shares

At 31 December 2015, the FCC Group held a total of 415,500 own shares directly and indirectly (0.159% of the company's capital).

On 18 December, the company announced suspension of the liquidity contract in force with an independent financial institution, as required by current legislation, in view of the impending execution of the capital increase approved by the Board of Directors in December.

## 9. DISCLAIMER

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This document may contain forward-looking statements regarding intentions, expectations or predictions by the FCC Group and its management as of the date of writing in connection with various aspects such as the growth of the business lines, FCC Group earnings, and other aspects related to its activity and situation.

By their nature, such forward-looking statements do not constitute guarantees of future performance and are affected by risks, uncertainties and other material aspects that could lead developments and final outcomes to differ materially from those expressed in these statements.

This document does not constitute an offering or an invitation to acquire or subscribe shares in accordance with Act 24/1988, of 28 July, on the Securities Market, Royal Decree-Act 5/2005, of 11 March, and/or Royal Decree 1310/2005, of 4 November, and their implementing regulations.

Additionally, this document is neither an offer to buy nor a solicitation to purchase, sell or exchange shares, nor is it a request for any kind of vote or approval in any other jurisdiction.

The contents of this statement should be taken into account by any person or entity that has to make decisions or prepare or distribute opinions about securities issued by FCC Group. They are all encouraged to consult FCC Group's public documentation filed with the Spanish National Securities Market Commission.

This document contains audited financial information prepared in accordance with International Financial Reporting Standards (IFRS).

## 10. CONTACT DETAILS

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### FINANCE DEPARTMENT

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#### STOCK MARKET AND SHAREHOLDER RELATIONS DEPARTMENT

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