2007 Results

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Contemporary Art Museum of Castilla and León (MUSAC), built by FCC

1. HIGHLIGHTS

FCC appoints Rafael Montes as Non-Executive Chairman and Baldomero Falcones as Executive Vice-Chairman and CEO (19/12/07).

FCC's Board of Directors unanimously agreed to appoint Baldomero Falcones Jaquotot as Executive Vice-Chairman and CEO, replacing Rafael Montes, who is appointed Non-Executive Chairman.

Baldomero Falcones was born in Mallorca in 1946; he holds a degree in engineering and an MBA from IESE. He joins FCC after a lengthy career in executive positions at Spanish and international companies. He was a founding partner of Magnum Industrial Partners, Chairman of Mastercard International Worldwide and of Santander Seguros, director of Unión Fenosa and director for Spain at RWE; he is also a former general manager and member of the Executive Committee at Banco Santander Central Hispano. He is Chairman of the Plan Foundation in Spain and a member of the Economic Board of Fundación Albéniz.

REALIA floats 43% of capital (06/06/07)

REALIA, the real estate group owned by FCC and Caja Madrid, successfully completed a secondary public offering of 43% of its capital; the shares commenced trading on 6 June at 6.5 euro per share.

As a result, FCC reduced its holding in Realia from 49.16% to 27.65% through a controlling stake in RB Business Holdings, which it owns jointly with Caja Madrid. During the first five months of 2007, FCC carried its interest in Realia by the equity method; the holding has been fully consolidated since June. In floating Realia, FCC received 459 million euro, and obtained capital gains before taxes of 258,5 million euro.

FCC and Caja Madrid establish Global Vía Infraestructuras (30/01/07)

In January, Caja Madrid and FCC established a 50:50 joint venture called Global Vía Infraestructuras, S.A. to group all of the infrastructure assets owned by the two partners. The company's initial capital stock was 250 million euro, and at year-end it exceeded 350 million euro after contributions of five assets by FCC (Barajas Metro, Sóller Tunnel, Autopista Central Gallega, Autopista Cartagena - Vera and the Castellón Multi-Purpose Terminal) and the monetary contribution from Caja Madrid.

Global Vía's goal for 2008 is to complete the contributions by FCC and Caja Madrid of 38 infrastructure concessions, basically roads, commercial ports and marinas, metro and tram lines, and hospitals.

Inmobiliaria Ason sells 20% of Torre Picasso to FCC (25/07/07)

El Corte Inglés and FCC reached an agreement under which Inmobiliaria Ason sold 20% of Torre Picasso to FCC for 170 million euro. As a result, FCC owns 100% of the building. Torre Picasso, in Madrid's AZCA complex, has 122,216 square metres of floor space on 43 floors above grade, plus shopping areas and a five-storey basement car park.

FCC buys the second-largest oil waste management company in the US from Siemens (11/12/2007)

FCC has acquired from Siemens Water Technologies Corp. (SWT) its two US subsidiaries specialised in treatment and recovery of industrial oils and other ancillary services to the oil industry: Hydrocarbon Recovery Services Inc. (HRS) and International Petroleum Corp. The transaction cost a total of $182.5 million. As a result, FCC is the second largest industrial waste management company in the US.

Headquartered in Houston (Texas), the company operates in 21 states in the Mid Atlantic, South East, and South Central US, and has a network of 38 industrial plants, a fleet of 362 vehicles and 528 employees.

Sale of Corporación Española de Transporte (12/11/07)

FCC-Connex, a company owned by FCC and Veolia Transport, sold CTSA, its bus line company, to Avanza. The deal did not include the Jerez transport concession. The operation's enterprise value is 90 million euro.

2. EXECUTIVE SUMMARY

- ◊ NET SALES increased by more than 46%, and ORGANIC GROWTH was +6.9%
- ◊ OPERATING PROFIT increased by more than 47%.
- ◊ SERVICES activity accounted for 41% of EBITDA.
- ◊ Revenues from OUTSIDE SPAIN increased nearly three-fold and now represent 36% of the total.
- ◊ NEW CONTRACTS increased by +23% to 13.447 billion euro.
- ◊ The BACKLOG amounts to 33.148 billion euro, after increasing by +8%.

KEY FIGURES

	2007	2006	Change
Net sales	13,880.6	9,480.9	46.4%
EBITDA	2,042.1	1,387.3	47.2%
Margin	14.7%	14.6%	
EBIT	1,299.4	881.3	47.4%
Margin	9.4%	9.3%	
Earnings before taxes (EBT) from continuing activities	1,269.6	886.6	43.2%
Income attributable to equity holders of parent	737.9	535.5	37.8%
Operating cash flow	1,261.4	1,159.0	8.8%
Investment cash flow	-1,087.1	-4,810.5	-77.4%
Equity	4,291	3,418	25.60%
Net financial debt	-7,967.3	-5,203.7	53.1%
Backlog	33,148.9	30,510.2	8.6%

3. SUMMARY BY BUSINESS AREA

Area	2007	2006	Change	% of 2007 total	% of 2006 total
NET SALES					
Construction	6,957.0	4,395.3	58.3%	50.1%	46.4%
Environmental services	3,752.7	2,835.6	32.3%	27.0%	29.9%
Versia	960.8	867.1	10.8%	6.9%	9.1%
Cement	1,888.7	1,466.6	28.8%	13.6%	15.5%
Realia	472.4	N/A	N/A	3.4%	N/A
Torre Picasso	21.8	19.5	11.8%	0.2%	0.2%
Other	-172.8	-103.2	67.4%	-1.2%	-1.1%
Total	**13,880.6**	**9,480.9**	**46.4%**	**100.0%**	**100.0%**
DOMESTIC NET SALES					
Construction	4,088.8	3,905.2	4.7%	46.0%	50.3%
Environmental services	2,386.7	2,162.9	10.3%	26.9%	27.9%
Versia	682.4	664.8	2.6%	7.7%	8.6%
Cement	1,430.6	1,113.6	28.5%	16.1%	14.3%
Realia	439.3	N/A	N/A	4.9%	N/A
Torre Picasso	21.8	19.5	11.8%	0.2%	0.3%
Other	-164.6	-103.1	59.7%	-1.9%	-1.3%
Total	**8,885.0**	**7,762.9**	**14.5%**	**100.0%**	**100.0%**
INTERNATIONAL NET SALES					
Construction	2,868.2	490.1	485.2%	57.4%	28.5%
Environmental services	1,366.0	672.7	103.1%	27.3%	39.2%
Versia	278.4	202.3	37.6%	5.6%	11.8%
Cement	458.1	353.0	29.8%	9.2%	20.5%
Realia	33.1	N/A	N/A	0.7%	N/A
Torre Picasso	0.0	0.0	N/A	0.0%	0.0%
Other	-8.2	-0.1	N/A	-0.2%	0.0%
Total	**4,995.6**	**1,718.0**	**190.8%**	**100.0%**	**100.0%**
EBITDA					
Construction	357.7	268.6	33.2%	17.5%	19.4%
Environmental services	739.8	501.4	47.5%	36.2%	36.1%
Versia	95.6	104.2	-8.2%	4.7%	7.5%
Cement	620.8	485.3	27.9%	30.4%	35.0%
Realia	210.8	N/A	N/A	10.3%	N/A
Torre Picasso	18.6	16.3	14.1%	0.9%	1.2%
Other	-1.2	11.5	N/A	-0.1%	0.8%
Total	**2,042.1**	**1,387.3**	**47.2%**	**100.0%**	**100.0%**
EBIT					
Construction	257.5	241.0	6.8%	19.8%	27.3%
Environmental services	377.1	250.9	50.3%	29.0%	28.5%
Versia	39.8	58.3	-31.7%	3.1%	6.6%
Cement	423.9	335.0	26.5%	32.6%	38.0%
Realia	184.1	N/A	N/A	14.2%	N/A
Torre Picasso	16.2	14.7	10.2%	1.2%	1.7%
Other	0.8	-18.6	-104.3%	0.1%	-2.1%
Total	**1,299.4**	**881.3**	**47.4%**	**100.0%**	**100.0%**

Area	2007	2006	Change	% of 2007 total	% of 2006 total
OPERATING CASH FLOW					
Construction	-44.1	310.5	N/A	-3.5%	26.8%
Environmental services	609.1	456.1	33.5%	48.3%	39.4%
Versia	158.5	41.6	281.0%	12.6%	3.6%
Cement	449.4	322.0	39.6%	35.6%	27.8%
Realia	167.6	N/A	N/A	13.3%	N/A
Other	-79.1	28.8	N/A	-6.3%	2.5%
Total	**1,261.4**	**1,159.0**	**8.8%**	**100.0%**	**100.0%**
INVESTMENT CASH FLOW					
Construction	-117.4	-640.6	-81.7%	10.8%	13.3%
Environmental services	-588.8	-2,549.6	-76.9%	54.2%	53.0%
Versia	-140.3	-175.0	-19.8%	12.9%	3.4%
Cement	-297.4	-1,504.6	-80.2%	27.4%	31.3%
Realia	-130.4	N/A	N/A	12.0%	N/A
Other	187.2	-59.3	215.7%	-17.2%	-1.0%
Total	**-1,087.1**	**-4,810.5**	**-77.4%**	**100.0%**	**100.0%**
NET DEBT					
Construction	-334.1	-169.2	97.5%	4.2%	3.3%
Environmental services	-3,910.7	-3,655.7	7.0%	49.1%	70.3%
Versia	-517.9	-516.8	0.2%	6.5%	9.9%
Cement	-1,530.5	-1,474.4	3.8%	19.2%	28.3%
Realia	-1,930.3	N/A	N/A	24.2%	N/A
Other	256.2	612.4	-58.2%	-3.2%	-11.8%
Total	**-7,967.3**	**-5,203.7**	**53.1%**	**100.0%**	**100.0%**
BACKLOG					
Construction	9,075.4	7,843.0	15.7%	27.4%	25.7%
Environmental services	23,407.7	22,343.0	4.8%	70.6%	73.2%
Versia	315.4	324.2	-2.7%	1.0%	1.1%
Realia	350.4	N/A	N/A	1.1%	N/A
Total	**33,148.9**	**30,510.2**	**8.6%**	**100.0%**	**100.0%**

4. INCOME STATEMENT.

	2007	2006	Change	% of 2007 total	% of 2006 total
Net sales	13,880.6	9,480.9	46.4%	100.0%	100.0%
EBITDA	2,042.1	1,387.3	47.2%	14.7%	14.6%
Margin	14.7%	14.6%			
Depreciation and amortisation	-725.7	-474.5	52.9%	-5.2%	-5.0%
(Allocation)/reversal of operating provisions	-17.1	-31.5	-45.7%	-0.1%	-0.3%
EBIT	1,299.4	881.3	47.4%	9.4%	9.3%
Margin	9.4%	9.3%			
Financial income	-407.3	-85.7	375.3%	-2.9%	-0.9%
Equity-accounted affiliates	32.0	89.1	-64.1%	0.2%	0.9%
Other operating income	348.2	6.8	5020.6%	2.5%	0.1%
Impairment and reversion of property, plant and equipment	-2.7	-4.8	-43.8%	0.0%	-0.1%
Earnings before taxes (EBT) from continuing activities	1,269.6	886.6	43.2%	9.1%	9.4%
Corporate income tax expense	-349.2	-278.0	25.6%	-2.5%	-2.9%
Minority interest	-182.6	-73.1	149.8%	-1.3%	-0.8%
Income attributable to equity holders of parent	737.9	535.5	37.8%	5.3%	5.6%

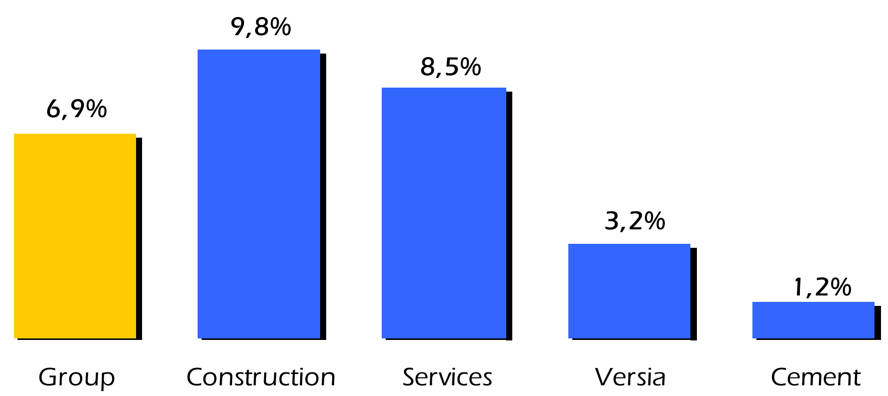
4.1 NET SALES

FCC's revenues increased by over 46.4% in 2007 due to organic growth and consolidation of companies acquired in 2006 (Waste Recycling Group, Alpine Bau, Uniland, SmVAK, Lemona and Flightcare Italy).

All areas increased revenues by double digits; Services, Construction and Cement performed particularly well.

Excluding the contribution from acquisitions, organic growth was 9.6%, driven by good performance in all areas, particularly Construction and Services.

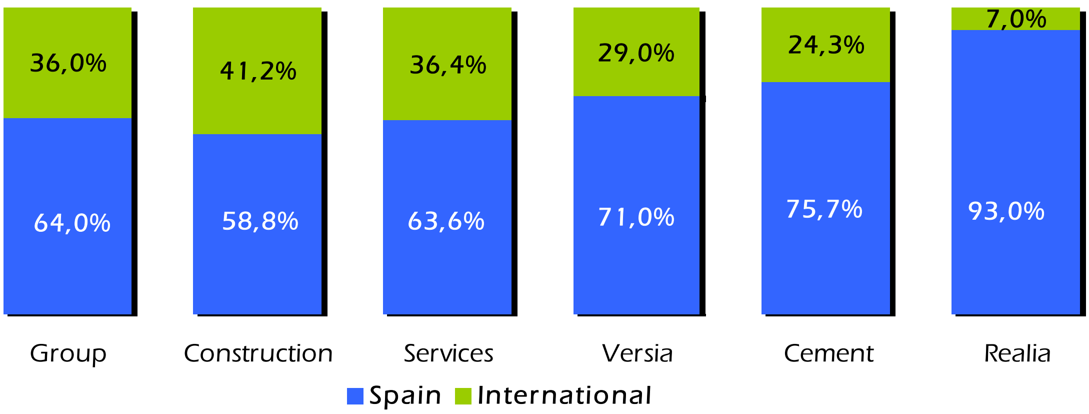
ORGANIC GROWTH



The Group is starting to reap the rewards of expanding into international activities, which now account for 36% of total revenues.

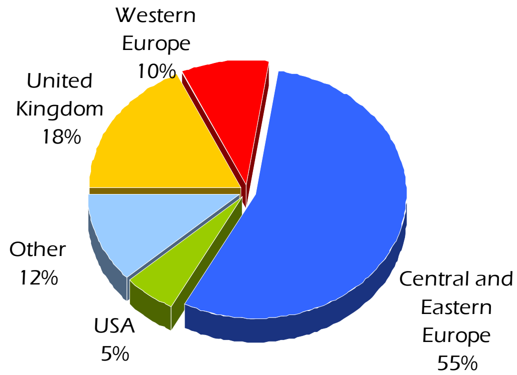
The areas with the greatest proportion of overseas revenue are Construction (41%) and Environmental Services (36%).

INTERNATIONAL REVENUES



FCC's foothold in Central and Eastern Europe is an important potential source of growth, with projects under way in Waste and Water Management, and Construction and Toll Road Management.

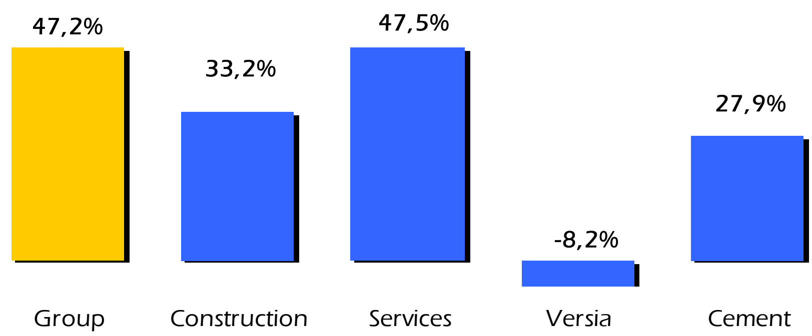
INTERNATIONAL REVENUES



4.2 EBITDA

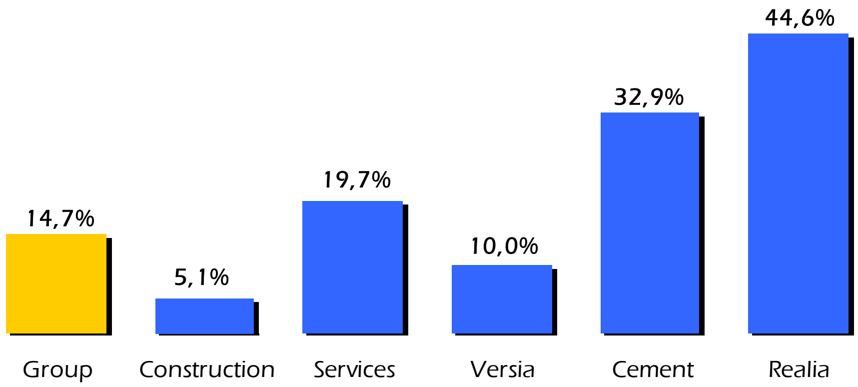
EBITDA increased by 47.2%, with particularly strong performance by Services, Construction and Cement.

EBITDA GROWTH



The consolidated EBITDA margin was 14.7%, up 10 basis points compared with 2006, due to good earnings performance by Environmental Services, whose EBITDA margin increased to 19.7% (17.7% in 2006).

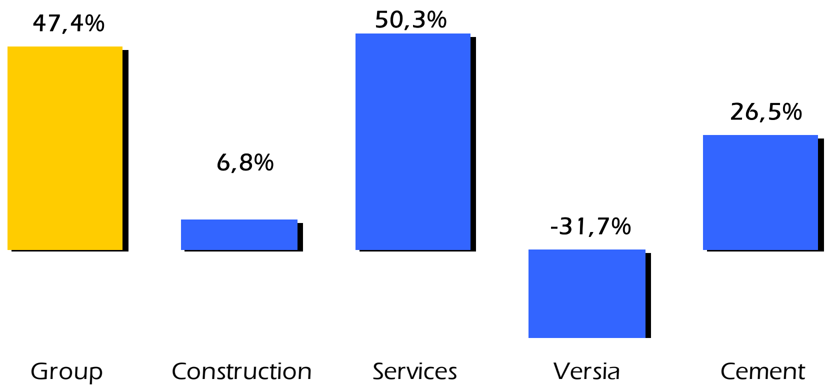
EBITDA MARGIN



4.3 EBIT

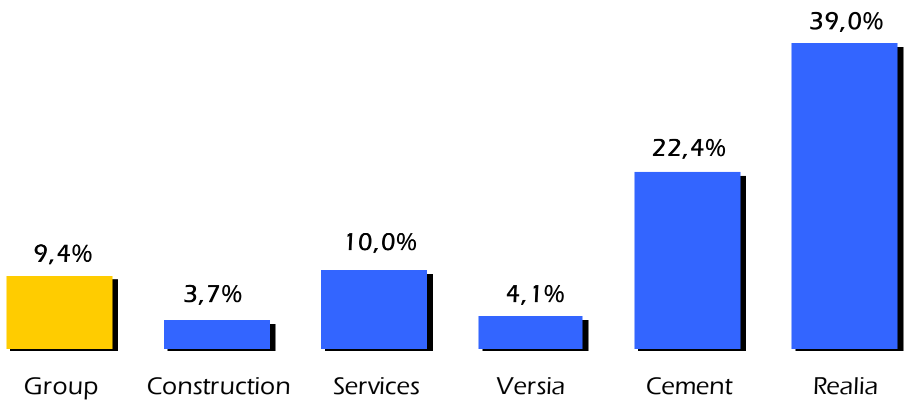
EBIT increased by 47.4%, supported by excellent performance by Services, where EBIT rose by more than 50%.

EBIT GROWTH



The consolidated EBIT margin was 9.4% due to the good earnings performance by Environmental Services, whose margin increased by 120 basis points.

EBIT MARGIN



This figure is especially noteworthy since 2007 EBIT included 111.6 million euro in depreciation of stepped-up assets at companies acquired in 2006.

Excluding that depreciation charge, consolidated EBIT was 1.411 billion euro (10.2% margin).

EBIT MARGIN

Area	Published	Adjusted*
Construction	3.7%	4.0%
Services	10.0%	11.3%
Versia	4.1%	4.5%
Cementos Portland	22.4%	24.7%
Group	**9.4%**	**10.2%**

**Adjusted for depreciation of stepped up assets*

4.4 EARNINGS BEFORE TAXES FROM CONTINUING ACTIVITIES

EBT amounted to over 1.270 billion euro, an increase of 43.2% with respect to 2006.

FINANCIAL INCOME

The net financial loss amounted to 407 million euro due to higher net debt (5.203 billion euro in 2006 and 7.967 billion euro in 2007) as a result of full consolidation of Realia.

	2007	2006	Change
Financial revenues	107.8	71.5	50.7%
Interest	-439.7	-150.4	192.4%
Other financial expenses	-75.6	-58.7	28.8%
Exchange differences	-15.5	-4.4	251.7%
Income from change in valuation of financial instruments at fair value	15.6	56.3	-72.3%
Net financial income	**-407.4**	**-85.7**	**375.3%**

EQUITY-ACCOUNTED AFFILIATES

This line-item declined from 89.1 to 32.0 million euro as a result of fully-consolidating Realia which was equity-accounted until June 2007.

OTHER OPERATING INCOME

This item amounted to 348 million euro

	Amount
Realia IPO	258.5
Contribution of concessions to Global Vía	29.3
Sale of Reparalia	23.2
Sale of Corporación Española de Transporte (CTSA)	11.0
Other	26.2
Total	**348.2**

4.5 PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY

Net profit amounted to over 737 million euro, a 38% increase over 2006.

MINORITY INTEREST

Minority interest increased by 150% as a result of Cementos Portland (109.3 million euro) and Alpine (69.4 million euro).

CORPORATE INCOME TAX EXPENSE

The corporate income tax expense increased by 25.6% with respect to 2006, although the consolidated tax rate was 27.5% this year, compared with 31.4%. The change was due to the reduction in the general corporate income tax rate in Spain to 32.5%, to the rate on the capital gains obtained on the sale of the stake in Realia (18.0%), and more favourable tax rates in countries such as Austria (ASA and Alpine) and the United Kingdom (WRG).

5. CASH FLOW

		2007	2006	Change
+	Operating cash flow	1,261	1,159	8.8%
+	Funds from operations	2,033	1,396	45.7%
+	(Increase)/Decrease in working capital	-397	14	N/A
+	Other items (taxes, dividends, etc.)	-375	-251	49.2%
+	Investment cash flow	-1,087	-4,811	-77.4%
=	Cash flow from business operations	174	-3,652	N/A
+	Financing cash flow	-1,262	-125	908.6%
+	Other cash flow (change in consolidation scope, etc.)	-1,676	-1,024	63.7%
=	TOTAL CASH FLOW (Increase in net financial debt)	-2,764	-4,801	-42.4%

5.1 Operating Cash Flow

Operating cash flow increased by 8.8% due to strong growth in funds from operations. Working capital increased as a result of the rising contribution by business in Eastern Europe (Alpine, in Construction, and ASA and SmVAK in Environmental Services) and of the deceleration of construction in Spain.

Working Capital

Area	Amount
Construction	-305
Services	-95
Versia	42
Cement	-47
Realia	24
Other	-15
Total	-397

5.2 Investment Cash Flow

Investments amounted to 1.732 billion euro, of which 1.362 billion euro was for intangible assets and property, plant and equipment, and 370 million was for financial assets. The latter amount includes the acquisition of an additional 5.8% of Uniland (123 million euro) and 20% of Torre Picasso (170 million euro), and does not reflect the acquisition of Hydrocarbon Recovery Services Inc. (HRS) and International Petroleum Corp. in the US for $182.5 million.

The 738 million euro in divestments primarily relates to the sale of 21.5% of Realia in the IPO (379 million euro), the contribution of concessions to Global Vía, and the sale of Reparalia and Corporación de Transporte (CTSA).

5.3 Financing Cash Flow

Financing cash flow increased significantly due to investment to acquire own shares (316 million euro), dividends paid, interest paid, and other payments for financing transactions.

5.4 Other Cash Flow

Other cash flows refer to the net debt resulting from Realia's full consolidation in June 2007 (1.898 billion euro) and the proportional part of the debt from concessions transferred to Global Vía (-102 million euro).

6. BALANCE SHEET

ASSETS

	2007	2006	Change
Property, plant and equipment	8,979	6,718	33.7%
Intangible assets	3,313	3,258	1.7%
Investment in associated companies	489	584	-16.2%
Non-current financial assets	544	605	-10.2%
Other non-current assets	499	416	19.9%
Non-current assets	**13,824**	**11,581**	**19.4%**
Inventories	2,709	1,080	150.9%
Accounts receivable and other assets	5,373	4,776	12.5%
Other current financial assets	162	155	4.6%
Cash and cash equivalents	1,614	1,430	12.9%
Current assets	**9,859**	**7,442**	**32.5%**
Non-current assets held for sale and in discontinued activities	**31**	**0**	**N/A**
TOTAL ASSETS	**23,713**	**19,022**	**24.7%**

LIABILITIES

	2007	2006	Change
Equity attributable to equity holders of parent company	2,686	2,613	2.8%
Minority interest	1,605	804	99.5%
Equity	**4,291**	**3,418**	**25.6%**
Bank debt and other non-current financial liabilities	7,663	4,739	61.7%
Non-current provisions	910	965	-5.6%
Other non-current liabilities	1,172	1,155	1.5%
Non-current liabilities	**9,745**	**6,858**	**42.1%**
Bank debt and other current financial liabilities	2,594	2,656	-2.4%
Trade accounts payable and other current liabilities	7,001	6,041	15.9%
Current provisions	83	50	66.9%
Current liabilities	**9,678**	**8,747**	**10.6%**
TOTAL LIABILITIES	**23,713**	**19,022**	**24.7%**

6.1 NET FINANCIAL DEBT

Net bank debt amounts to 7.967 billion euro; the increase since 2006 is due mostly to Realia (1.930 billion euro) after full consolidation.

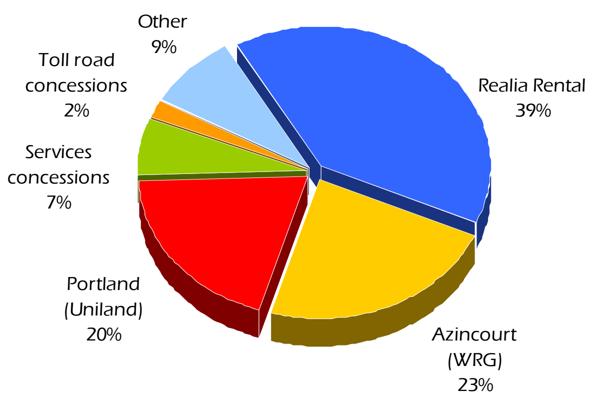
	2007	2006	Diff.
Bank debt	-9,426	-6,494	-2,931
With recourse	*-5,984*	*-4,586*	*-1,398*
Without recourse	*-3,441*	*-1,908*	*-1,533*
Debt securities outstanding	-141	-148	6
Other financial liabilities	-176	-146	-29
Cash and other financial assets	1,776	1,585	191
With recourse	*1,455*	*1,544*	*-89*
Without recourse	*321*	*40*	*280*
Total net financial debt	**-7,967**	**-5,203**	**-2,763**
NET FINANCIAL DEBT WITH RECOURSE	-4,846	-3,336	-1,510

Ratios:

Financial leverage	52.9%
Net financial debt with recourse/EBITDA with recourse	2.71

Of the total net debt, 39.1% (i.e. 3.120 billion euro) is without recourse to the parent company (project finance).

NET DEBT WITHOUT RECOURSE



6.2 WORKING CAPITAL

		2007	2006
+	(Increase)/Decrease in inventories and accounts receivable	-793.1	-862.1
-	Increase/(Decrease) in accounts payable	396.4	876.5
=	**(Increase)/Decrease in working capital**	**-396.7**	**14.4**

The increase in working capital is due to the rising contribution by business in Eastern Europe (Alpine, in Construction, and ASA and SmVAK in Environmental Services) and to the deceleration of construction in Spain.

7. BUSINESS PERFORMANCE

7.1 CONSTRUCTION

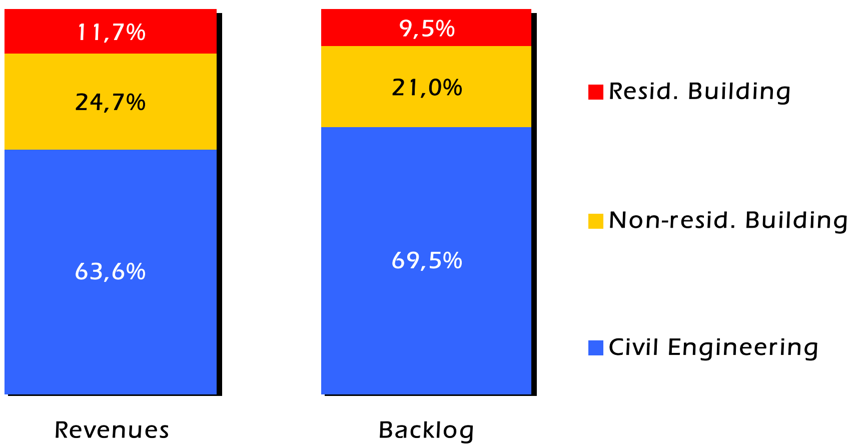
➢ EARNINGS

FCC CONSTRUCTION

	2007	2006	Change
Revenues	6,957.0	4,395.3	58.3%
Spain	*4,088.8*	*3,905.2*	*4.7%*
International	*2,868.2*	*490.1*	*485.2%*
EBITDA	357.7	268.6	33.2%
EBITDA margin	*5.1%*	*6.1%*	
EBIT	257.5	241.0	6.8%
EBIT margin	*3.7%*	*5.5%*	

	Revenues	Backlog
Civil engineering	4,421.5	6,305.3
Non-residential building	1,720.5	1,906.5
Residential building	815.0	863.6
Total	**6,957.0**	**9,075.4**

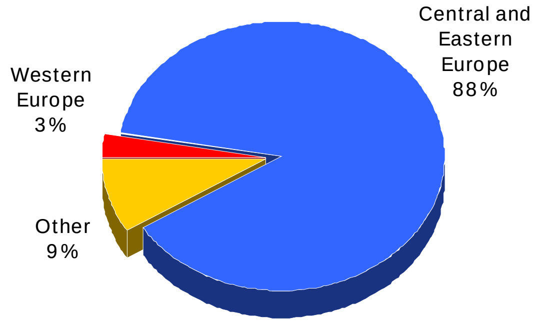
REVENUES AND BACKLOG, BY ACTIVITY



The construction business performed very well, expanding by over 58%. Excluding Alpine, the rest of this division (basically Spain) attained 9.8% organic growth, a reflection of the industry's dynamism.

International revenues account for 41.2% of the total and came primarily from Europe; contributions from Eastern European countries such as Croatia, Romania, Serbia and the Czech Republic are rising.

INTERNATIONAL REVENUES



EBITDA expanded by 33.2%, and the EBITDA margin was 5.1%.

The EBIT margin declined to 3.7% as a result of the revaluation of Alpine assets (by application of accounting standards following the acquisition) and the consequent large increase in depreciation.

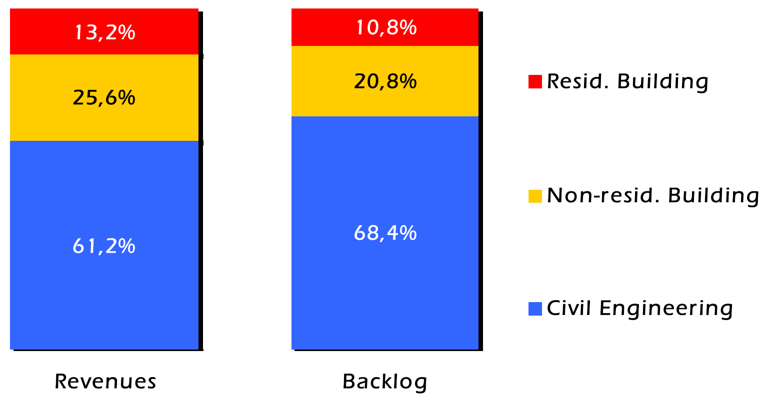
The backlog grew 15.7% to reach a new record of 9.075 billion euro, 69.5% of which corresponds to civil engineering projects and just 9.5% to residential building.

❖ CONSTRUCTION EXCLUDING ALPINE

	2007	2006	Change
Revenues	4,362.0	4,125.3	*5.7%*
EBITDA	238.3	251.6	*-5.3%*
EBITDA margin	5.5%	*6.1%*	
EBIT	211.5	229.2	*-7.7%*
EBIT margin	4.8%	*5.6%*	

	Revenues	Backlog
Civil engineering	2,669.0	4,463.5
Non-residential building	1,116.0	1,355.5
Residential building	577.0	702.4
Total	**4,362.0**	**6,521.4**

REVENUES AND BACKLOG, BY ACTIVITY



Excluding Alpine, revenues increased by 5.7%, boosted by strong performance by civil engineering, which increased revenues by 10.3% (61.2% of the total), while residential building decreased by 2.4% (13.2% of the total).

EBITDA decreased by 5.3% and the EBITDA margin was 5.5%. The decreasing profitability in 4Q07 was due to 17 million euro in extraordinary losses from an arbitration decision in a dispute regarding an industrial project in Spain. Excluding that non-recurring factor, the EBITDA margin in 2007 would have been 5.9%.

The backlog grew by 11.6%, driven by civil engineering projects (+17.2%). This figure does not include the resurfacing and upkeep of the A-3 shadow toll concession (Cuenca province) and the A-31, over 19 years, nor construction on the M-50 in Dublin (Ireland).

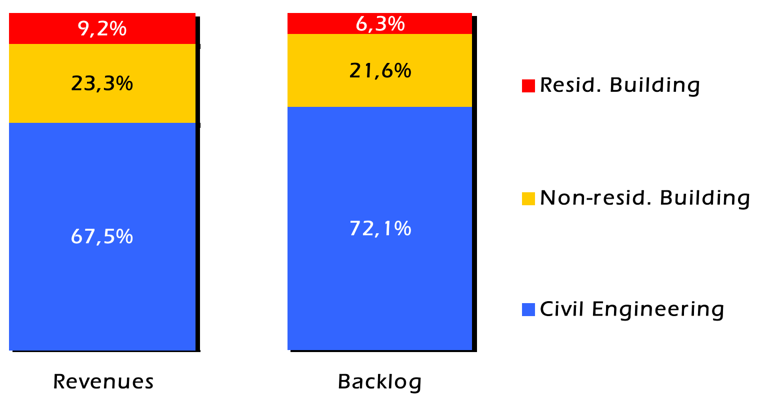
❖ ALPINE

	2007	2006*	Change
Revenues	2,595.0	270.0	N/A
EBITDA	119.4	17.0	N/A
EBITDA margin	*4.6%*	*6.3%*	
EBIT	46.0	11.8	N/A
EBIT margin	*1.8%*	*4.4%*	

** Consolidated since 15 November 2006.*

	Revenues	Backlog
Civil engineering	1,752.5	1,841.8
Non-residential building	604.5	551.0
Residential building	238.0	161.2
Total	**2,595.0**	**2,554.0**

REVENUES AND BACKLOG, BY ACTIVITY



Alpine registered strong revenue performance (close to 15%) with the following distribution: 67.5% was civil engineering, 23.2% was non-residential building, and 9.2% was residential building.

Alpine showed strong growth internationally, in Croatia, Romania, Serbia and the Czech Republic.

The consortium comprised of Gazprom (61%), FCC (29%) and Brisa Autoestradas de Portugal (10%) has been short-listed for the two 30-year projects to build and operate sections of the Moscow-St Petersburg and the Moscow-Minsk highways.

The section of the Moscow-St Petersburg highway (43 km) will relieve congestion in the accesses to one of Moscow's airports. The other road (30 km) will provide access to the M1 federal highway which connects Moscow and Minsk, the capital of Belarus. The first project is worth 1.500 billion euro, and the second 400 million euro.

FCC Construcción and its Austrian subsidiary, Alpine, each account for 14.5% of the Gazprom-led consortium. If either contract is obtained, Alpine will own 51% of the construction consortium.

Profitability increased over the course of the year, together with strong growth in revenues; the EBITDA margin in 4Q07 was 6.4%.

ALPINE QUARTERLY PERFORMANCE				
	1Q07	2Q07	3Q07	4Q07
Revenues	404.0	621.0	801.7	768.3
EBITDA	-2.5	27.6	45.1	49.2
EBITDA margin	*-0.6%*	*4.4%*	*5.6%*	*6.4%*
EBIT	-17.4	12.6	26.7	24.1
EBIT margin	*-4.3%*	*2.0%*	*3.3%*	*3.1%*

The backlog is up 27.7% as of December 2007. The figure does not include the construction project for Alpine's toll road concession in Serbia.

- CASH FLOW

	2007	2006	Change
Operating cash flow	-44.1	310.5	*N/A*
Funds from operations	358.0	267.9	*34%*
(Increase)/Decrease in working capital	-305.0	108.6	*N/A*
Other items (taxes, dividends, etc.)	-97.0	-66.0	*47%*
Investment cash flow	-117.4	-640.6	*-82%*
Cash flow from business activities	-161.5	-330.1	-51%
Financing cash flow	-140.0	-131.5	6.5%
Other cash flow (change in consolidation scope, etc.)	136.5	-477.1	-128.6%
TOTAL CASH FLOW (Change in net debt)	-164.9	-938.7	-82.4%

	2007	2006	Dif,
Net debt at end of period	-334.1	-169.2	-164.9
With recourse	*-274.8*	*-28.4*	*-246.4*
Without recourse	*-59.3*	*-140.8*	*81.5*

Funds from operations increased by over 34% (in line with EBITDA) and working capital increased in the period as a result of the rising contribution by business in Eastern Europe (Alpine) and the deceleration of construction in Spain.

Investment cash flow totalled 117 million, the result of gross investment amounting to 267 million, of which a quarter corresponds to concession projects (Necaxa-Tihuatlan Highway in Mexico, Son Dureta Hospital in Majorca, etc.) and 120 million euro in divestments, which include the transfer of assets to Global Vía and the sale of Reparalia.

Net debt at the end of the period was 334 million euro, of which 106.6 million euro related to concession projects that are fully or partially consolidated in Global Vía.

➢ GLOBAL VIA INFRAESTRUCTURAS (GVI)

On 29 January 2007, FCC and Corporación Financiera Caja Madrid (CFCM) established GVI as a 50:50 joint venture with 250 million euro in capital. Each contributed 25% of the total, with the remainder pending payment.

In October and December 2007, FCC handed over its stakes in Barajas Metro, Sóller Tunnel, Autopista Central Gallega, Castellón Multi-Purpose Terminal and Autopista Cartagena – Vera, worth a total of 156 million euro, to GVI. CFCM contributed its stake in Barajas Metro and cash to make up the difference.

The market value of the contributed assets is the result of an independent appraisal by three banks, plus subsequent capital contributions, minus dividends paid.

The impact of FCC's asset contributions is the following:

- On cash flow:
  - Increase in cash flow due to divestment transactions worth 77 million.
  - Debt reduction of 102 million euro due to changes in consolidation scope.

- On the income statement:
  - Other income worth 29 million euro.
  - In 2008, FCC will proportionally consolidate GVI, contrasting with full consolidation of the assets in 2007.

- Balance sheet:
  - Reduction of net debt due to the aforementioned cash flows

The market value of transferred assets is 1.7 times their book value and is distributed differently, primarily due to the different maturities of the transferred concessions, whose contracts were awarded on the following dates:

TRANSFERRED ASSETS

Asset	Contract awarded	Duration
Sóller Tunnel	1988	28 years
Autopista Central Gallega	1999	75 years
Castellón Multi-Purpose Terminal	2003	30 years
Autopista Cartagena-Vera	2004	36 years
Barajas Metro	2006	20 years

7.2 ENVIRONMENTAL SERVICES

➢ EARNINGS

FCC SERVICIOS MEDIOAMBIENTALES			
	2007	2006	Change
Revenues	3,752.7	2,835.6	32.3%
Spain	*2,386.7*	*2,162.9*	*10.3%*
International	*1,366.0*	*672.7*	*103.1%*
EBITDA	739.8	501.4	47.5%
EBITDA margin	*19.7%*	*17.7%*	
EBIT	377.1	250.9	50.3%
EBIT margin	*10.0%*	*8.8%*	

EX WASTE RECYCLING GROUP			
	2007	2006	Change
Revenues	2,977.5	2,644.3	*12.6%*
EBITDA	515.8	457.2	*12.8%*
EBITDA margin	*17.3%*	*17.3%*	
EBIT	314.1	241.9	*29.8%*
EBIT margin	*10.5%*	*9.1%*	

WASTE RECYCLING GROUP*			
	2007	2006*	Change
Revenues	775.2	191.3	N/A
EBITDA	224.0	44.2	N/A
EBITDA margin	*28.9%*	*23.1%*	
EBIT	63.0	9.0	N/A
EBIT margin	*8.1%*	*4.7%*	

** Consolidated since October 2006.*

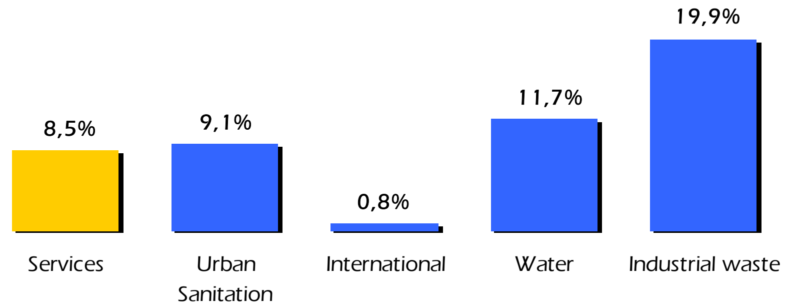
Environmental Services consolidated its position as FCC's fastest growing division and it also improved profitability, particularly in the international area.

REVENUES			
	2007	2006	Change
Urban sanitation	1.445,9	1.325,5	9,1%
International*	1.278,9	635,0	101,4%
Water*	827,8	711,9	16,3%
Industrial waste	200,0	163,2	22,5%
Total	**3.752,7**	**2.835,6**	**32,3%**

** Czech water company SmVAK is consolidated in Water (not International).*

Deducting the impact of consolidating Waste Recycling Group, SmVAK and the Gonzalo Mateo group, organic growth was 8.5%, and all areas performed well (see chart).

ORGANIC GROWTH



Urban Sanitation registered organic growth of 9.1% as a result of continuous contract renewal and extension of activities. Its performance in 2007 was affected by the commencement of the Vitoria contract in 2006.

The international area doubled revenues as a result of consolidation of WRG as of October 2006, while organic growth was just 0.9%, primarily because the strength of the euro vs. the GBP negatively affected consolidated results from WRG and FOCSA Services U.K.

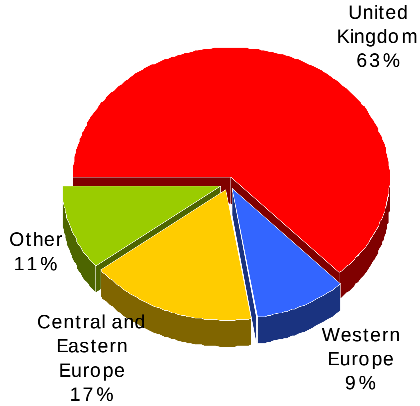
Water improved by 16.3% partly as a result of consolidating SmVAK. Organic growth was 11.7%, and the commencement of the Santander contract in 2006 should be taken into account.

Industrial waste management includes the contribution from the Gonzalo Mateo glass recycling business. Excluding that contribution, growth was 19.9%.

International revenues doubled (to 1.366 billion euro) as a result of the addition of WRG (International division) and SmVAK (Water division), accounting for 36.4% of total revenues for the Environmental Services division.

The majority of the company's operations were in the United Kingdom (through WRG and FOCSA Services U.K.) and Central and Eastern Europe (through ASA and SmVAK).

BREAKDOWN OF INTERNATIONAL REVENUES



EBITDA grew significantly faster than revenues, leading to a 2.0 percentage point increase in the margin, due to better management and to the addition of value-added services at WRG, such as management of company-owned landfills and waste treatment (incineration, recycling, composting, etc.).

EBIT also rose strongly, ending the period over 50% higher. The EBIT margin increased considerably, to 10.5% (+1.4 percentage points), absorbing the impact of additional asset depreciation and amortisation at newly-consolidated companies.

The environmental services backlog continued to grow rapidly, reaching a new record of 23.408 billion euro, up 4.8%.

CASH FLOW

	2007	2006	Change
Operating cash flow	**609.1**	**456.1**	***34%***
Funds from operations	727.8	501.2	45%
(Increase)/Decrease in working capital	-94.9	20.5	N/A
Other items (taxes, dividends, etc.)	-23.8	-65.6	-64%
Investment cash flow	**-588.8**	**-2,550.0**	***-77%***
Cash flow from business activities	**20.3**	**-2,093.9**	**N/A**
Financing cash flow	**-326.2**	**-126.0**	**158.9%**
Other cash flow (change in consolidation scope, etc.)	**50.9**	**-524.4**	**N/A**
TOTAL CASH FLOW (Change in net debt)	-255.0	-2,743.9	-90.7%

	2007	2006	Diff.
Net financial debt at end of period	**-3,910.7**	**-3,655.7**	**-255.0**
With recourse	-2,981.9	-2,500.1	-481.8
Without recourse	-928.8	-1.155.6	226.8

Operating cash flow increased sharply due to good performance by funds from operations. Working capital worsened with respect to 2006, mainly as a result of consolidating newly-acquired companies and expansion into Eastern Europe.

Capital expenditure amounted to 588 million euro, mainly due to investment in intangible assets and property, plant and equipment (496 million euro), and the acquisition of the Gonzalo Mateo group (25 million euro). These figures do not yet reflect the acquisition of Hydrocardon Recovery Services Inc. (HRS) and International Petroleum Corp. (US) for 182.5 million dollars.

7.3 Versia

➢ Earnings

	2007	2006	Change
Revenues	960.8	867.1	10.8%
Spain	*682.4*	*664.8*	*2.7%*
International	*278.4*	*202.3*	*37.6%*
EBITDA	95.6	104.2	-8.2%
EBITDA margin	*10.0%*	*12.0%*	
EBIT	39.8	58.3	-31.7%
EBIT margin	*4.1%*	*6.7%*	

Versia increased revenues by over 10.8%, mainly due to good performance in Handling and Urban Furniture.

The Urban Transport business has been eliminated after CTSA (owned 50% by FCC and Veolia) was sold for 90 million euro (around 10 times 2007 EBITDA).

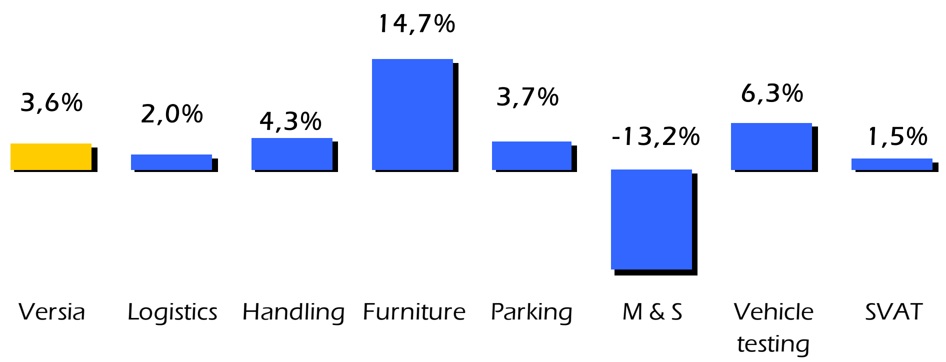
Revenues

	2007	2006	Change
Logistics	340,6	333,7	2,0%
Handling	258,4	184,6	40,0%
Urban Furniture	136,3	118,8	14,7%
Parking	74,8	72,1	3,7%
Maintenance and Systems:	50,0	57,6	-13,2%
Vehicle testing	47,3	44,5	6,3%
SVAT	24,6	24,2	1,5%
Total*	**960,8**	**867,1**	**10,8%**

** Includes revenues from Urban Transport until it was sold in 2007.*

Excluding the contribution from Flightcare Italia (formerly ADRH, which provides handling services at Rome's airports) and Gen Air Handling, organic growth was 3.6%.

Organic growth

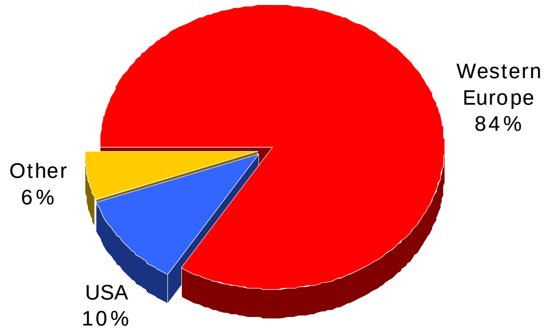


Urban Furniture continued to be one of the fastest-growing areas, attaining 15% in the period due to expansion in Spain (with new contracts in Málaga, Madrid and Pamplona) and other countries (including New York).

The Handling business expanded by over 40% due to commencement of operations at the airports in Spain where Flightcare landed new licences from AENA, and to the consolidation of Flightcare Italia.

International activity increased by 37%, mainly due to international expansion by Urban Furniture and Airport Handling, and it now accounts for 29% of this area's consolidated revenues.

BREAKDOWN OF INTERNATIONAL REVENUES



EBITDA and EBIT declined because of the impact of the Urban Furniture business in New York (10 million euro in operating losses) and the consolidation of Flightcare Italia in the Handling business.

➢ CASH FLOW

	2007	2006	Change
Operating cash flow	158.5	41.6	*281%*
Funds from operations	114.7	110.0	*4%*
(Increase)/Decrease in working capital	42.1	-47.6	*N/A*
Other items (taxes, dividends, etc.)	1.7	-20.7	*N/A*
Investment cash flow	-140.3	-175.0	*-20%*
Cash flow from business activities	18.2	-133.4	N/A
Financing cash flow	-29.8	-28.5	4%
Other cash flow (change in consolidation scope, etc.)	10.5	-0.3	N/A
TOTAL CASH FLOW (Change in net debt)	-1.1	-152.3	-99%

	2007	2006	Diff.
Net financial debt at end of period	-517.9	-516.8	-1.1
With recourse	*-517.9*	*-516.8*	*-1.1*
Without recourse	*0.0*	*0.0*	*0.0*

Operating cash flow was very positive, supported basically by a reduction in working capital due to improved debt collection from customers.

Versia's capital expenditure increased basically because of the Urban Furniture business (137 million euro, mainly due to the New York contract). The divestments include the sale of CTSA (Urban Transport), a company owned 50% by FCC and Veolia, for 90 million euro (including 42 million euro of debt).

7.4 CEMENT

➢ **EARNINGS**

	2007	2006	Change
Revenues	1.888.7	1.466.6	28.8%
Spain	*1.430.6*	*1.113.6*	*28.5%*
International	*458.1*	*353.0*	*29.8%*
EBITDA	620.8	485.3	27.9%
EBITDA margin	*32.9%*	*33.1%*	
EBIT	423.9	335.0	26.5%
EBIT margin	*22.4%*	*22.8%*	

Consolidation of Cementos Lemona and Uniland and good performance in Spain increased this area's revenues by 28%.

Excluding the two companies' contributions, organic growth was 1.2%, i.e. a 2.3% improvement in Spain and a 1.1% reduction in other countries (mainly as a result of adverse exchange rate movements).

The volume in Spain was stable with respect to the previous year, while volume sales increased in northern Spain and Catalonia, where Cementos Portland has most of its plants, as did prices.

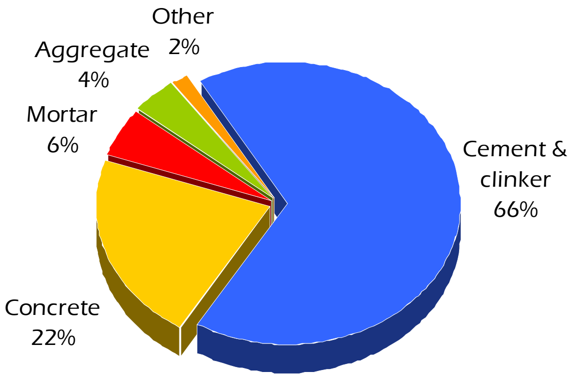
Since its acquisition in August 2006, Uniland has performed very well, as shown in its 2007 income statement.

UNILAND RESULTS

	2007	2006	Change
Revenues	648.2	569.9	13.7%
Spain	*449.7*	*409.5*	9.8%
International	*198.5*	*160.4*	23.8%
EBITDA	209.6	169.6	23.6%
EBITDA margin	32.3%	29.8%	
EBIT	*170.9*	*133.0*	28.5%
EBIT margin	26.4%	23.3%	

All product types performed well, and both volumes and prices increased. Sales totalled 18.2 million tonnes of cement (+30%), 8.0 million m^3 of concrete (+18%), 26.9 million tonnes of aggregate (+24%), and 2.6 million tonnes of mortar (+56%).

BREAKDOWN OF REVENUES BY PRODUCT

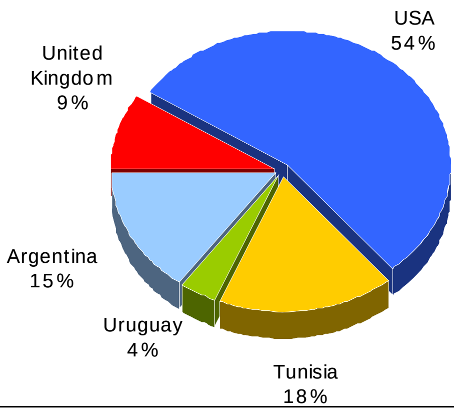


Good operating performance by the international business, which accounted for 24% of revenues, was tarnished by the strong euro.

EURO EVOLUTION AGAINST OTHER CURRENCIES					
	US dollar	Tunisian dinar	Argentinean peso	Uruguay peso	Pound sterling
31/12/06	1.3170	0.5839	0.2484	0.0311	0.6715
31/12/07	1.4721	0.5541	0.2157	0.0316	0.7334
Change	11.8%	-5.1%	-13.2%	1.6%	9.2%

The breakdown by market is as follows, including a notable presence in countries with strong growth potential, such as Tunisia, Argentina and Uruguay. The Cement business performed very well in all countries, with an increase in both volumes and prices (in local currency).

BREAKDOWN OF INTERNATIONAL REVENUES



EBITDA was 27.9% higher than in 2006, and the EBITDA margin was 32.9%. This figure was affected by two opposing factors:

- The sharp increase in energy costs (thermal energy +37%, and electricity +22%); and
- The synergy obtained by integrating Cementos Lemona and Uniland, amounting to 24.3 million euro in 2007.

➢ CASH FLOW

	2007	2006	Change
Operating cash flow	449.4	322.0	*40%*
Funds from operations	*620.8*	*486.8*	*28%*
(Increase)/Decrease in working capital	*-47.3*	*-63.1*	*-25%*
Other items (taxes, dividends, etc.)	*-124.1*	*-101.8*	*22%*
Investment cash flow	-297.4	-1.504.6	*-80%*
Cash flow from business activities	152.0	-1.182.6	N/A
Financing cash flow	-217.8	-144.3	50.9%
Other cash flow (change in consolidation scope, etc.)	9.9	-14.6	N/A
TOTAL CASH FLOW (Change in net debt)	-56.1	-1.341.5	-95.8%

	2007	2006	Diff.
Net financial debt at end of period	-1,530.5	-1,474.4	-56.1
With recourse	*-915.1*	*-895.6*	*-19.5*
Without recourse	*-615.4*	*-578.8*	*-36.6*

Investment amounted to 297 million euro, including 185 million euro of capital expenditure and 127 million euro to acquire an additional stake in Uniland.

7.5 Real Estate

7.5.1 Realia

The ownership structure of Realia changed as a result of the IPO on 6 June 2007, leading to a change in the method of consolidating Realia by FCC.

- FCC carried Realia by the equity method until the IPO in June 2007.
- Since June, FCC has fully consolidated RB Holdings Business, the holding company that owns 51% of Realia and fully consolidates it. For this reason, there may be differences between the figures published by Realia and those published by FCC.

➢ Earnings

Income Statement

	2007	2006	Change
Total revenues*	813.0	794.6	2.3%
Revenues	751.6	728.8	3.1%
EBITDA	366.2	289.4	26.5%
EBITDA margin	*48.7%*	*39.7%*	
EBIT	327.4	266.5	22.9%
EBIT margin	*43.6%*	*36.6%*	

**Total revenues = Sales + expenses charged + capital gains on property sales + other revenues*

Revenues increased by 3.1%, supported by the rental business (+32%) and rotation of land (+70%). Excluding the contribution by SIIC de Paris, organic growth was -1.5%.

Revenues

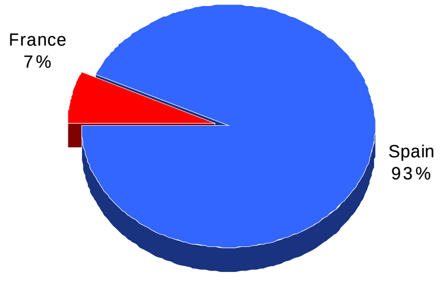
	2007	2006	Change
Rental	130.2	98.3	32.5%
Residential development	618.1	630.4	-1.9%
Development projects	*323.4*	*457.9*	-29.4%
Land	*294.7*	*172.5*	70.9%
Other	3.3	0.2	N/A
Total	**751.6**	**728.8**	**3.1%**

In the Rental division, the increase in rent revenues was due to good performance in the *office* market (particularly in the central business districts, where Realia's assets are concentrated) and to consolidation of SIIC de Paris. *Shopping Centre* revenues decreased slightly as a result of the sale of the Diversia mall and the Proyecciones cinema in Madrid.

The Residential business experienced a 1.9% decline as *land* sales doubled with respect to 2006 despite a reduction in the delivery of homes in the *Development* area (-29%).

The international business is conducted primarily via the property rental activity of SIIC de Paris, which accounted for 7% of total revenues in 2007.

Breakdown of international revenues



CONSOLIDATION OF REALIA BY FCC

	Jan.-May	June-Dec.	Jan. - Dec.
Total holding	*49.17%*	*27.65%*	
Consolidation method	*Proportionate*	*Full*	
Revenues	-	472.4	472.4
EBITDA	-	210.8	210.8
EBITDA margin	-	*44.6%*	*44.6%*
EBIT	-	184.1	184.1
EBIT margin	-	*39.0%*	*39.0%*
Equity-accounted affiliates	31.4	-1.7	29.7
EBT from continuing activities	31.4	129.6	161.1
Minority interest	-	-51.3	-51.3
Taxes	-	-38.8	-38.8
Net income	31.4	39.5	70.9

➢ CASH FLOW

	January-May*	June-Dec.**	Jan. - Dec.
Operating cash flow	45.0	167.6	212.6
Funds from operations	154.4	191.8	346.2
(Increase)/Decrease in working capital	-78.1	23.8	-54.3
Other items (taxes, dividends, etc.)	-31.3	-48.0	-79.3
Investment cash flow	-61.3	-130.4	-191.7
Cash flow from business activities	-16.3	37.2	20.9
Financing cash flow	-79.2	-69.8	-149.0
Other cash flow (change in consolidation scope, etc.)	5.1	-10.1	-5.0
TOTAL CASH FLOW (Change in net debt)	-90.4	-42.6	-133.0

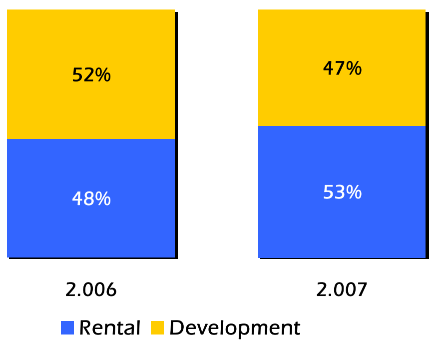
	2007	2006	Diff.
Net debt at end of period	-1,930.3	-1,797.2	-133.0
With recourse	*-686.4*		
Without recourse	*-1.243.9*		

** Includes 100% of Realia's cash flow for the first five months of the year ** Includes 100% of RB Business Holdings cash flow from June to December 2007.*

➢ ASSET VALUATION

Gross Asset Value (GAV)			
	2007	2006	Change
Rental	3,367	3,045	10.6%
Development	2,975	3,341	-11.0%
Total	6,342	6,386	-0.7%
Net Net Asset Value (NNAV)	2,258	2,426	-6.9%
NNAV/share*	8.31	8.75	-5.0%

**Adjusted for own shares*



7.5.2 TORRE PICASSO

	2007	2006	Change
Revenues	21.8	19.5	11.5%
EBITDA	18.6	16.3	14.3%
EBITDA margin	*85.5%*	*83.4%*	
EBIT	16.2	14.7	10.2%
EBIT margin	*74.4%*	*75.3%*	

FCC has fully consolidated Torre Picasso since 25 July 2007, when it acquired the 20% that it did not own for 170 million euro.

Occupancy is currently 100% and monthly rents average close to 27 euro per square metre (not including expenses charged to tenants).

8. SHARE DATA

8.1 Share Performance

	2007	2006
Closing price (euro)	51.40	77.20
Appreciation	*-33.4%*	*+61.2%*
High (euro)	83.90	68.95
Low (euro)	51.00	47.90
Average daily trading (shares)	674,995	357,777
Average daily trading (million euro)	45.6	28.2
Capitalisation at end of period (million euro)	6,711	10,080

8.2 Dividend

The 2006 total dividend amounted to 2.05 euro gross per share, a 27.0% increase on the dividend paid out of the previous year's earnings.

The interim dividend, amounting to 1.00 euro gross per share (+30.5%), was paid on 8 January 2007, and the supplementary dividend, amounting to 1.05 euro gross per share (+23.8%), was paid on 9 July.

8.3 Treasury Stock

In 2007, 5,046,871 own shares, representing 3.86% of capital, were acquired for slightly more than 315 million euro.

At the end of the period, the company held 5,738,955 own shares, representing 4.39% of capital.

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