

ANNUAL REPORT 2014



ANNUAL REPORT 2014

INDEX

01	Letter from the Chairwoman	3	08	Water Management	46
02	Letter from the Executive Vice-President and CEO	4	09	Infrastructures	58
03	Governing Bodies	7	10	Cement	100
04	Goals and Strategies	10	11	Financial Statements	110
05	Regulatory Disclosures	13	12	Corporate Governance	386
06	FCC in Figures	16	13	CSR	492
07	Environmental Services	24	14	Executive Personnel	602





Esther Alcocer Koplowitz
Chairwoman of FCC

HISTORY, STABILITY AND THE FUTURE

Dear Shareholder,

For our Group, 2014 was the year in which we managed to combine history and the future, out of stability.

History, because after more than 100 years since it was founded, FCC has initiated a new phase with the largest capital increase ever undertaken to date,

approved by all of you at the end of last year, and which has led to the entry of the company Control Empresarial de Capitales S.A. de C. V. represented by the engineer and Mexican businessman Carlos Slim, with a 25.6% holding in our Group.

I am convinced that nothing great can be done in life without passion, and this has been the attitude of the historic FCC shareholder, Esther Koplowitz. Her passion, her greatness and her intelligence have made the entrance of world-class investors possible, who, like you, are committed to our Group.

The decisive support and confidence shown by all, allows us to face the future with greater stability.

At present, where there are already clear signs of recovery in the Spanish economy, we can say that FCC is in the process of overcoming the most difficult year of the toughest crisis ever seen in the hundred-year history of the Group. Despite these difficulties, we always had the necessary determination and total conviction to make the decisions that had to be made, and these decisions were the right ones.

In 2014 the Group achieved two milestones: the refinancing of the debt and the capital increase. This was the only formula that would allow FCC to continue to be an internationally renowned Citizen Services Group and the best guarantee to ensure that FCC's great human resources continue to be its most important asset.

Decisions and actions always have specific economic, social and environmental consequences. For this reason, it is necessary, today more than

ever, to multiply our efforts, both in terms of transparency in management, and in terms of corporate governance practices, and to enhance our Corporate Social Responsibility models, as a commitment by FCC to its shareholders, workers, trade unions, customers, suppliers and society to which we have a duty.

Our experience in this area has the endorsement and recognition of the main indicators of management excellence. We have been committed for over a decade to the principles of the United Nations Global Compact and our annual CSR reports are verified by the Global Reporting Initiative.

Looking ahead, I only envisage new challenges. It is in our hands to convert these challenges into new opportunities and to achieve this we will continue to make decisions; however hard they may be. They will always be in a clear minority compared to the joys and successes that, I am sure, lie ahead.

We therefore count on our most important asset: people; and alongside these people, is the effort made and a job well done, essential concepts in the motto of our Group. If we add the commitment of our shareholders to this, we establish the most reliable formula to face the future with confidence.

Achieving this will be a common task for which I know I can count on all of you.

Esther Alcocer Koplowitz
Chairwoman of FCC



Juan Béjar Ochoa
Executive Vice-President and CEO of FCC

THERE IS A LOT OF WORK YET TO BE DONE

A year ago we titled our annual report “On the path of transformation” due to the changes we had to face. One year later I must say that the transformation is not over, because change, as a permanent element in business activity, is what makes it possible to achieve excellence.

Since the appointments at the end of January 2013 of Esther Alcocer Koplowitz as Chairwoman and myself as Executive Vice-President of the Company, a lot has been achieved and I would like to share my vision with you. As you may remember, in 2013 we drew up

a Strategic Plan that we continued developing and implementing throughout 2014. The main points of that plan included: reduction of debt (2,200 million euros) by selling non-essential assets, cost reduction amounting to 200 million euros, and refinancing of the remaining debt. Last of all, to all this, the capital increase at the end of 2014 was added.

This capital increase was the largest ever in the history of FCC. It totalled 1,000 million euros via the issuance of 133,269,083 new ordinary shares at a price of 7.5 euros per share. The success of the operation was shown by the market response, because the demand for securities was 9.2 times the supply on offer, that is, excess demand was quite significant in a still complicated economic situation in Spain.

In the course of this operation, Carso Group, owned by the Mexican businessman Carlos Slim, reached an agreement to buy the property rights of Esther Koplowitz and became the leading shareholder of FCC, with 25.64% of the shares, having paid 650 million euros. As a result, FCC includes two of the most relevant investors in the world among its shareholders, which is something that no other company (not even outside Spain) can boast: Carlos Slim and Bill Gates.

This operation is the grand finale of the Group's financial and operating stabilisation process and marks the commencement of a phase where the focus is on profitable operations and returning to growth.

Another successful event was the refinancing of debt in March 2014. Debt was classified into two types: a tranche of debt that is sustainable for the Company and another tranche of excess debt. The funds

brought in by the capital increase made it possible to redeem 900 million euros of the excess debt. We were successful in securing a 15% reduction with the creditor entities, an unprecedented occurrence among companies listed on the Ibex-35. Of the remaining funds, 100 million euros went to Cementos Portland Valderrivas, 100 million to FCC Environment, and the other 35 million were used for the expenses normally connected to a transaction of these characteristics.

In short, we have strengthened our equity position, we have lowered our debt level and shall improve our income statement by reducing our financial burden.

As already mentioned, in 2014 we continued to carry out our Strategic Plan. Fulfilment of our commitments is what has drawn first rate international investors such as Bill Gates and George Soros. The market is of the same opinion and we have become the icon of the economic recovery of Spain.

In fact, 80% of the goals set in our Strategic Plan had already been reached by year-end 2014. By means of the capital increase, the other milestones reached in 2014 were the debt reduction, cost reduction, the arrival of new investors and the refinancing of debt.

In the divestments chapter, last year we continued the process of selling our holdings. At year-end 2013 the sale of assets had lowered our debt by 780 million euros. One year later, total divestments amounted to 1,740 million euros. Of this amount, 771 million corresponded to FCC Energía, 80 million to Cemusa, 70 million to FCC Environmental and the remaining 32 million to the Logistics division. We expect to complete this divestment plan in the first half of the present year. The sale of Globalvía is

the main operation that is pending because earlier in the year we decided to remove the 'for sale' tag from Realia. This decision is based on the change of cycle and of expectations for the real estate sector in our country, together with the intention of our leading shareholder, Carlos Slim, to invest in this Company after offering to acquire Bankia's holding in Realia.

Cost reduction is another one of the main points of our Plan. In the Construction area, measures have focused mainly on the reduction of production and structural means in the domestic business. To this end, two Redundancy Plans (ERE in the Spanish acronym) have been carried out. The first one cut headcount by 900 individuals, entailing annualised savings of 45 million euros, while the second one will affect 875 individuals with annualised savings of 50 million euros. At year-end, 65% of the latter redundancy measures had been carried out.

In the Cement area, the cost reduction has taken the form of closing of non-profitable ancillary businesses in Spain, via redundancy plans (EREs) and temporary redundancy measures (ERTE) for personnel, and restructuring non-profitable businesses (concrete, mortar and aggregates). These measures represent annualised savings of 28.3 million euros.

The cost rationalisation chapter was completed with the redundancy plan (ERE) at Central Services. Approved in the third quarter of 2013, it affected 300 individuals and in the year 2014 it represented estimated annualised savings of 10 million euros.

2014: Starting point

Results in 2014 have shown that the efficiency and restructuring measures adopted in the Strategic Plan implemented in the second quarter of 2013 are starting to yield their fruits. Ebitda in 2014 amounted to 804 million euros, a 12.1% increase over the previous year.

Last year, our Group reduced its losses by over half (51.9%) to 724 million euros compared to 1,506 million a year earlier. This negative result was a consequence of provisions and non-recurring write-offs worth 781 million euros in the third quarter of the year, which completed the restructuring commenced in 2013.

Apart from the efficiency and restructuring measures, the 12.1% improvement of Ebitda was also possible thanks to the stability of the Environmental Services and Water areas. As a consequence of this, the operating margin rose to 12.7% compared to 10.6% the year before. By business areas, the environment and the water divisions account for three quarters of the Group's operating profit.

The growth of Ebitda was also significantly enhanced by Cementos Portland Valderrivas. The profit of 104 million euros is twice that of the year 2013. To this we must add the recovery of the market in Spain, something noticeable since the third quarter of 2014, which is becoming consolidated in the first months of the present year.

Financial debt is another one of the salient aspects of the year 2014. At year-end, after the capital increase

in December, the Group's debt totalled 5,016 million euros, a 15.9% reduction from the debt recorded at year-end 2013.

Turnover totalled 6,334 million euros, which is 6.2% lower than the previous year, largely attributable to the contraction in construction demand in Spain and to the more selective growth in the construction area abroad. Specifically, income in the Construction division declined by 20.1% in year-on-year terms, due to the continuing adjustment of government investment in infrastructures over the last few years in Spain.

Four fifths of this decline corresponds to the Spanish market and only one fifth can be attributed to the rest of the countries where FCC is present. In the international area more selective growth targets have been set, focusing on optimising returns and cash generation rather than expanding activities. By geographical areas there was a strong 90.3% hike in income in the Middle East and Northern Africa due to the commencement of works on the underground in Riyadh in the Construction area. Conversely, income in Latin America declined by 27.1%, mainly due to the completion of other projects such as line 1 of the Metro and the reorganisation of road traffic in Panama City. The commencement of works on the Lima metro is scheduled for the second quarter of 2015.

Excluding Construction, income for the rest of the Group areas rose by 2.5%. In the Environmental Services area, income grew by 1.2% boosted by business in the UK, while in the Water area the rise amounted to 0.9% thanks to the sound concession

business. In the Cement division income grew slightly by 0.4% thanks to exports, which offset the decline of income in Spain, linked to the closing of non-profitable operations involving the sale of cement derivatives.

On the other hand, the business portfolio remains at the historical high reached at year-end 2013. In December 2014 it was at 32,996.5 million euros (-1.1% compared to the year before) supported by growth in the Water area.

Profits and returns are unrenounceable targets

With these results we have laid the foundations for FCC's future growth. If we add to this the almost total achievement of the March 2013 Strategic Plan and the determination to continue reducing costs, generating cash and improving margins, I can assure you that we are facing 2015 and the following years expecting to recover profits and returns as unrenounceable targets.

In our quest to achieve returns, the strategy set by our shareholders and management team includes:

- Further pursuing the cost reduction culture and maximum flexibility to adapt to changing market conditions.
- Boosting the Water and Environmental businesses. At year-end 2014, the two areas combined accounted for 59% of our turnover and we expect this to continue rising. Within the Water area, growth will be centred on the

concession business, with strong geographic presence in Latin America and the Middle East. In the Environmental area growth will take place mainly in the UK and Central Europe, whereas in Spain, we aspire to maintain our market share and position of leadership.

- The demands in International Construction are greater. We shall boost returns by being stricter when selecting contracts, limited to the countries where we are currently present, with positive cash flow and pre-tax profits during all the years the works last.
- Supported by the change of cycle in the Spanish economy, we shall take advantage of the recovery of the Construction and Cement markets. With this approach, FCC Construcción plans to focus on large and medium-sized projects, while seeking to strengthen our competitiveness in Spain and abroad and play an active role in infrastructure development.

This strategy, however, would make no sense if the FCC resulting from all these measures and efforts had not yielded a global Group with a new culture based on flexibility, responsibility, merit and efficiency. To this we must add the strengths contributed by all the individuals making up this great Group. The behaviour and commitment shown by all the so-called stakeholders, led by our employees, the trade unions, customers, suppliers and financial entities, among others, are behind the fact that FCC's main strengths should include:

- Historical leadership position in all areas.

- Advanced technology and integrated service offering.
- Balanced and diversified business model.
- Recurring business with highly visible income.
- Success history in renewal of contracts.
- Good positioning for long-term growth.
- Shareholders committed to the long-term project.

In summary, and as stated in the heading of this letter, although there is a lot yet to be done, we have laid the foundations to make FCC a global Group in citizens services, enjoying a leading position in all the activities where we are present: from Environmental Services to Water, with Infrastructures in between. This goal is within reach for all of those who form FCC.

Juan Béjar Ochoa
Executive Vice-President and CEO of FCC

03

GOVERNING BODIES





BOARD OF DIRECTORS

Esther Alcocer Koplowitz,
On behalf of Dominum Desga, S.A.
Chairwoman
Proprietary Director

Samede Inversiones 2010, S.L.
Represented by: Esther Koplowitz Romero de Juseu
First Vice-Chairwoman
Proprietary Director

Juan Béjar Ochoa
Second Vice-Chairman and Chief Executive Officer (CEO)

EAC Inversiones Corporativas, S.L.
Represented by: Alicia Alcocer Koplowitz
Proprietary Director

Dominum Dirección y Gestión, S.A.
Represented by: Carmen Alcocer Koplowitz
Proprietary Director

Inmobiliaria AEG, S.A. de C.V.
Represented by: Carlos Slim Helú
Proprietary Director

Inmuebles Inseo, S.A. de C.V.
Represented by: Juan Rodríguez Torres
Proprietary Director

Alejandro Aboumrad González
Proprietary Director

Gerardo Kuri Kaufmann
Proprietary Director

Manuel Gil Madrigal
Independent Director

Henri Proglío
Independent Director

Álvaro Vázquez de Lapuerta
Independent Director

Francisco Vicent Chuliá
Secretary (non-member)

Felipe Bernabé García Pérez
Vice-secretary (non-member)

EXECUTIVE COMMITTEE

Chairman

Juan Béjar Ochoa

Members

Esther Alcocer Koplowitz,
on behalf of
Dominum Desga, S.A.

Alicia Alcocer Koplowitz,
on behalf of
EAC Inversiones Corporativas, S.L.

Alejandro Aboumrad González

Gerardo Kuri Kaufmann

Secretary (non-member)
Francisco Vicent Chuliá

Vice-secretary (non-member)
Felipe Bernabé García Pérez

AUDIT AND CONTROL COMMITTEE

Chairman

Henri Proglio

Members

Alicia Alcocer Koplowitz,
on behalf of
EAC Inversiones Corporativas, S.L.

Juan Rodríguez Torres,
on behalf of
Inmuebles Inseo, S.A. de C.V.

Manuel Gil Madrigal

Álvaro Vázquez de Lapuerta

Secretary (non-member)
Felipe Bernabé García Pérez

APPOINTMENTS AND REMUNERATIONS COMMITTEE

Chairman

Álvaro Vázquez de Lapuerta

Members

Esther Alcocer Koplowitz,
on behalf of
Dominum Desga, S.A.

Juan Rodríguez Torres,
on behalf of
Inmuebles Inseo, S.A. de C.V.

Manuel Gil Madrigal

Secretary (non-member)
Felipe Bernabé García Pérez

** Information updated on the date of release of this Annual Report*

04

GOALS AND STRATEGIES



GOALS AND STRATEGIES

The refinancing of the debt, approved at the end of the first quarter of the year, and the capital increase, closed at year-end 2014, have automatically led to the starting of a new phase for FCC. These two movements mean in practice the early completion of the targets set in the Strategic Plan of March 2013. It is true that some of them, such as the improvement of the operational management with special emphasis on the results of all the divisions, have become a kind of mantra indispensable to the management team and, therefore, for all those that make up the Group. The same philosophy can be applied to the recovery of the capacity to invest in all the activities that constitute the core business. However, to meet these challenges it is necessary to complete, in full, the task undertaken over the last two or so years.

The divestment of assets is almost completed with the sales of FCC Energy, Logistics, Cemusa and FCC Environmental, totalling almost 1,800 million Euros. This divestment will be virtually closed with the sale of Globalvía, an operation which is expected to be approved in the current year. It should be noted in this chapter, the change in criteria in relation to the other large pending transaction: Realia. The arrival of a new majority shareholder in the Group and the clear change of cycle in the real estate sector in our country have led to our removing the “asset for sale” poster for our stakes in the real estate company.

2014 also saw the completion of the balance sheet restructuring undertaken almost two years earlier. In the third quarter results of the year new provisions were made along with non-recurring impairments amounting to 781 million Euros. As a result of these measures, annual losses totalled 724 million euros. A high figure, without doubt, but it reduced by half (-51.9%) the previous year's losses. With these new provisions the item “balance-sheet cleaning” is now definitively closed, having exceeded 3,000 million euros over the last three years.

Transformation achieved

The transformation process of the different business areas has become a tangible reality in the year 2014, with the fulfilment of the Group's objectives.

In the area of **Environment** a new business model is being implemented in Britain that involves strengthening recovery plants at the expense of landfills.

In the area of **Water**, in addition to addressing the evolution of tariffs and obtaining new contracts, in the past year, FCC Aqualia consolidated its presence in the Middle East (with the construction of a desalination plant in Djerba, Tunisia for 70 million euros) and in Northern Africa (with a contract worth 300 million euros for the development and management of the waste-water network in Al Dhakhira, Qatar, over the next 10 years).

In **Construction**, the consolidation of margins is already an unavoidable condition in all offers. In 2014, FCC Construction led two consortia that were awarded contracts totalling 3,800 million euros. Of these, 3,300 million will correspond to the design and construction of a branch of line 2 and line 4 of the Lima Metro (Peru), while the remaining 500 will come from the construction of the Red line of the Doha Metro (Qatar).

In the area of **Cement** the positive evolution of the business is supported by the good performance of the plants in Tunisia, the increase in sales in Spain, the impact of adjustment plans carried out in 2013, and increased sales of emission rights.

Added to this is the adaptation of the Central Services structure to the business.

The new FCC

The result of all this has been what could be called “the new FCC”. Today FCC is a Group with a leading position in its strategic markets, that has extensive international presence and high earnings visibility.

STRENGTHS OF FCC GROUP

Leadership in domestic markets
Position of reference in Spain, Central Europe and the United Kingdom

Specific know-how
Experience and management in complex infrastructure and environmental services projects

International presence
44% of income from international markets

Visibility of income/ profitability
Portfolio hedging on income is at 5.2 years

Complex offer in environmental services and water
From the treatment of waste to the integrated water cycle management

Recurrence of the business
+74% of EBITDA of the Group supported by long-term contracts with a high renewal rate

	Construction	Environment	Aqualia
Portfolio 2014	6,213 M euros	11,670 M euros	15,114 M euros
International	69%	39%	30%
Turnover	2,076 M euros	2,805 M euros	954 M euros
Portfolio hedging	2.99 years	4.16 years	15.84 years

Strategic Lines

At year-end 2014, the lines of action of the FCC management teams are focused on:

- Promote Water and Environment**

At the end of 2014, the Services areas already accounted for 59% of turnover and its significance is expected to continue growing.

On the other hand, in the area of Water, growth is focused on the concession business and sights are set on Latin America and the Middle East.

In contrast, in the area of Environment, growth is centred on the UK and Central Europe and on maintaining market share in Spain.

- Increased requirements for International Construction**

At this point we should mention the boost in profitability in International Construction through greater rigour in the selection of contracts, limiting business to countries where FCC is currently present, with positive cash flow during every year of the work, and a pre-tax profits of at least 5%.

- Recovery of Construction and Cement**

One of the main objectives of the Group is to take advantage of the recovery of the construction and cement markets in Spain and Europe.

- Improved performance of financial indicators**

For FCC it has become a priority to see the return to profits (already obtained in the quarterly results closed as of 31 March 2015), whilst at the same time reducing the level of financial debt, with the goal of achieving a debt/Ebitda ratio of 4.

- Development and capturing “global talent”**

The Human Resources policy remains committed to professionals engaged in this new FCC project, with motivation, seeking results and overcoming difficulties as “essential requirements” in our DNA. To achieve this, development and talent recruitment will be focused to setting up teams and on global projects.

- Selective and profitable presence in international markets**

Latin America will be the main stage of international operations, together with the Middle East, USA, Canada and the OECD countries, with special emphasis on Britain and Ireland.

05

REGULATORY DISCLOSURES
NOTIFIED TO THE CNMV
(SPANISH NATIONAL
SECURITIES MARKET
COMMISSION)



RELEVANT EVENTS 2014

8-1-14	The Company reports progress in the refinancing process.	2-10-14	The Company announces changes in the composition of the Board of Directors.
17-3-14	The Company announces the sale of Cemusa for 80 million euros.	15-10-14	The Company reports progress in the capital increase process.
1-4-14	The Company announces the signing of the refinancing process for 4,512 million Euros.	17-10-14	FCC sells its Environment division in the US for 70 million Euros.
1-4-14	Formulation of Annual Accounts and Management Reports, both individual and consolidated, for 2013. Approval of the Corporate Governance Annual Reports and Remuneration of Directors for the year 2013.	20-10-14	The Company reports the resolution of the Board of Directors for a capital increase by calling an Extraordinary General Meeting of Shareholders.
3-4-14	Call for the Meeting of Bondholders.	14-11-14	The Company reports a Relevant Event relating to the Controlling Shareholder.
28-4-14	Changes in the composition of the Board of Directors, of the Appointments and Remuneration Committee and the Audit and Control Committee.	18-11-14	The Company reports the temporary suspension of the Liquidity Contract.
5-5-14	The Company reports the outcome of the Meeting of Bondholders held on this day.	21-11-14	Resolutions adopted at the Extraordinary General Shareholders Meeting, held on November 20, 2014.
21-5-14	The Company calls the General Shareholders Meeting.	24-11-14	The Company reports a Relevant Event relating to the Controlling Shareholder.
24-6-14	Resolutions adopted at the General Shareholders Meeting, held on June 23, 2014.	27-11-14	The Company reports a Relevant Event relating to the Controlling Shareholder as well as the Investment Agreement signed by same.
30-6-14	Changes in the composition of the Board of Directors.	27-11-14	The Company reports a Relevant Event relating to the launch and the terms of the FCC capital increase.
8-7-14	Shareholder agreement linked to the exercising of warrants.	28-11-14	The Company reports the presentation of the Roadshow on the capital increase.
8-8-14	Modification of Terms and Conditions for the issuance of FCC, S.A. bonds.	2-12-14	The Company reports a Relevant Event relating to the Controlling Shareholder. Shareholder agreements concerning B-1998 whose

participants include, among others, Larranza XXI, S.L. and CaixaBank, S.A., reported on 26/05/2011 and 03/04/2014, have been partially suspended.

2-12-14 The Company reports on the amendment of certain terms of the contract of the CEO.

4-12-14 B-1998 and Azate execute the sale of their rights in the FCC capital increase.

15-12-14 Control Empresarial de Capitales, S.A. de C.V., has performed the subscription and payment of new FCC shares corresponding to preferential subscription rights acquired by B-1998 and Azate on December 3.

18-12-14 The Company declares the capital increase to be fully subscribed and paid-up, with an over-demand of 9.2 times.

19-12-14 The Company confirms the registration in the Mercantile Register of Barcelona of capital increase deeds.

06

FCC IN FIGURES



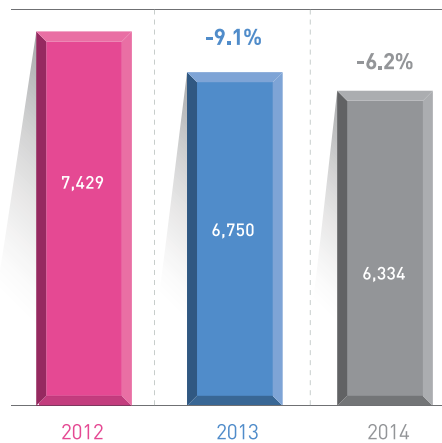
Engineer Gilberto Borja Navarrete Bridge – San Marcos Viaduct (Mexico).



REVENUES

Million euro

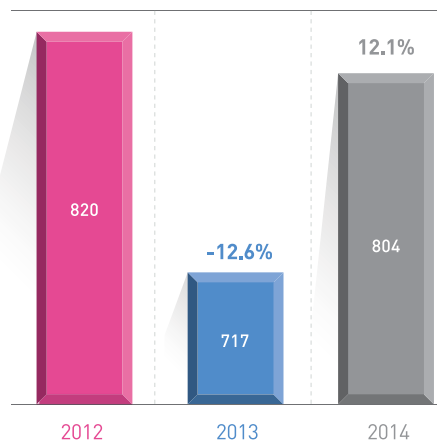
-37.6%



GROSS OPERATING PROFIT (EBITDA)

Million euro

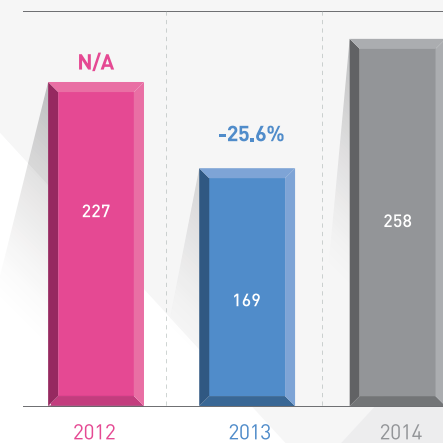
-34.7%



NET INVESTMENTS

Million euro

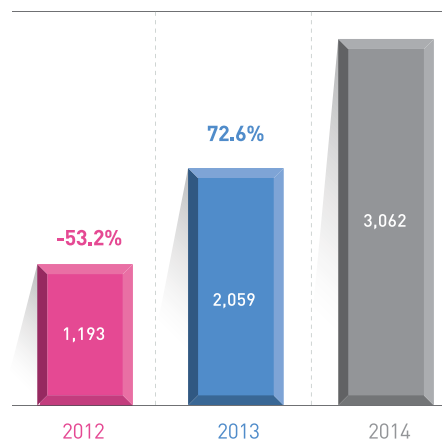
52.7%



MARKET CAPITALIZATION

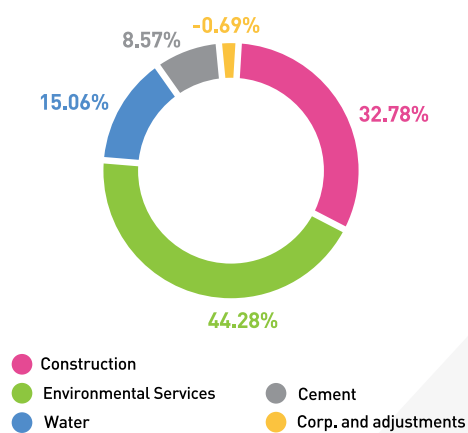
Million euro

48.7%



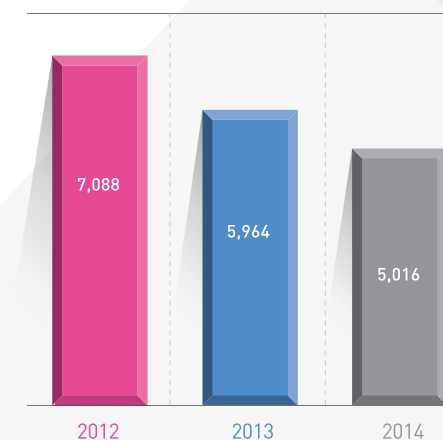
REVENUES

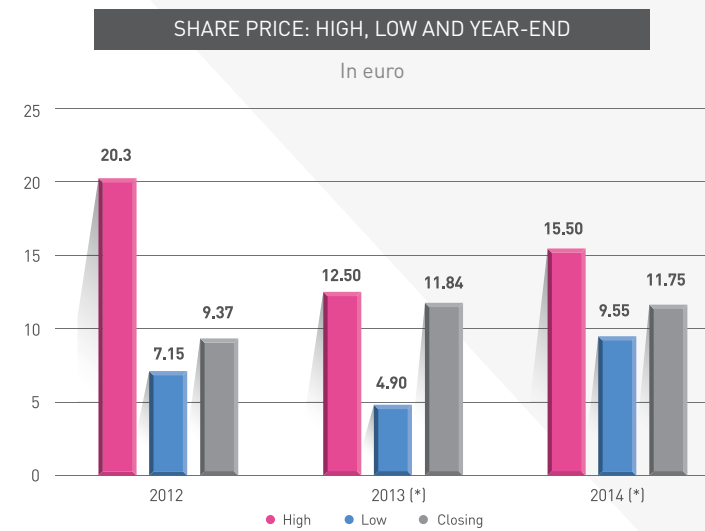
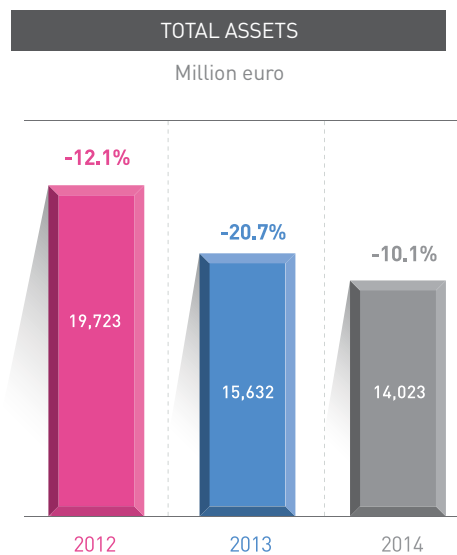
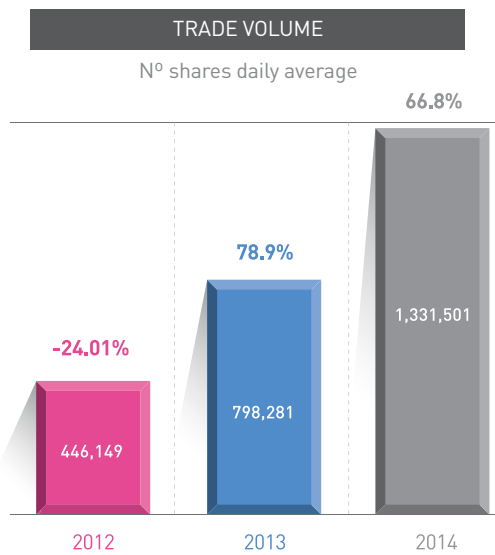
by business activity



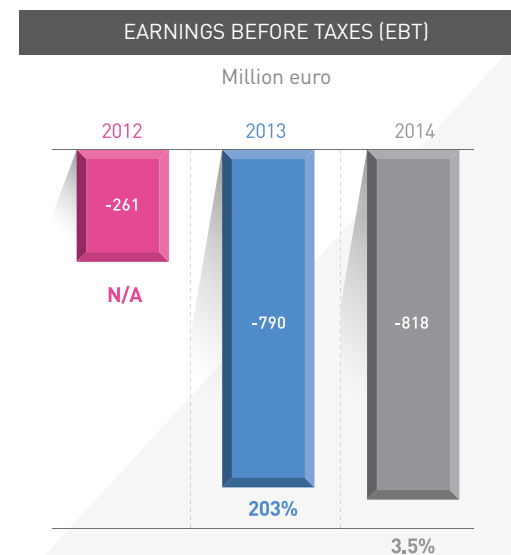
NET FINANCIAL DEBT

Million euro



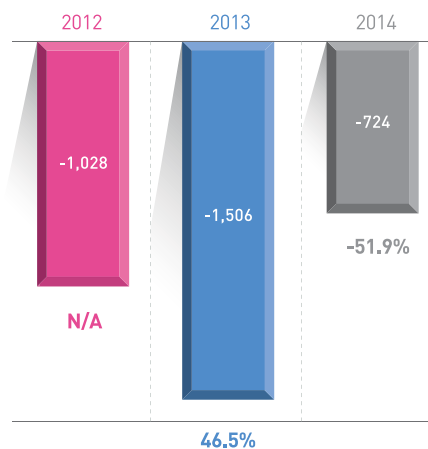


(*) Adjusted data due to the capital increase in 2014 amounting to 133.26 million shares



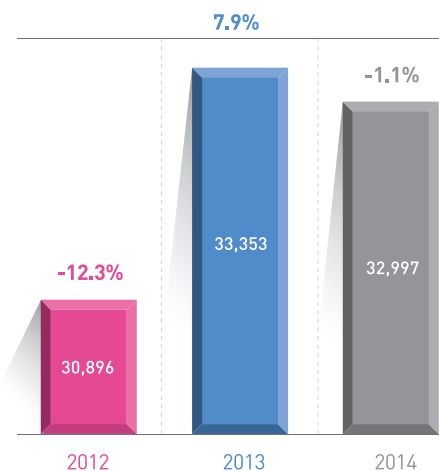
PROFIT ATTRIBUTED TO PARENT COMPANY

Million euro



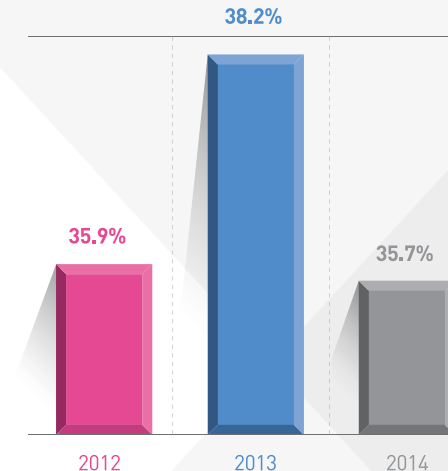
BACKLOG

Million euro



% FINANCIAL LEVERAGE

(Net debt/Total assets)



MARKET AND SHARE PERFORMANCE

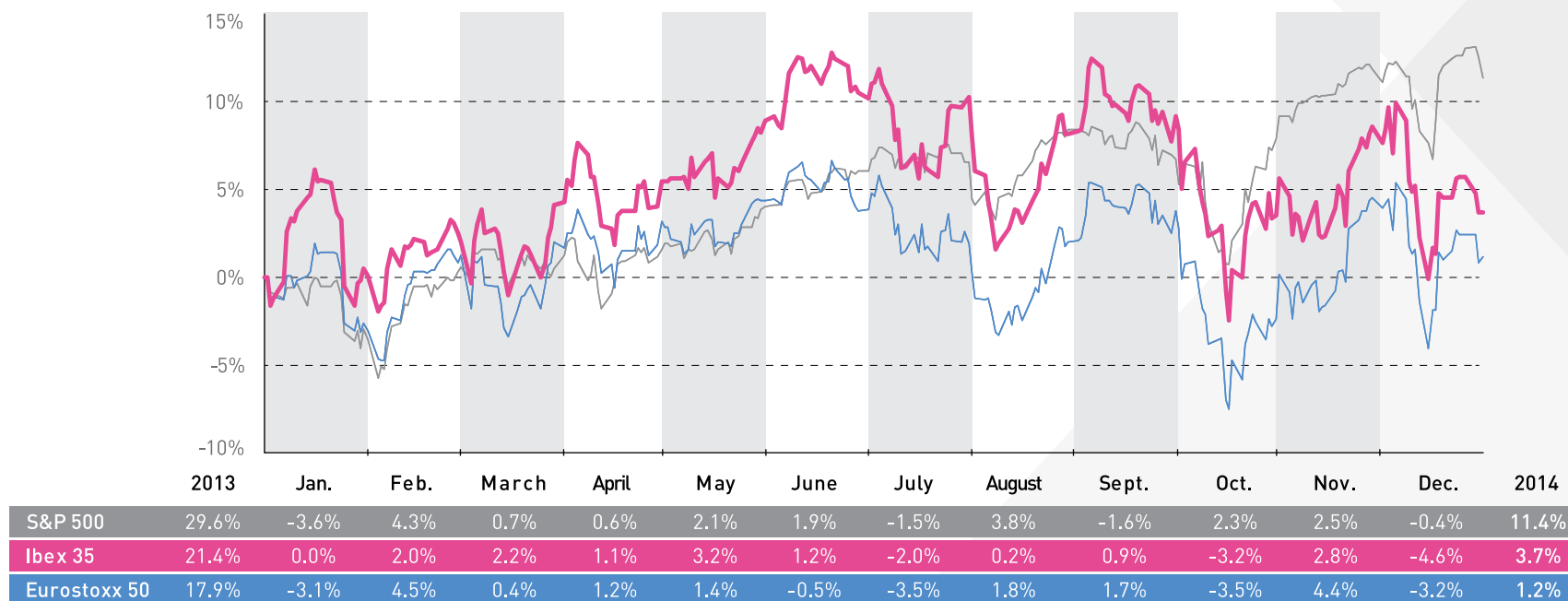
The year 2014, with many ups and downs, has shown an uneven global recovery. Geopolitical tensions have worsened. For the time being the macroeconomic effects seem to be limited mostly to the regions from which they originated, but there are risks of possible more widespread upheavals.

Global growth in 2014 has been slower than expected; IMF forecasts from earlier this year fell 0.4 percentage points to 3.3% at the end of the year, as with the Eurozone (0.8% vs 1%). The forecast for world growth in 2015 (3.8% vs 4%) is also slightly lower than expected and is based on monetary policy remaining highly accommodative. During the year, the European Central Bank (ECB) announced a range of measures to tackle the low level of inflation and other measures to increase liquidity (LTRO, buying

bonds and ABS). We should remember that the ECB cut rates from 0.25% to a record low of 0.05%, the level at which it currently remains, and in December it decided to give the latest stimulus measures more time before launching the expected programme to buy government debt, which finally happened in January 2015.

In the US macro data showed an undeniable improvement in economic activity in the country, which has prompted the Federal Reserve to continue to cut the monthly volume of asset purchases and to forecast a rise in interest rates for the second half of 2015. The Nasdaq and Dow Jones indices closed the year with increases of 13.4% and 7.5% respectively.

ANNUAL PERFORMANCE OF S&P500, IBEX35 and EUROSTOXX50



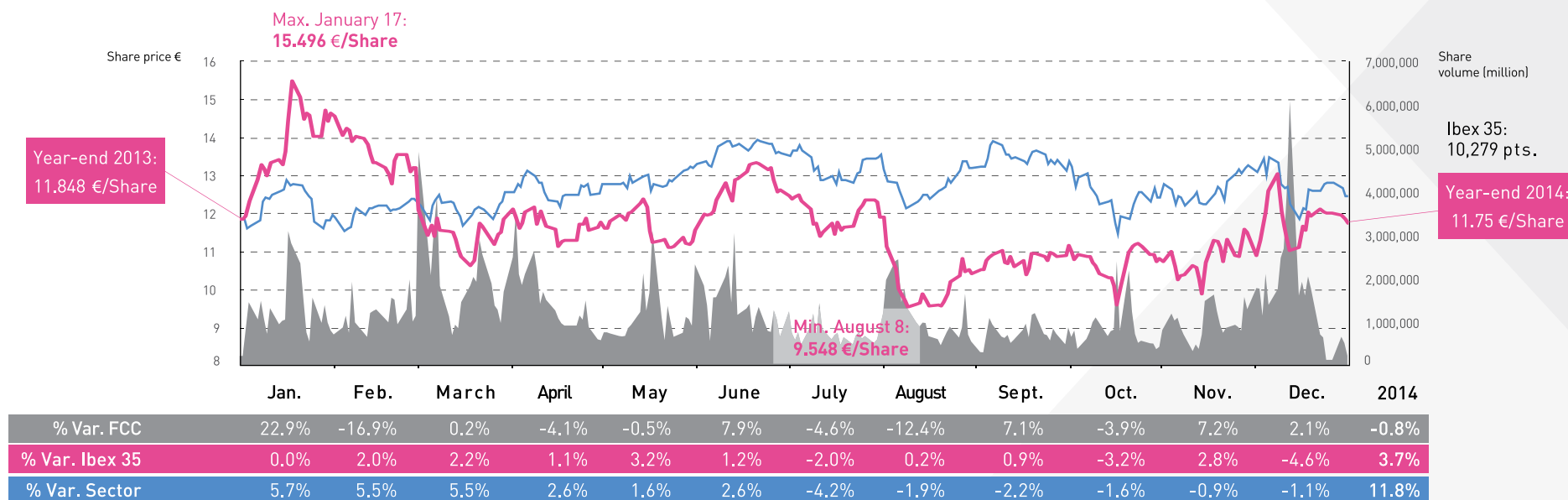
In this context, the financial markets have generally been optimistic: stock prices have risen due to the effect of interest rates, spreads have tightened and volatility is very low, although this has not translated into an upturn in investments, which has remained attenuated. The S&P500 index, an indicator that measures the development of the 500 largest stocks, rose 11.4%.

In Spain economic growth has resumed, supported by external demand and an increase in domestic demand reflecting the improvement in financial conditions and the strengthening of trust. The Spanish GDP stood at 1.4% this year, a tenth above

that forecast by the IMF, and is predicted to rise + 1.7% in 2015. The Spanish index, IBEX 35, rose 3.7% closing the year at 10,279.5 points.

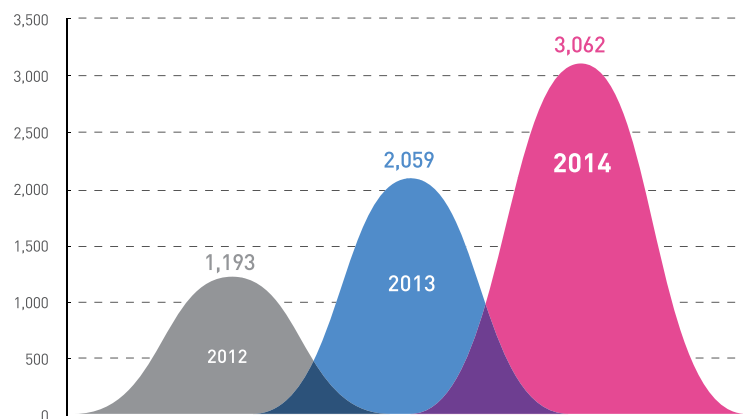
In 2014 the share price performance of FCC remains virtually flat (-0.8%) and has been marked by the capital increase carried out in the month of December. The prices listed in the chart below have been adjusted for this effect for the entire year. The price reached 15.49 Euros per share in January and fell to rock-bottom lows of 9.54 Euros per share in August.

ANNUAL PERFORMANCE OF FCC SHARES



MARKET CAPITALIZATION

FCC ended the year with a capitalization of 3,062 million Euros, with a significant increase, due to strengthening the equity generated by the capital increase at the end of the year.



TRADE

The total volume traded this year exceeded 338 million shares, with a daily average of 1,331,501 shares, 66.8% more than the daily average of 2013. Throughout the year a volume of 130% of the total FCC share capital has changed hands.

DIVIDENDS

The Board of Directors of FCC maintains, since 2013, a policy not to pay dividends.

This decision, unchanged in 2014, is part of the restructuring process undertaken two years ago, which aims to increase operational efficiency and strengthen the balance sheet; it will have to be ratified by the General Meeting of Shareholders which is to be held in the first half 2015.

TREASURY STOCK

FCC Group does not perform transactions with its own shares other than those contained in the CNMV (Spanish Securities Exchange Commission) Framework agreement on Liquidity Contracts, which aims to provide liquidity and depth to the price in accordance with the regulations in force.

During the month of December 2014 there was a capital increase amounting to 1,000 million Euros, which involved the issuing of 133,269,083 new shares, changing the share capital of the company to 260,572,379 shares with a nominal value of one Euro. In accordance with the law, when performing this operation, the liquidity contract was suspended on November 18, 2014, and was renewed on January 22, 2015.

No impact is estimated on performance obtained for the shareholder of the liquidity contract in treasury stock, since their nature and purpose is contrary to the existence of same, nor similarly in earnings per share of FCC Group.

However, at December 31, 2014, FCC Group owned, directly and indirectly, a total of 232,747 Company shares, representing just 0.089% of the share capital.

SHAREHOLDERS

Shares of FCC, S.A. are represented by book entries and listed on the four Spanish stock exchanges (Madrid, Barcelona, Valencia and Bilbao). According to the data available in the CNMV's records, as of year end, the relevant shareholders of the company are:

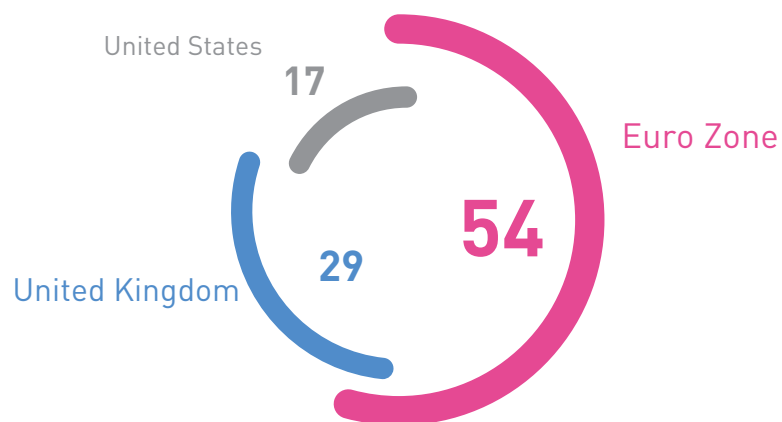
Main Shareholders	Number of Shares	% without Share Capital
Inmobiliaria Carso, S.A. de C.V.	66,798,648	25.63%
B-1998, S.A.	55,334,260	21.23%
Azate, S.A.U. ⁽¹⁾	8,353,815	3.21%
William H. Gates III	-	5.73%

⁽¹⁾ 100% subsidiary of B-1998, S.A.

However it is noteworthy that after the capital decrease carried out in B-1998, S.A. in the month of January 2015, its total stake in FCC has been reduced to 22.43% (with 3.21% via Azate, S.A.U.)

FCC's floating capital, at year end, is 44%. Its estimated distribution is: 8.9% Spanish minority shareholders, 3.5% Spanish institutional investors, and the remaining 31.6% overseas institutional investors.

The composition of the floating capital (in percentage terms), according to the origin of shareholders of which it is comprised, is as follows:



Source: Compiled by author