Citizen Services

Infrastructure

Services

1Q2011
EARNINGS REPORT

Energy

Dow Jones Sustainability Indexes

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London Crossrail Tunnel
(Photo credit: LCR)

1. HIGHLIGHTS

FCC awarded waste collection contract in San Sebastián

In January, the San Sebastián city government chose FCC once again to provide municipal solid waste collection, transport and related services in the city. The 10-year contract, which may be extended, represents total revenues of 46 million euro.

FCC obtained international construction projects valued at over 2.15 billion euro

Intense bidding activity was rewarded with total order intake amounting to more than 2.15 billion euro of infrastructure projects throughout the world.

Firstly, in March, a consortium in which FCC participates was awarded a contract to build a 66 km railway line in Algeria for 1.23 billion euro; this is the company's second major rail contract in that country (it was awarded a contract for over 930 million euro in May 2010).
Additionally, in the first quarter, the company, acting as part of a consortium, obtained a 304 million euro contract to build two tunnels and the Highway 407 station of the Toronto Metro (Canada); and was also awarded a 267 million euro contract to build a section of Bucharest Metro's line 5 in Romania.
These projects are a key indicator of our competitiveness in the global infrastructure arena in the field of railway construction.

Other notable contracts have been awarded such as two new projects for the comprehensive refurbishment of several historic zones in Panama City, Panama, valued at 275 million euro; or a contract worth over 80 million euro to expand a chemical plant in Abu Dhabi, with high geographical value.

FCC signs a strategic agreement to develop electric mobility infrastructure

FCC signed a strategic agreement with Siemens to develop and implement electric mobility technology. The companies will jointly conduct research. FCC will also build the necessary infrastructure in the future, through its environmental services division and the recently-created FCC Industrial division (part of the Construction area) when the installations are to be rolled out.

FCC Energy completes the financing for its first solar thermal energy plant

FCC Energy, together with its minority shareholder in one of its solar thermal plants, completed financing in March for the project via a 226 million euro project finance deal with a group of Spanish and Japanese institutions. The agreement is guaranteed by Japan's state export and investment insurance company (NEXI), which provides very advantageous long-term financial conditions.

2. EXECUTIVE SUMMARY

- **Net attributable profit increased 9.8%** to 40.5 million euro
- EBITDA reached 291.7 million euro, and **the EBITDA margin improved** 0.1 percentage points to 11.9%
- EBITDA in the most recurring businesses, **Services and Energy, increased** 5.7% and set a new record, representing 64.9% of the total.
- The **backlog expanded** 5.5% to 37,248.9 million euro; projects outside Spain increased 13% with respect to December 2010.
- Revenues from outside Spain **expanded by** 8.5% and accounted for 45.9% of the total.
- Net debt declined by 1.8% with respect to March 2010.

Earnings in 1Q11 reflect the positive performance of the more recurring businesses such as Services and Energy, where EBITDA expanded a notable 5.7%, broadly offsetting the impact of the decline in activity in Spain in the Construction and Cement areas and contributing to a net attributable profit of 40.5 million euro, up 9.8% with respect to 1Q10.

EBITDA improved, with the result that the EBITDA margin also expanded, to 11.9%, due to gains in efficiency and to growth in the contribution from activities with greater added value, enhancing the Group's competitive profile. The three strategic growth areas (Environmental Services, Energy and Construction) increased their weight in EBITDA, accounting for 79.3% of the figure in 1Q11.

The group also extended its international presence through sustained growth in contracts outside Spain in the period, increasing its international backlog by 13% with respect to December 2010. This advances the Group's goal of increasing international revenues, which accounted for 45.9% of total revenues in March 2011.

KEY FIGURES

(million euro)	Mar. 11	Mar. 10	Chg. (%)
Net sales	2,459.6	2,586.8	-4.9%
EBITDA	291.7	304.6	-4.2%
EBITDA margin	*11.9%*	*11.8%*	*0.1 p.p.*
EBIT	119.1	117.9	1.0%
EBIT margin	*4.8%*	*4.6%*	*0.3 p.p.*
Earnings before taxes (EBT) from continuing activities	39.2	46.9	-16.4%
Net attributable profit	40.5	36.9	9.8%
Operating cash flow	(241.6)	(370.3)	-34.8%
Investing cash flow	(124.1)	(104.7)	18.5%

(million euro)	Mar. 11	Dec. 10	Chg. (%)
Equity (excl. minority interests)	2,628.2	2,562.9	2.5%
Net interest-bearing debt	(8,230.8)	(7,748.7)	6.2%
Backlog	37,248.9	35,309.0	5.5%

3. SUMMARY BY BUSINESS AREA

Area	Mar. 11	Mar. 10	Chg. (%)	% of 2011 total	% of 2010 total
(million euro)					
			REVENUES		
Environmental services	873.8	855.3	2.2%	35.5%	33.1%
Construction	1,218.4	1,330.3	-8.4%	49.5%	51.4%
Cement	186.6	191.3	-2.5%	7.6%	7.4%
Versia	179.6	191.3	-6.1%	7.3%	7.4%
Energy	22.9	26.6	-13.9%	0.9%	1.0%
Others*	(21.7)	(8.0)	171.2%	-0.9%	-0.3%
Total	**2,459.6**	**2,586.8**	**-4.9%**	**100.0%**	**100.0%**
			REVENUES IN SPAIN		
Environmental services	559.0	569.1	-1.8%	42.0%	36.8%
Construction	519.9	690.9	-24.8%	39.1%	44.7%
Cement	128.4	136.1	-5.7%	9.7%	8.8%
Versia	121.6	130.8	-7.0%	9.1%	8.5%
Energy	22.4	26.6	-15.8%	1.7%	1.7%
Others*	(21.5)	(8.0)	168.8%	-1.6%	-0.5%
Total	**1,329.8**	**1,545.5**	**-14.0%**	**100.0%**	**100.0%**
			INTERNATIONAL REVENUES		
Environmental services	314.7	286.2	10.0%	27.9%	27.5%
Construction	698.5	639.4	9.2%	61.8%	61.4%
Cement	58.3	55.2	5.6%	5.2%	5.3%
Versia	58.0	60.5	-4.1%	5.1%	5.8%
Energy	0.5	0.0	N,S	0.0%	0.0%
Others*	(0.2)	0.0	N,S	0.0%	0.0%
Total	**1,129.8**	**1,041.3**	**8.5%**	**100.0%**	**100.0%**
			EBITDA		
Environmental services	151.7	136.1	11.5%	52.0%	44.7%
Construction	62.6	75.9	-17.5%	21.5%	24.9%
Cement	37.0	44.4	-16.7%	12.7%	14.6%
Versia	20.6	21.9	-5.9%	7.1%	7.2%
Energy	17.0	21.0	-19.0%	5.8%	6.9%
Others*	2.8	5.3	-47.2%	1.0%	1.7%
Total	**291.7**	**304.6**	**-4.2%**	**100.0%**	**100.0%**
			EBIT		
Environmental services	73.5	56.2	30.8%	61.7%	47.7%
Construction	37.8	46.4	-18.5%	31.7%	39.4%
Cement	1.3	5.2	-75.0%	1.1%	4.4%
Versia	(5.6)	(2.6)	115.4%	-4.7%	-2.2%
Energy	5.5	9.3	-40.9%	4.6%	7.9%
Others*	6.6	3.4	94.1%	5.5%	2.9%
Total	**119.1**	**117.9**	**1.0%**	**100.0%**	**100.0%**

** Others includes Torre Picasso and consolidation adjustments*

Area	Mar. 11	Dec. 10	Chg. (%)	% of 2011 total	% of 2010 total
(million euro)					
			NET DEBT		
Environmental services	4,397.0	4,352.6	1.0%	53.4%	56.2%
Construction	862.6	519.6	66.0%	10.5%	6.7%
Cement	1,294.7	1,287.5	0.6%	15.7%	16.6%
Versia	289.1	290.8	-0.6%	3.5%	3.8%
Energy	926.5	924.0	0.3%	11.3%	11.9%
Others*	460.9	374.2	23.2%	5.6%	4.8%
Total	**8,230.8**	**7,748.7**	**6.2%**	**100.0%**	**100.0%**
			BACKLOG		
Environmental services	27,214.0	25,325.0	7.5%	73.1%	71.7%
Construction	10,034.9	9,984.0	0.5%	26.9%	28.3%
Total	**37,248.9**	**35,309.0**	**5.5%**	**100.0%**	**100.0%**

* *Others includes Torre Picasso*

4. INCOME STATEMENT

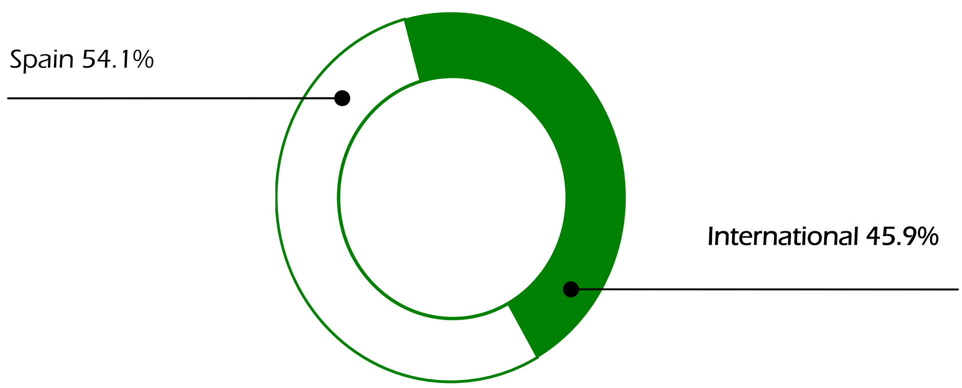
(million euro)	Mar. 11	Mar. 10	Chg. (%)
Net sales	**2,459.6**	**2,586.8**	**-4.9%**
EBITDA	**291.7**	**304.6**	**-4.2%**
EBITDA margin	***11.9%***	***11.8%***	***0.1 p.p.***
Depreciation and amortisation	(176.3)	(187.3)	-5.9%
Other operating income	3.7	0.7	428.6%
EBIT	**119.1**	**117.9**	**1.0%**
EBIT margin	***4.8%***	***4.6%***	***0.3 p.p.***
Financial income	(101.4)	(89.8)	12.9%
Equity-accounted companies	6.0	2.5	140.0%
Other financial results	15.5	16.2	4.3%
Earnings before taxes (EBT) from continuing activities	**39.2**	**46.9**	**-16.4%**
Corporate income tax expense	(6.0)	(12.6)	-52.4%
Minority interest	7.4	2.6	184.6%
Income attributable to equity holders of the parent company	**40.5**	**36.9**	**9.8%**

4.1 Revenues

Revenues amounted to 2,459.6 million euro in the period, a decline of 4.9% with respect to 1Q10. This performance reflects the combined effects of sustained growth in the Environmental Services division (+2.2%) and in the Construction and Cement divisions outside Spain (+8.9%), and the slowdown in activity in the latter two areas in Spain. Lower wind levels reduced the Energy division's revenues. The decline in revenues at Versia is attributable to the sale of some of its activities at the end of 2010. In like-for-like terms, Versia's revenues expanded by 2.6%.

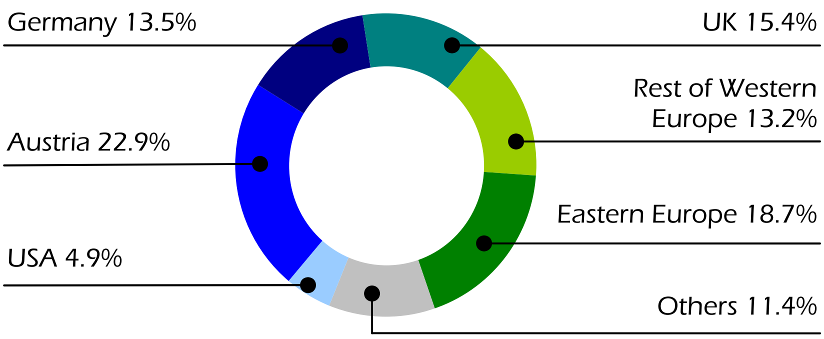
Activity outside Spain continued to grow, accounting for 45.9% of Group revenues, an increase of 8.5%; this broadly offsets the ongoing decline in the construction market of Spain.

% Revenues by Region



Foreign revenues are concentrated in Europe (other than Spain), which accounted for 83.7%, the bulk of which comes from the Construction and Environmental Services divisions. The remaining 16.3% comes from America (4.9% in the US and 6.0% in Latin America) and Asia together with Africa (5.4%).

International Revenue Breakdown

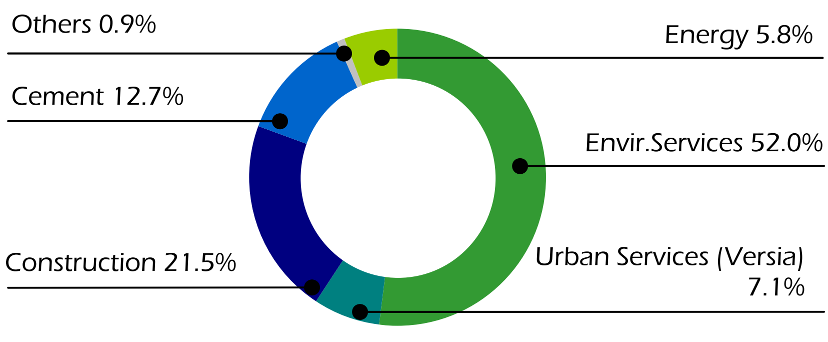


4.2 EBITDA

EBITDA amounted to 291.7 million euro in the period, i.e. a 4.2% decline compared with 1Q10, but the EBITDA margin improved by 0.1 percentage points to 11.9%.

EBITDA in the most recurring businesses, Services and Energy, expanded by 5.7% and accounts for 64.9% of the consolidated total, while the Construction and Cement divisions were affected by a decline in activity in Spain, which was partially offset by the increased contribution from other countries.

EBITDA by business area



The Others section under EBITDA, which accounts for 0.9% of the total, primarily reflects the contribution from Torre Picasso, which provided 6.4 million euro of property rental in the period and EBITDA of 5.5 million euro, both figures exactly the same as in 1Q10. This performance is the result of maintaining occupancy rate at almost 100%.

4.3 EBIT

The depreciation and amortisation charge in 1Q11 decreased by 5.9% with respect to 2010, to 176.3 million euro, due to adjusting asset usage to the volume of activity. That figure includes 21.8 million euro of depreciation taken on assets that were stepped up on consolidation in the FCC Group.

EBIT in 1Q11 amounted to 119.1 million euro, a 1.0% increase over 1Q10.

4.4 Earnings before taxes from continuing activities

EBT amounted to 39.2 million euro in the period, down 16.4% compared with the previous year, after including the following items in net operating profit:

4.4.1 Financial income

A net financial expense and other financial results amounting to 85.9 million euro, compared with 73.6 million euro in 2010.

The Other financial results item primarily reflects the effect of changes in the fair value of financial instruments and exchange rates.

4.4.2 Equity-accounted affiliates

Equity-accounted companies increased their contribution to 6 million euro, compared with 2.5 million euro in 2010. Companies in the Services area contributed 5.5 million euro. GVI (infrastructure concessions) and Realia contributed a total of -0.6 million euro in the period.

4.5 Profit attributable to equity holders of the parent company

Net attributable profit amounted to 40.5 million euro in 1Q11, i.e. 9.8% higher than in 1Q10.

4.5.1 Corporate income tax expense

The corporate income tax expense amounted to 6 million euro, and the tax rate (adjusted for the contribution from equity-accounted affiliates) was 18%. The low tax rate is the result of the application of a 6.4 million euro tax credit in the Cement division.

4.5.2 Minority interest

Income attributable to minority interests amounted to -7.4 million euro, due to the decline in the contribution from the Cement division, where minority interests are concentrated; the result was an improvement in FCC's attributable income.

5. BALANCE SHEET

(million euro)	Mar. 11	Dec. 10	Chg. (M€)
Intangible assets	4,991.1	5,063.7	(72.6)
Property, plant and equipment	6,000.4	6,092.8	(92.4)
Equity-accounted affiliates	1,237.0	1,222.9	14.1
Non-current financial assets	451.7	415.8	35.9
Deferred tax assets and other non-current assets	566.3	598.6	(32.3)
Non-current assets	**13,246.5**	**13,393.7**	**(147.2)**
Inventories	1,187.8	1,138.4	49.4
Trade and other accounts receivable	5,517.0	5,542.6	(25.6)
Other current financial assets	228.0	225.8	2.2
Cash and cash equivalents	1,343.1	1,678.7	(335.6)
Current assets	**8,275.9**	**8,585.4**	**(309.5)**
TOTAL ASSETS	**21,522.4**	**21,979.1**	**(456.7)**
Equity attributable to equity holders of parent company	2,628.2	2,562.9	65.3
Minority interest	634.2	643.4	(9.2)
Equity	**3,262.4**	**3,206.3**	**56.1**
Subsidies	115.8	104.7	11.1
Non-current provisions	1,034.6	1,047.8	(13.2)
Long-term financial debt	7,750.3	7,877.4	(127.1)
Other non-current financial liabilities	708.8	751.6	(42.8)
Deferred tax liabilities and other non-current liabilities	1,168.7	1,181.0	(12.3)
Non-current liabilities	**10,778.2**	**10,962.5**	**(184.3)**
Current provisions	136.2	143.2	(7.0)
Short-term financial debt	2,051.6	1,775.8	275.8
Other current financial liabilities	116.4	212.4	(96.0)
Trade and other accounts payable	5,177.5	5,678.8	(501.3)
Current liabilities	**7,481.8**	**7,810.3**	**(328.5)**
TOTAL LIABILITIES	**21,522.4**	**21,979.1**	**(456.7)**

5.1 Equity-accounted affiliates

The investment in equity-accounted companies (1,237 million euro) comprises mainly the following:

1) 465.9 million euro corresponding to the 50% stake in GVI.
2) 148.6 million euro corresponding to the 30% stake in Realia.
3) 108.8 million euro corresponding to concession companies not contributed to GVI.
4) 45.2 million euro corresponding to the 50% stake in the Proactiva group (Environmental Services).
5) 468.5 million euro corresponding to all other equity-accounted and affiliated companies.

The carrying value of FCC's holdings in infrastructure concessions amounted to 618.4 million euro at the end of March 2011. That figure includes the value attributable to FCC for its 50% stake in GVI (465.9 million euro) and the value of its holdings in other concession companies, both equity-accounted (108.8 million euro) and fully consolidated (43.7 million euro).

The carrying value of stakes in transport infrastructure concessions is gradually being adjusted to the earnings they generate. As they are in an early stage of activity (construction and ramp-up), their contribution is negative, which temporarily decreases the value of the investment but which will reverse during the course of their long average lifetime (more than 23 years).

5.2 Equity

Equity attributable to the parent company amounted to 2,628.2 million euro, an increase of 65.3 million euro with respect to 2010 year-end. This increase is due primarily to the allocation of consolidated income for the period (40.5 million euro) together with the combined effect of exchange rate fluctuations and changes in the fair value of interest rate hedges.

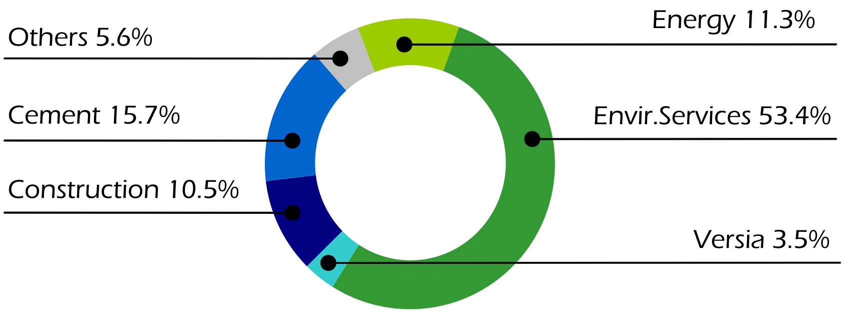
5.3 Net interest-bearing debt

(million euro)	Mar. 11	Dec. 10	Change (M€)
Bank debt	8,727.7	8,524.8	202.9
With recourse	*6,328.8*	*6,083.7*	*245.1*
Without recourse	*2,398.9*	*2,441.1*	*(42.2)*
Debt instruments and other loans	690.2	680.6	9.6
Accounts payable due to financial leases	140.9	154.1	(13.2)
Derivatives and other financial liabilities	243.0	293.6	(50.6)
Gross interest-bearing debt	**9,801.9**	**9,653.1**	**148.8**
Cash and other financial assets	(1,571.1)	(1,904.4)	333.3
With recourse	*(1,352.4)*	*(1,689.9)*	*337.5*
Without recourse	*(218.7)*	*(214.5)*	*(4.2)*
Net interest-bearing debt	**8,230.8**	**7,748.7**	**482.1**
With recourse	*5,530.8*	*4,988.2*	*542.6*
Without recourse	*2,700.0*	*2,760.5*	*(60.5)*

At 31 March 2011, net interest-bearing debt amounted to 8,230.8 million euro, i.e. just 6.2% higher than at the end of December 2010. This increase is entirely due to the temporary expansion of working capital in the quarter, by 524.1 million euro. Working capital experiences seasonal fluctuations, particularly in the Construction division, rising in the first half of the year and then declining, in line with previous years.

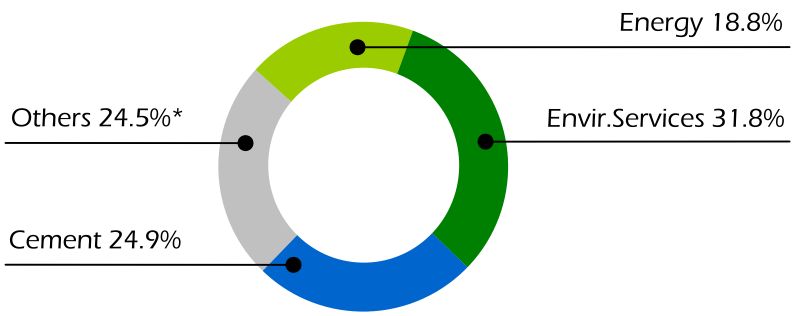
The breakdown of debt by business area reflects their nature, cash flow, and asset volume. Services and Energy together account for 68.2% of net debt, connected to stable, regulated long-term public utility contracts. Cement, a business which accounts for a large proportion of fixed assets on the balance sheet and is strongly cash-generative, accounts for 15.7% of total net debt. Construction accounts for 10.5%, and the Corporate area for 5.6%.

Net debt by Area



Moreover, 2.700 billion euro of net debt is without recourse, i.e. 32.8% of the total, with the following breakdown by activity:

Net debt without recourse, by area



** Others includes convertible bonds of FCC, S.A.*

5.4 Other current and non-current financial liabilities

The balance of other current and non-current financial liabilities amounted to 825.2 million euro and includes other financial liabilities not classified as interest-bearing debt, such as those linked to suppliers of property, plant and equipment (operation permits for urban furniture at Versia), short-term deposits and guarantees received and stock options.

6. CASH FLOW

(million euro)	Mar. 11	Mar. 10	Chg. (%)
Funds from operations	292.8	310.5	-5.7%
(Increase)/decrease in working capital	(524.1)	(669.0)	-21.7%
Other items (taxes, dividends, etc.)	(10.3)	(11.8)	-12.7%
Operating cash flow	**(241.6)**	**(370.3)**	**-34.8%**
Investing cash flow	(124.1)	(104.7)	18.5%
Cash flow from business operations	(365.7)	(475.0)	-23.0%
Financing cash flow	(181.1)	(207.7)	-12.8%
Other cash flow (exchange differences, change in consolidation scope, etc.)	64.8	(47.0)	-37.9%
(Increase) / decrease in net interest-bearing debt	**(482.0)**	**(729.7)**	**-33.9%**

6.1 Operating cash flow

Operating cash flow totalled 241.6 million euro in 1Q11, with a 34.8% improvement respect of 1Q10 due mainly to the fact that working capital expansion was 144.9 million euro lower than same period last year.

Working capital experiences notable seasonal fluctuations, and the changes in each business area in the period are detailed below:

(million euro)	Mar. 11
Construction	(381.4)
Environmental services	(89.1)
Versia	(0.5)
Cement	(41.6)
Energy and adjustments	(11.5)
Total (Increase)/ decrease in working capital	**(524.1)**

Working capital typically expands in the first half of the year, especially in the Construction division, and then shrinks considerably in the second half. This is attributable to the seasonality of customer receivables and to the decline in supplier accounts payable, which are both expected to normalise notably as activity increases in this division throughout 2011.

6.2 Investing cash flow

Net capital expenditure increased by 18.5% to 124.1 million euro, almost all of which is attributable to maintenance. Growth capex includes 19.7 million euro in the Energy division, primarily for the construction of one of the two solar thermal energy plants in the area's pipeline.

6.3 Financing cash flow

Financing cash flow in the quarter totalled 181.1 million euro, 12.8% lower than in 1Q10. In addition to debt servicing, this item includes 86.1 million euro in dividend payments charged to 2010 by the Group's consolidated companies, and 2.1 million euro for the net variation of equity instruments.

6.1 Other cash flow

This item, amounting to 64.8 million euro in the quarter, mainly reflects adjustments for the currency effect on foreign currency debt and changes in the value of financial instruments (derivatives).

The combination of lower working capital and financing needs reduced borrowing requirements in the period to 482 million euro, i.e. 33.9% lower than in 1Q10.

7. BUSINESS PERFORMANCE

7.1 Environmental Services

7.1.1 Earnings

(million euro)	Mar. 11	Mar. 10	Chg. (%)
Revenues	873.8	855.3	2.2%
Spain	*559.0*	*569.1*	*-1.8%*
International	*314.7*	*286.2*	*10.0%*
EBITDA	151.7	136.1	11.5%
EBITDA margin	17.4%	15.9%	*1.4 p.p.*
EBIT	73.5	56.2	30.8%
EBIT margin	8.4%	6.6%	*1.8 p.p.*

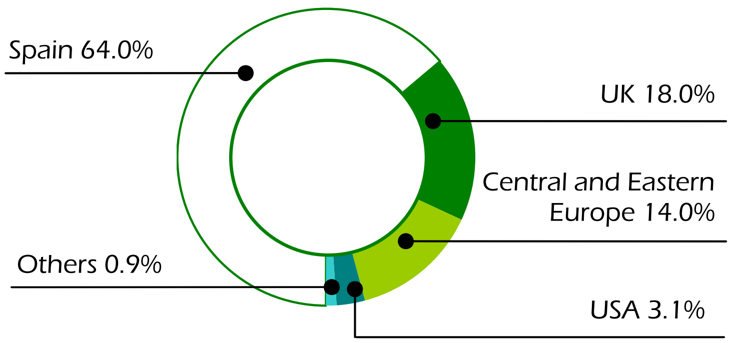
The Environmental Services division registered positive growth in the first quarter of 2011, with revenues expanding by 2.2% to 873.8 million euro, due to 10.0% growth in international markets, although revenues in Spain fell slightly by 1.8%.

Revenues in the International Environment area rose by 9.5% due to the increase in business in the UK and Central Europe. Revenues in the Industrial Waste division increased 22.7%, attributable to rising commodities prices and new contracts contribution. The International Water division's revenues fell by 8.5% due to the completion of construction of two desalination plants in Algeria at the beginning of 2011 and to the early stage of new contracts (Portugal and Mexico).

(million euro)	Mar. 11	Mar. 10	Chg. (%)
Revenues - Spain	559.0	569.0	-1.8%
Environment	*367.2*	*379.4*	*-3.2%*
Water	*152.9*	*153.2*	*-0.2%*
Industrial Waste	*38.9*	*36.4*	*6.9%*
Revenues - International	314.7	286.2	10.0%
Environment	*245.3*	*224.1*	9.5%
Water	*36.7*	*40.1*	*-8.5%*
Industrial Waste	*32.7*	*22.0*	*48.6%*

The most important international markets are the UK (accounting for 18.0% of revenues) for municipal solid waste treatment and elimination; Central and Eastern Europe (14.0%), primarily the Czech Republic and Austria, for municipal solid waste and end-to-end water management; and the US (3.1%), for industrial waste management.

Revenue breakdown by region



EBITDA in the quarter increased by 11.5% with respect to 2010, to 151.7 million euro, and the EBITDA margin was 17.4%, compared with 15.9% in the same period last year. This significant improvement in the EBITDA margin is essentially due to the commitment by all divisions to improving efficiency and cutting costs, the operating improvement in the international waste treatment businesses, and the non-recurring impact of several items (release of provisions and sale of materials) for a total of 8 million euro.

The division's backlog performed well, expanding 7.5% with respect to 31 December 2010. In Spain, the division renewed its contract to manage municipal solid waste in Tarragona until 2023, and at international level, it renewed the contracts for water treatment and supply in Fundao (Portugal) and operation and operation and maintenance of a desalination plant built in Algeria.

Backlog breakdown by geography

(million euro)	Mar. 11	Dec. 10	Chg. (%)
Spain	17,925.7	17,324.7	3.5%
International	9,288.4	8,000.3	16.1%
Total	**27,214.1**	**25,325.0**	**7.5%**

7.1.2 Proactiva

Proactiva, the leading municipal waste and end-to-end water management group in Latin America, operates in the main countries in that region (Brazil, Argentina, Chile, Mexico, Colombia, etc.). The group is owned 50% by FCC and is equity-accounted, in line with FCC accounting policy.

Proactiva revenues amounted to 108.2 million euro in the first quarter of 2011, up 16.3% year-on-year. EBITDA amounted to 19.7 million euro (+14.5% year-on-year), and the EBITDA margin was 18.2%. Net interest-bearing debt amounted to 85.8 million euro at 31 March 2011.

Citizen Services

7.1.3 Cash flow

(million euro)	Mar. 11	Mar. 10	Chg. (%)
Funds from operations	151.1	153.1	-1.3%
(Increase) / decrease in working capital	(89.1)	(119.2)	-25.3%
Other items (taxes, dividends, etc.)	(16.9)	(15.8)	7.0%
Operating cash flow	45.1	18.1	149.2%
Investing cash flow	(65.5)	(34.6)	89.3%
Cash flow from business operations	(20.4)	(16.5)	23.6%
Financing cash flow	(44.6)	(27.1)	64.6%
Other cash flow (exchange differences, change in consolidation scope, etc.)	20.7	(30.5)	167.9%
(Increase) / decrease in net interest-bearing debt	(44.3)	(74.1)	-40.2%

(million euro)	Mar. 11	Dec. 10	Change (M€)
Net interest-bearing debt	4,397.0	4,352.6	44.4
With recourse	*3,540.0*	*3,464.4*	*75.6*
Without recourse	*857.0*	*888.2*	*(31.2)*

Funds from operations remained on par with the first quarter of 2010. Working capital cash out declined by 25.3%, providing a notable recovery in operating cash flow to 45.1 million euro, compared with 18.1 million euro in the first quarter of 2010.

Net investments in the period, amounting to 65.5 million euro, were almost entirely for maintenance capex devoted for operating contracts.

After applying financing cash flow and the currency effect, net debt increased by just 1% with respect to 31 December 2010, to 4,397 million euro.

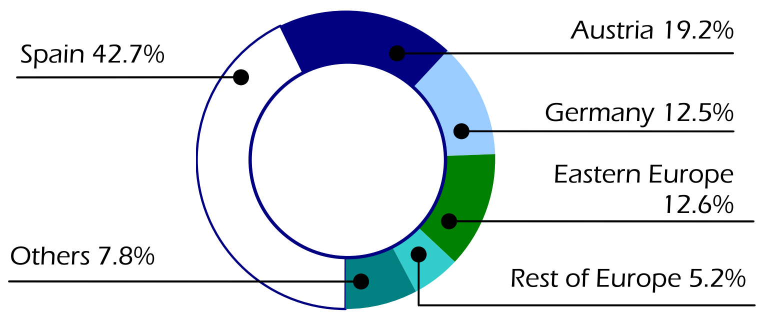
7.2 Construction

7.2.1 Earnings

(million euro)	Mar. 11	Mar. 10	Chg. (%)
Revenues	1,218.4	1,330.3	-8.4%
Spain	*519.9*	*690.9*	*-24.8%*
International	*698.5*	*639.4*	*9.2%*
EBITDA	62.6	75.9	-17.5%
EBITDA margin	5.1%	5.7%	*-0.6 p.p.*
EBIT	37.8	46.4	-18.5%
EBIT margin	3.1%	3.5%	*-0.4 p.p.*

Revenues in the Construction area amounted to 1,218.4 million euro in the first quarter of 2011, down 8.4% year-on-year. Revenues from outside Spain accounted for 57.3% of the total, an increase of 9.2%, partially offsetting the 24.8% adjustment in revenues from Spain. Activity in Spain is in line with the production target for the period and is adjusted to customers' financial conditions.

Revenue breakdown by region



International revenues, which reached a new record, were generated primarily via Alpine, which has a strong presence in Austria, Germany, Poland, Romania and Bulgaria. Revenues in Austria, Germany and Switzerland expanded by 7.9% while Poland and the UK were the top performers elsewhere in Europe. FCC also increased its activity outside the European Union, notably in Panama, where it has been recently awarded a set of new contracts.

This year FCC has included a new business area, industrial services and installations, which reflects the actions performed by Alpine Energie (100% subsidiary of Alpine) in various countries of the EU, and other subsidiaries in Spain in the area of network construction and maintenance (energy, electricity, telecommunications and railways), as well as construction and maintenance of industrial facilities and electromechanical installations.

Civil engineering projects, for which the majority of clients are from the public sector, account for 56.7% of revenues. Non-residential building contributed 24.5% and industrial services 13.7% of total revenues in the quarter.

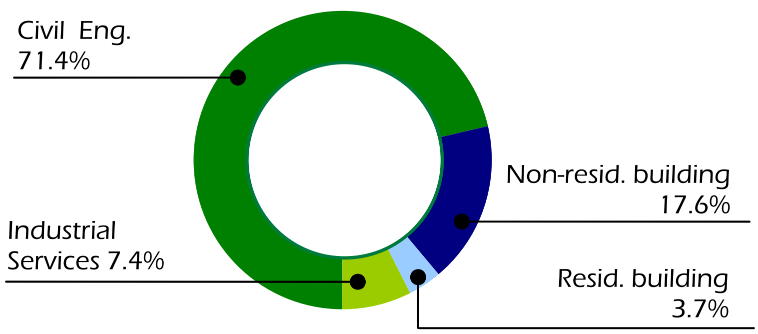
Revenue breakdown by type of activity			
(million euro)	Mar. 11	Mar. 10	Chg. (%)
Civil engineering	690.6	819.7	-15.7%
Non-residential building	298.6	295.5	1.0%
Industrial Services	166.9	153.4	8.8%
Residential building	62.4	61.7	1.1%
Total	**1,218.5**	**1,330.3**	**-8.4%**

The considerable exposure to large civil engineering projects coupled with optimisation of procurement costs and the increase in international margins enabled the division to attain EBITDA of 62.6 million euro and an EBITDA margin of 5.1%, despite the decline in activity in Spain.

The backlog remained stable (+0.5%) compared with 31 December 2010, due to the 7.5% increase in the international backlog from significant new contracts in Panama. Due to the Group's conservative policy, the backlog for 1Q11 does not reflect the recent important contracts in Canada, Romania, Algeria or the very last ones in Panama.

Backlog breakdown by region			
(million euro)	Mar. 11	Dec. 10	Chg. (%)
Spain	5,225.7	5,512.0	-5.2%
International	4,809.2	4,472.0	7.5%
Total	**10,034.9**	**9,984.0**	**0.5%**

Backlog breakdown by type of activity			
(million euro)	Mar. 11	Dec. 10	Chg. (%)
Civil engineering	7,167.2	7,149.9	0.2%
Non-residential building	1,761.2	1,727.3	2.0%
Industrial Services	738.7	668.1	10.6%
Residential building	367.8	438.7	-16.2%
Total	**10,034.9**	**9,984.0**	**0.5%**



Civil engineering maintained its importance in the backlog, accounting for 71.4% of the total. By project type, industrial services and facilities expanded (+10.6%), compared with the reduction in residential construction, which declined by 16.2% with respect to December 2010 to account for just 3.7% of the total backlog at the end of the first quarter of 2011.

7.2.2 Cash flow

(million euro)	Mar. 11	Mar. 10	Chg. (%)
Funds from operations	72.1	72.2	-0.1%
(Increase) / decrease in working capital	(381.4)	(543.3)	-29.8%
Other items (taxes, dividends, etc.)	(3.7)	1.6	-331.3%
Operating cash flow	(313.0)	(469.5)	-33.3%
Investing cash flow	(22.1)	(47.7)	-53.7%
Cash flow from business operations	(335.1)	(517.2)	-35.2%
Financing cash flow	(21.4)	(8.7)	146.0%
Other cash flow (exchange differences, change in consolidation scope, etc.)	13.5	(17.4)	177.6%
(Increase) / decrease in net interest-bearing debt	(343.0)	(543.3)	-36.9%

(million euro)	Mar. 11	Dec. 10	Change (M€)
Net interest-bearing debt	862.6	519.6	343.0
With recourse	*860.2*	*513.6*	*346.6*
Without recourse	*2.4*	*6.0*	*(3.6)*

Operating cash flow, which totalled 72.1 million euro, is on par with 1Q10. Working capital expanded by 381.4 million euro in the quarter, 30% less year-on-year, due to the combined effect of the decline in activity in Spain and growth in the international business. Working capital in this area experiences seasonal fluctuations and is expected to decline in the second half of the year.

The Construction area increased its net debt by 343 million euro to 862.6 million euro at 31 March 2011, compared with an increase of 543.2 million euro in 1Q10, due to the above-mentioned seasonal expansion of working capital.

7.3 Cement

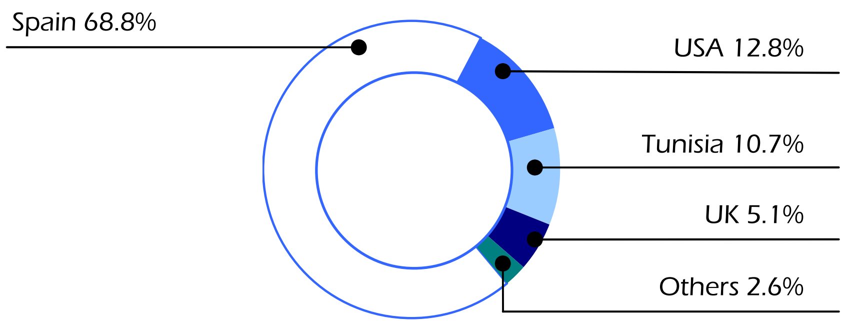
7.3.1 Earnings

(million euro)	Mar. 11	Mar. 10	Chg. (%)
Revenues	186.6	191.3	-2.5%
Spain	*128.4*	*136.1*	*-5.7%*
International	*58.3*	*55.2*	*5.6%*
EBITDA	37.0	44.4	-16.7%
EBITDA margin	*19.8%*	*23.2%*	*-3.4 p.p.*
EBIT	1.3	5.2	-75.0%
EBIT margin	*0.7%*	*2.7%*	*-2.0 p.p.*

Revenues from the Cement area totalled 186.6 million euro in the first quarter of 2011, a decline of 2.5%. International revenues grew by 5.6%, partially offsetting the slowdown in the Spanish market.

Foreign revenues accounted for 31.2% of the total. Revenues in the US expanded by 7.8% and in Tunisia just slightly, by 1.9%, despite the socio-political tensions in the quarter. Exports, mainly to the UK, rose 6.6%.

Revenue breakdown by region



EBITDA amounted to 37 million euro, and the EBITDA margin was 19.8%, reflecting primarily the impact of lower revenues in Spain due to a greater volume sold but at lower prices than in 1Q10. During 2011, the revisions of sales prices in the period together with the dilution of fixed costs (due to greater seasonality) are expected to drive a recovery in profit margins.

EBIT in the quarter reflects the 4.7 million euro outflow for restructuring costs to align production capacity in Spain with current demand.

7.3.2 Cash flow

(million euro)	Mar. 11	Mar. 10	Chg. (%)
Funds from operations	**31.1**	**46.2**	**-32.7%**
(Increase) / decrease in working capital	(41.6)	(13.8)	201.4%
Other items (taxes, dividends, etc.)	5.3	(2.9)	282.8%
Operating cash flow	**(5.2)**	**29.5**	**-117.6%**
Investing cash flow	(4.2)	(5.5)	-23.6%
Cash flow from business operations	**(9.4)**	**24.0**	**-139.2%**
Financing cash flow	(31.3)	(45.3)	-30.9%
Other cash flow (exchange differences, change in consolidation scope, etc.)	33.5	2.9	N.A.
(Increase) / decrease in net interest-bearing debt	**(7.2)**	**(18.4)**	**-60.9%**

(million euro)	Mar. 11	Dec. 10	Change (M€)
Net interest-bearing debt	**1,294.7**	**1,287.5**	**7.2**
With recourse	*621.5*	*606.5*	*15.0*
Without recourse	*673.2*	*681.0*	*-7.8*

Operating cash flow declined by 34.7 million euro to -5.2 million euro, due primarily to the increase in working capital in the period. This performance also reflects the decline in activity in the quarter due to the adverse winter weather conditions.

The temporary reduction in operating cash flow was offset by capex containment, the smaller financing cash flow and the currency effect, leading to debt of 1,294.7 million euro, on par with the end of 2010.

Citizen Services

7.4 Versia

7.4.1 Earnings

(million euro)	Mar. 11	Mar. 10	Chg. (%)
Revenues	179.6	191.3	-6.1%
Spain	*121.6*	*130.8*	*-7.1%*
International	*58.0*	*60.5*	*-4.1%*
EBITDA	20.6	21.9	-5.7%
EBITDA margin	*11.5%*	*11.4%*	*0.1 p.p.*
EBIT	(5.6)	(2.6)	119.3%
EBIT margin	*-3.1%*	*-1.3%*	*-1.8 p.p.*

Revenues from urban services (Versia) declined by 6.1% to 179.6 million euro due to the divestment of the vehicle inspection business and 19 underground car parks at the end of 2010. Excluding that effect, revenues would have increased by 2.6% with respect to the first quarter of 2010.

The division reported sustained growth in the urban furniture business, a recovery in airport handling and the gradual stabilisation of logistics activities.

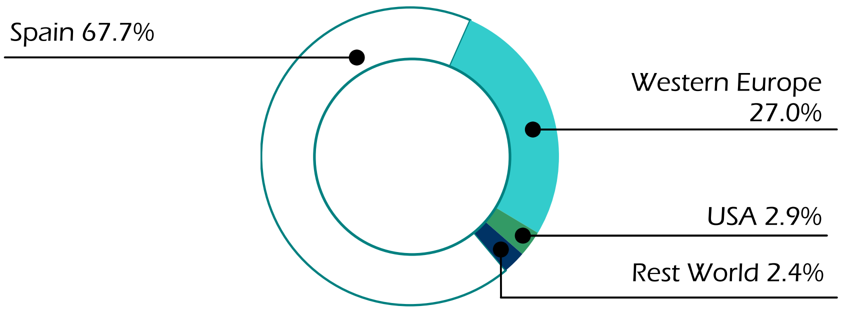
Breakdown of revenues by business

(million euro)	Mar. 11	Mar. 10	Chg. (%)
Logistics	68.3	69.2	-1.4%
Handling	53.4	51.0	4.6%
Urban Furniture	27.2	26.1	4.2%
Car Parks*	16.2	18.5	-12.4%
Vehicle testing	-	14.5	N.A.
Other	14.5	12.0	21.3%
Total	**179.6**	**191.3**	**-6.1%**

**Partially divested in 2010,*
Others include SVAT and Maintenance-Systems

International revenues account for 32.3% of the total. The international component is particularly important in Handling (70% of revenues) and Urban Furniture (50%).

Revenue breakdown by region



EBITDA totalled 20.6 million euro, down 5.7%, in line with the decline in revenues. The EBITDA margin was 11.5%, slightly higher than in the first quarter of 2010, despite the divestment of assets with margins that are higher than the area's average. This is primarily attributable to the significant recovery in Urban Furniture profitability.
Adjusting for the above-mentioned divestments, EBITDA expanded 36.1% in like-for-like terms with respect to the same quarter last year.

7.4.2 Cash flow

(million euro)	Mar. 11	Mar. 10	Chg. (%)
Funds from operations	17.8	16.0	11.3%
(Increase) / decrease in working capital	(0.5)	12.2	-104.1%
Other items (taxes, dividends, etc.)	(1.3)	0.1	N.A.
Operating cash flow	16.0	28.3	-43.5%
Investing cash flow	(28.6)	(5.8)	393.1%
Cash flow from business operations	(12.6)	22.5	-156.0%
Financing cash flow	(8.2)	(3.5)	134.3%
Other cash flow (exchange differences, change in consolidation scope, etc.)	22.5	(18.8)	219.7%
(Increase) / decrease in net interest-bearing debt	1.7	0.2	750.0%

(million euro)	Mar. 11	Dec. 10	Change (M€)
Net interest-bearing debt	289.1	290.8	-1.7
With recourse	*289.1*	*290.8*	*-1.7*
Without recourse	*0.0*	*0.0*	*0.0*

Funds from operations increased 11.3% to 17.8 million euro, which, together with capital expenditure, led to financing needs of 12.6 million euro. This, together with changes in other cash flows, provided for 289.1 million euro of net debt in Versia, down 0.6% with respect to 31 December 2010.

7.5 Energy

7.5.1 Earnings

(million euro)	Mar. 11	Mar. 10	Chg. (%)
Revenues	22.9	26.6	-13.9%
Spain	*22.4*	*26.6*	-15.8%
International	*0.5*	*0.0*	N.S.
EBITDA	17.0	21.0	-19.0%
EBITDA margin	*74.2%*	*78.9%*	*-4.7 p.p.*
EBIT	5.5	9.3	-40.9%
EBIT margin	*24.0%*	*35.0%*	*-10.9 p.p.*

Energy division revenues declined by 13.9% to 22.9 million euro due to a lower load factor at wind farms compared with the extraordinary windy season during first quarter of 2010.

Wind accounted for 86.1% of revenues, with a load factor of 26.8% (33.7% in 1Q10). The remaining 13.9% came from solar photovoltaic, where the average load factor was 14.8%, compared with 11.9% in 1Q10.

The decline in the margin to 74.2% was the result of the reduction in wind activity and of wind survey and bidding costs.

7.5.2 Cash flow

(million euro)	Mar. 11	Mar. 10	Chg. (%)
Funds from operations	**17.2**	**21.0**	**-18.1%**
(Increase) / decrease in working capital	(2.9)	0.1	N.S.
Other items (taxes, dividends, etc.)	(1.0)	1.9	-152.6%
Operating cash flow	**13.3**	**23.0**	**-42.2%**
Investing cash flow	(20.2)	(11.2)	80.4%
Cash flow from business operations	**(6.9)**	**11.8**	**-158.5%**
Financing cash flow	1.1	(4.6)	123.9%
Other cash flow (change in consolidation scope, etc.)	3.4	(6.3)	154.0%
(Increase) / decrease in net interest-bearing debt	**(2.4)**	**0.9**	**-366.7%**

(million euro)	Mar. 11	Dec. 10	Change (M€)
Net interest-bearing debt	**926.5**	**924.0**	**2.5**
With recourse	*417.7*	*396.5*	*21.2*
Without recourse	*508.8*	*527.5*	*-18.7*

Funds from operations performed in line with the change in EBITDA due to lower wind production, while capex increased by 11 million euro to 20.2 million euro in connection with the construction of one of the two solar thermal energy plants in the area's project pipeline.

The financing cash flow together with debt servicing reflects the sale of a 30% stake in one of the solar thermal energy projects to a new industrial partner.

The area's net debt was in line with 2010 year-end, totalling 926.5 million euro.

8. SHARE DATA

8.1 Share performance

	Jan. - Mar. 2011	Jan. - Mar. 2010
Closing price (euro)	23.36	27.11
Appreciation	*18.8%*	*(8.0%)*
*Yield**	*22.5%*	*(5.5%)*
High (euro)	23.95	31.98
Low (euro)	17.53	24.27
Average daily trading (shares)	687,111	644,221
Average daily trading (million euro)	14.8	17.5
M. cap. at end of period (million euro)	2,974	3,451
No. of shares outstanding	127,303,296	127,303,296
Basic EPS	0,35	0,32

*Includes dividend payment.

8.2 Dividends

At a meeting on 16 December 2010, the Board of Directors declared an interim dividend of 0.715 euro gross per share charged to 2010 income; it was paid on 4 January 2011.
At a meeting on 7 April, the Board of Directors resolved to propose to the General Meeting of Shareholders to pay a supplementary dividend amounting to 0.715 euro per share, charged to 2010 income, identical to the one paid in 2010. If the Meeting on 1 June approves that proposal, the dividend will be paid on 6 July 2011.

8.3 Own shares

At 31 March 2011, the FCC Group held a total of 12,727,185 own shares directly and indirectly (9.99% of the company's capital). These figures are almost identical to those at 31 December 2010 (9.909%).

Almost all of the own shares are held to cover the risk of shareholder dilution arising from a 450 million euro convertible bond issue performed in October 2009.
On 30 November 2009, the Extraordinary Shareholders' Meeting approved a programme to buy back shares of the Company for the sole purposes of:

- Meeting obligations to deliver own shares as a result of the convertible bond issue.
- Reducing capital by amortising shares acquired under the programme or already held in treasury stock.

In view of the number of own shares held at the end of March 2011 and the number of shares needed to cover the potential conversion of bonds (i.e. 9.11% of capital stock), the risk of shareholder dilution as a result of the convertible bond issue is entirely eliminated.

9. DISCLAIMER

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