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Infrastructure

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FCC

Services for Citizens

1Q10
EARNINGS REPORT

Castilla-La Mancha wastewater treatment plant

1. Highlights

FCC lands toll road construction and management contracts worth over 1.99 billion euro in consortium

FCC, in a 50:50 joint venture with Alpine, obtained the contract for a section of the D1 motorway in Slovakia. The 1.990 billion euro contract covers construction of the road (including 10.6 km of tunnels and 7.6 km of bridges) and subsequent management. The road is part of the Trans-European Transport Network (TEN-T) and is the country's primary transverse highway, connecting it with Austria and Eastern Europe. Financing is expected to be completed in the coming months.

Aqualia obtains new contracts providing a backlog worth over 304 million euro

Aqualia, FCC Group's subsidiary specialised in end-to-end water management, obtained a number of contracts in 1Q10 totalling over 304 million euro. The company obtained a 35-year contract for end-to-end water management in Cartaxo (Portugal) worth 277 million euro. It was also awarded four new contracts and renewed two existing ones in Albacete, Toledo and Cuenca provinces, representing more than 27 million euro in revenues. In February, the company closed financing for its first public-private partnership in Egypt for the design, construction and management (during 20 years) of a wastewater treatment plant in Cairo, representing 360 million euro in revenues.

FCC Construction increases civil engineering projects in Spain and abroad

Alpine, FCC's main construction company in Central Europe, obtained a contract in February to build a city railway tunnel in Karlsruhe (Germany) for 310 million euro. Alpine will be in charge of the design and special underground engineering works, in addition to the construction of roads and tunnels. It will also be responsible for the construction of the tunnel stations and ramps. Outside Spain, FCC Construction was awarded a contract by the Panama Canal Authority to build the new access channel from the Pacific to the Panama Canal, worth 187 million euro.
The group obtained a number of civil engineering projects in Spain, including the Bergara-Antzuola section of the new railway network in Guipuzkoa (Basque Country), valued at more than 106 million euro, and construction of railway station accesses in Sagrera, Barcelona (Catalonia), valued at 223 million euro.

FCC increases its foothold in the UK wastewater treatment and power generation markets

FCC, through its UK subsidiary Waste Recycling Group (WRG), was awarded a 7-year contract to manage municipal solid waste (MSW) collection in Thurrock and subsequent treatment in Energy from Waste (EfW) plants. Close to 35,000 tonnes per year of residual waste collected will be bulked up at the Thurrock transfer station and sent to either the Allington EfW facility in Kent or to landfill for disposal.

WRG is also planning on developing up to 80MW of onshore wind power at its more than 100 waste treatment sites in the UK. FCC already has renewable energy capacity in the UK, Austria and Spain. WRG expects to present its first projects for official approval this year.

2. Executive summary

- NET ATTRIBUTABLE PROFIT increased **20.8%** to **40 million euro**
- The BACKLOG **increased by 7.2% to 37,036 million euro** with a 18.6% increase in International Backlog
- **REVENUES FROM OUTSIDE SPAIN** accounted for 40% of the total, slightly more than in 1Q09
- **EBITDA** reaches 297.9 million euro, with a **margin improvement of 0.5 percentage points to 11.5%**
- **EBITDA** in Services and Energy areas increase 14.4% and represent 57.9% of total

The 20.8% net attributable profit increase is primarily due to two main factors. Revenues and profitability increased in the areas of environmental services, urban services and renewable energies, which are recurring and face an increase in demand. The weather, which was particularly adverse in the period, dragged down both Infrastructure and Cement, whose activity levels and working capital are expected to recover in 2010.

New contracts also performed well, reflecting the company's competitive position and increasing the backlog at the end of 1Q10 by 7.2% with respect to 4Q09.

KEY FIGURES

(Million euro)	Mar.10	Mar.09	CHG. (%)
Net sales	2,586.8	2,787.8	-7.2%
EBITDA	297.9	307.5	-3.1%
EBITDA margin	*11.5%*	*11.0%*	*0.5 p.p.*
EBIT	116.7	136.4	-14.4%
EBIT margin	*4.5%*	*4.9%*	*-0.4 p.p.*
Earnings before taxes (EBT) from continuing activities	49.9	55.7	-10.4%
Income attributable to equity holders of parent company	40.0	33.1	20.8%
Operating cash flow	(370.7)	125.5	-395.4%
Investment cash flow	(106.6)	(416.4)	-74.4%

(Million euro)	Mar.10	DEC. 09	CHG. (%)
Equity (excl. minority interests)	2,451.9	2,483.8	-1.3%
Net interest-bearing debt	(8,384.9)	(7,655.2)	9.5%
Backlog	37,036.1	34,547.5	7.2%

3. SUMMARY BY BUSINESS AREA

Area	Mar.10	Mar.09	CHG. (%)	% of 2010 total	% of 2009 total
REVENUES					
Environmental services	855.3	823.6	3.8%	33.1%	29.5%
Construction	1,330.3	1,508.4	-11.8%	51.4%	54.1%
Cement	191.3	247.8	-22.8%	7.4%	8.9%
Versia	191.3	189.3	1.1%	7.4%	6.8%
Energy	26.6	25.1	6.0%	1.0%	0.9%
Torre Picasso	6.4	6.6	-3.0%	0.2%	0.2%
Other	(14.4)	(13.0)	10.8%	-0.6%	-0.5%
Total	**2,586.8**	**2,787.8**	**-7.2%**	**100.0%**	**100.0%**
REVENUES IN SPAIN					
Environmental services	569.1	545.3	4.4%	36.8%	32.5%
Construction	690.9	799.4	-13.6%	44.7%	47.7%
Cement	136.1	181.9	-25.2%	8.8%	10.8%
Versia	130.8	131.1	-0.2%	8.5%	7.8%
Energy	26.6	25.1	6.0%	1.7%	1.5%
Torre Picasso	6.4	6.6	-3.0%	0.4%	0.4%
Other	(14.4)	(12.9)	11.6%	-0.9%	-0.8%
Total	**1,545.5**	**1,676.5**	**-7.8%**	**100.0%**	**100.0%**
INTERNATIONAL REVENUES					
Environmental services	286.2	278.2	2.9%	27.5%	25.0%
Construction	639.4	708.9	-9.8%	61.4%	63.8%
Cement	55.2	65.9	-16.2%	5.3%	5.9%
Versia	60.5	58.2	4.0%	5.8%	5.2%
Other	0.0	0.1	N.S.	N.S.	N.S.
Total	**1,041.3**	**1,111.3**	**-6.3%**	**100.0%**	**100.0%**
EBITDA					
Environmental services	135.8	124.2	9.3%	45.6%	40.4%
Construction	75.8	88.2	-14.1%	25.4%	28.7%
Cement	44.4	71.5	-37.9%	14.9%	23.3%
Versia	15.6	9.3	67.7%	5.2%	3.0%
Energy	21.0	17.2	22.1%	7.0%	5.6%
Torre Picasso	5.5	5.6	-1.8%	1.8%	1.8%
Other	(0.2)	(8.5)	-97.6%	-0.1%	-2.8%
Total	**297.9**	**307.5**	**-3.1%**	**100.0%**	**100.0%**

Area	Mar. 10	Mar. 09	Chg. (%)	% of 2010 total	% of 2009 total
EBIT					
Environmental services	57.2	49.6	15.3%	49.0%	36.4%
Construction	46.3	64.4	-28.1%	39.7%	47.2%
Cement	5.2	32.6	-84.0%	4.5%	23.9%
Versia	(4.6)	(10.8)	-57.4%	-3.9%	-7.9%
Energy	9.3	7.5	24.0%	8.0%	5.5%
Torre Picasso	4.5	4.7	-4.3%	3.9%	3.4%
Other	(1.2)	(11.6)	-89.7%	-1.0%	-8.5%
Total	116.7	136.4	-14.4%	100.0%	100.0%
OPERATING CASH FLOW					
Environmental services	17.8	85.0	-79.1%	-4.8%	67.7%
Construction	(469.6)	(187.6)	150.3%	126.7%	-149.5%
Cement	29.5	82.6	-64.3%	-8.0%	65.8%
Versia	28.3	4.8	N.S.	-7.6%	3.8%
Energy	23.0	12.1	90.1%	-6.2%	9.6%
Other	0.3	128.6	-99.8%	-0.1%	102.5%
Total	(370.7)	125.5	N.S.	100.0%	100.0%

Area	Mar. 10	Dec. 09	Chg. (%)	% of 2010 total	% of 2009 total
NET DEBT					
Environmental services	4,266.5	4,192.4	1.8%	50.9%	54.8%
Construction	956.9	413.7	131.3%	11.4%	5.4%
Cement	1,437.7	1,419.3	1.3%	17.1%	18.5%
Versia	459.2	459.4	0.0%	5.5%	6.0%
Energy	904.5	905.4	-0.1%	10.8%	11.8%
Others*	360.1	265.0	35.9%	4.3%	3.5%
Total	8,384.9	7,655.2	9.5%	100.0%	100.0%
BACKLOG					
Environmental services	25,945.4	23,691.2	9.5%	70.1%	68.6%
Construction	11,090.7	10,856.3	2.2%	29.9%	31.4%
Total	37,036.1	34,547.5	7.2%	100.0%	100.0%

* THE FIGURE INCLUDES, AMONG OTHERS, FINANCING FOR ASSETS IN THE INFRASTRUCTURE CONCESSIONS.

4. INCOME STATEMENT

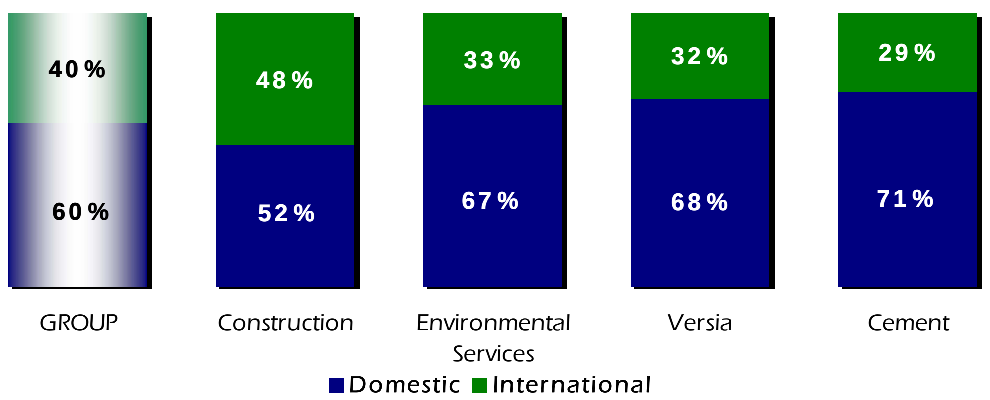
(Million euro)	Mar.10	Mar.09	CHG. (%)
Net sales	2,586.8	2,787.8	-7.2%
EBITDA	297.9	307.5	-3.1%
EBITDA margin	*11.5%*	*11.0%*	*0.5 p.p.*
Depreciation and amortisation	(183.1)	(173.2)	5.7%
Other operating income	1.9	2.1	-9.5%
EBIT	116.7	136.4	-14.4%
EBIT margin	*4.5%*	*4.9%*	*-0.4 p.p.*
Financial income	(84.4)	(82.6)	2.2%
Equity-accounted companies	2.5	(5.1)	-149.0%
Other financial results	15.0	7.0	-114.3%
Earnings before taxes (EBT) from continuing activities	49.9	55.7	-10.4%
Corporate income tax expense	(12.5)	(18.7)	-33.2%
Minority interest	2.6	(3.9)	-166.7%
Income attributable to equity holders of parent company	40.0	33.1	20.8%

4.1 Revenues

Consolidated revenues amounted to 2,586.8 million euro in the first quarter of 2010, down 7.2% year-on-year. Growth in environmental and municipal services and energy was offset by less activity in construction and cement, which were particularly affected by the very adverse weather conditions in the main areas where they operate (Central Europe and Spain for Construction, plus USA for the Cement division).

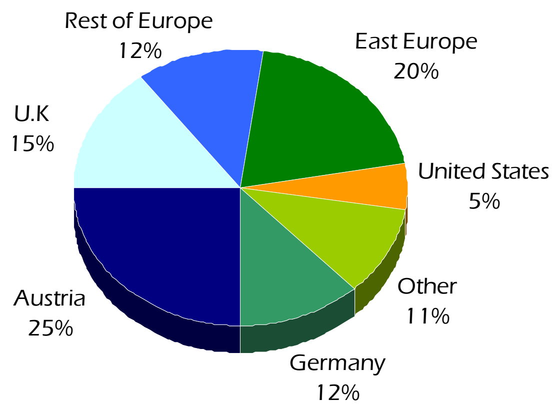
The international area (40% of group revenues) performed in line with Spain, with revenues falling 6.3% and 7.8%, respectively, due primarily to the impact of particularly harsh weather on the Construction and Cement businesses.

% Revenues by Region



Europe (other than Spain), where FCC has a strong presence in infrastructure and environmental services, accounts for 84% of total foreign revenues. The "Other" caption reflects the group's selective activity in the fast-growing economies of Southeast Asia (China, India and Singapore), Latin America and North Africa.

International Revenue Breakdown

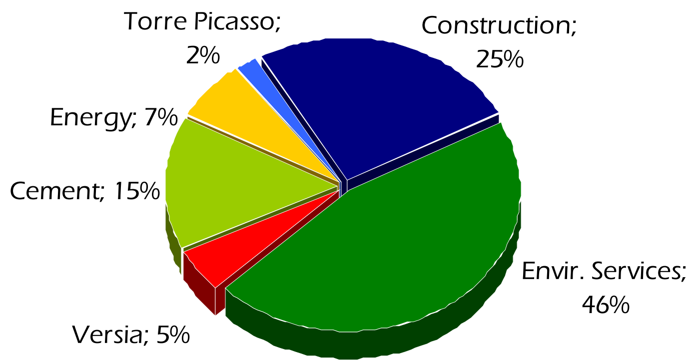


4.2 EBITDA

EBITDA totalled 297.9 million euro in the quarter, down just 3.1%, while the EBITDA margin improved 0.5 points to 11.5%.

The EBITDA margin improved in Services (environmental and urban) and Energy, where EBITDA improves, altogether, 14.4% up to 172.4 million euro, offsetting the deterioration in the Cement division.

EBITDA by business area



The weight of the utility divisions (environmental services, urban services and energy) in EBITDA account for 57.9% over total.

4.3 EBIT

EBIT amounted to 116.7 million euro due to a 5.7% increase in the depreciation charge in the quarter, which will foreseeably be diluted over the year.

Additionally, period depreciation includes 17.9 million euro for assets that were stepped up on consolidation in the FCC Group.

4.4 Earnings before taxes from continuing activities (EBT)

EBT amounted to 49.9 million euro, after including the following items in EBIT:

4.4.1 Financial income

Net financial expenses amounted to 84.4 million euro, practically in line (+2.2%) with the figure for the first quarter of 2009.

4.4.2 Equity-accounted affiliates

Equity-accounted companies provided a 2.5 million euro contribution, due primarily to improved performance by Realia and Services divisions compared with 1Q09.

4.4.3 Other financial results

Other financial results, amounting to 15.0 million euro, were due to foreign exchange gains.

4.5 Profit attributable to equity holders of the parent company

Net attributable profit amounted to 40.0 million euro in the first quarter of 2010, i.e. 20.8% more than in the first quarter of 2009. This increase is attributable to:

4.5.1 Corporate income tax expense

The corporate income tax expense declined by 6.2 million euro with respect to 1Q09.

4.5.2 Minority interest

Income attributable to minority interests fell by 6.5 million euro in the year, due primarily to a decline in earnings in the Cement division.

5. BALANCE SHEET

(Million euro)	Mar.10	DEC. 09	CHG. (M€)
Intangible assets	4,468.0	4,462.3	5.7
Property, plant and equipment	6,153.5	6,221.6	(68.1)
Equity-accounted affiliates	1,149.1	1,145.8	3.3
Non-current financial assets	411.0	404.0	7.0
Deferred tax assets and other non-current assets	596.9	599.2	(2.3)
Non-current assets	**12,778.5**	**12,832.8**	**(54.3)**
Inventories	1,136.6	1,103.3	33.3
Trade and other accounts receivable	5,324.9	5,373.0	(48.1)
Other current financial assets	245.4	231.0	14.4
Other current assets	75.7	66.2	9.5
Cash and cash equivalents	1,399.1	1,654.5	(255.4)
Current assets	**8,181.7**	**8,427.9**	**(246.2)**
TOTAL ASSETS	**20,960.2**	**21,260.7**	**(300.5)**
Equity attributable to equity holders of parent company	2,451.9	2,483.8	(31.9)
Minority interest	658.9	652.7	6.2
Equity	**3,110.8**	**3,136.5**	**(25.7)**
Subsidies	93.7	85.7	8.0
Non-current provisions	920.2	906.5	13.7
Long-term financial debt	7,512.9	7,861.9	(349.0)
Other non-current financial liabilities	557.8	531.7	26.1
Deferred tax liabilities and other non-current liabilities	1,207.1	1,234.2	(27.1)
Non-current liabilities	**10,291.8**	**10,620.0**	**(328.2)**
Current provisions	104.7	110.8	(6.1)
Short-term financial debt	2,009.5	1,218.8	790.7
Other current financial liabilities	183.7	268.7	(85.0)
Trade and other accounts payable	5,240.6	5,896.8	(656.2)
Other current liabilities	19.1	9.1	10.0
Current liabilities	**7,557.7**	**7,504.2**	**53.5**
TOTAL LIABILITIES	**20,960.2**	**21,260.7**	**(300.5)**

5.1 Investment in equity-accounted affiliates

The investment in equity-accounted companies (1,149.1 million euro) comprises mainly the following:

1) 474.1 million euro corresponding to the 50% stake in Global Vía (transport infrastructure concessions)
2) 150.1 million euro corresponding to the 30% stake in Realia (property)
3) 69.0 million euro corresponding to concession companies not contributed to Global Vía
4) 41.4 million euro corresponding to the 50% stake in the Proactiva group (Latam Environmental Services)

Accordingly, the carrying value of FCC's holdings in infrastructure concessions amounted to 608.6 million euro at the end of December. That figure includes the value attributable to FCC for its 50% stake in GVI (474.1 million euro) and the value of its holdings in other concession companies, both equity-accounted (69.0 million euro) and fully consolidated, the latter being in the ramp-up phase (65.5 million euro).

5.2 Equity

Equity attributable to the parent company amounted to 2,451.9 million euro, a decrease of 31.9 million euro with respect to 2009 year-end, following the allocation of consolidated income for the quarter (40.0 million euro), due to net investment in equity instruments (40.8 million euro) and other changes.

5.3 Net interest-bearing debt

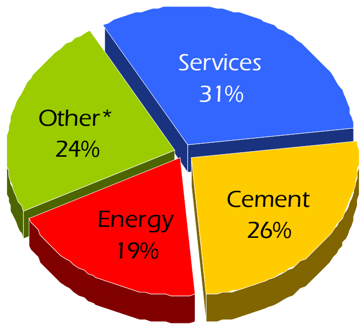
(Million euro)	Mar.10	DEC. 09	CHG. (M€)
Bank debt	8,940.9	8,517.4	423.5
With recourse	*6,439.7*	*5,970.4*	*469.3*
Without recourse	*2,501.2*	*2,547.0*	*(45.8)*
Debt securities outstanding	581.4	563.3	18.1
Accounts payable due to financial leases	191.4	171.6	19.8
Derivatives and other financial liabilities	315.6	288.3	27.3
Gross interest-bearing debt	**10,029.3**	**9,540.6**	**488.7**
Cash and other financial assets	(1,644.5)	(1,885.4)	240.9
With recourse	*(1,425.3)*	*(1,701.8)*	*276.5*
Without recourse	*(219.2)*	*(183.6)*	*(35.6)*
Net interest-bearing debt	**8,384.9**	**7,655.2**	**729.7**
With recourse	*5,554.1*	*4,773.4*	*780.7*
Without recourse	*2,830.8*	*2,881.8*	*(51.0)*

At 31 March, net interest-bearing debt amounted to 8,384.9 million euro, i.e. 729.7 million euro more than at 31 December 2009, due primarily to a 669.0 million euro increase in working capital in the quarter. Working capital experiences seasonal fluctuations, particularly in the Construction division, rising in the first half of the year and then declining, in line with the projected faster pace of project execution.

Services and Energy together account for 67.1% 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 17.1% of total net debt. Construction accounts for 11.4%.

Moreover, 2,830.8 million euro of net debt (33.8% of the total) are without recourse.

Net debt without recourse, by Area



* Other includes the subordinated convertible bonds.

5.4 Other current and non-current financial liabilities

The balance of other current and non-current financial liabilities amounted to 741.5 million euro and includes 191.4 million euro in accounts payable due to financial leases, 315.6 million euro in financial derivatives and other financial liabilities, and 234.5 million euro in financial liabilities that do not accrue interest for the group and are not considered interest-bearing debt.

6. Cash flow

(Million euro)	Mar.10	Mar.09	CHG. (%)
Funds from operations	310.1	299.3	3.6%
(Increase)/decrease in working capital	(669.0)	(160.5)	316.8%
Other items (taxes, dividends, etc.)	(11.8)	(13.3)	-11.3%
Operating cash flow	**(370.7)**	**125.5**	**N.S.**
Investment cash flow	**(106.6)**	**(416.4)**	**-74.4%**
Cash flow from business operations	(477.3)	(290.9)	64.1%
Financing cash flow	**(206.3)**	**(266.2)**	**-22.5%**
Other cash flow (change in consolidation scope, etc.)	**(46.1)**	**(672.9)**	**-93.1%**
(Increase) / decrease in net interest-bearing debt	**(729.7)**	**(1,230.0)**	**-40.7%**

6.1 Operating cash flow

Operating cash flow amounted to -370.7 million euro due to the 669.0 million euro increase in working capital, primarily in the Construction and Environmental divisions.

The variation in working capital by business area with respect to 31 December 2009 is as follows:

(Million euro)	Mar.10	CHG. (%)
Construction	(543.3)	N.S.
Environmental services	(119.2)	N.S.
Versia	12.2	-30.3%
Cement	(13.8)	-114.3%
Energy and adjustments	(4.9)	N.S.
Total (Increase)/ decrease in working capital	**(669.0)**	**N.S.**

The increase in operating finance needs is due to the significant reduction in trade and other accounts payable, which is expected to rise considerably as activity increases in the coming quarters, especially in the Construction division.

6.2 Investment cash flow

Net investments declined by 74.4% with respect to the first quarter of 2009, which included 215.4 million euro in own funds for the equity of 14 wind farms, and 105.8 million euro for the acquisition of 5.2% of Corporación Uniland by the Cement area.

6.3 Financing cash flow

In 1Q10, the cash outflow due to financing transactions was 206.3 million euro. In addition to debt servicing, this item includes 98.3 million euro in dividends and 40.8 million euro for the net acquisition of own securities.

6.4 Other cash flow

This section mainly reflects the effect of exchange differences. In 1Q09, this item included the interest-bearing debt on the wind assets acquired in January 2009 for 569 million euro.

7. Business performance

7.1 Environmental services

7.1.1 Earnings

(Million euro)	Mar.10	Mar.09	CHG. (%)
Revenues	855.3	823.6	3.8%
Spain	*569.2*	*545.5*	*4.3%*
International	*286.1*	*278.1*	*2.9%*
EBITDA	135.8	124.2	9.3%
EBITDA margin	15.9%	15.1%	*0.8 p.p.*
EBIT	57.2	49.6	15.3%
EBIT margin	6.7%	6.0%	*0.7 p.p.*

Revenues in the Environmental division increased 3.8% in the first quarter of 2010; all lines of the business expanded. In addition to the increase in activities in the Environmental division in Spain and in Water, revenues in Industrial Waste rose 8.6%, reflecting the incipient price recovery in the sector and the regions where the business operated (USA and Iberian Peninsula).

Breakdown of revenues by business

(Million euro)	Mar.10	Mar.09	CHG. (%)
Environment, Spain	379.4	360.6	5.2%
Environment, International	224.1	223.2	0.4%
Water*	193.3	185.9	4.0%
Industrial Waste*	58.4	53.8	8.6%
Total	**855.3**	**823.6**	**3.8%**

* Includes international business

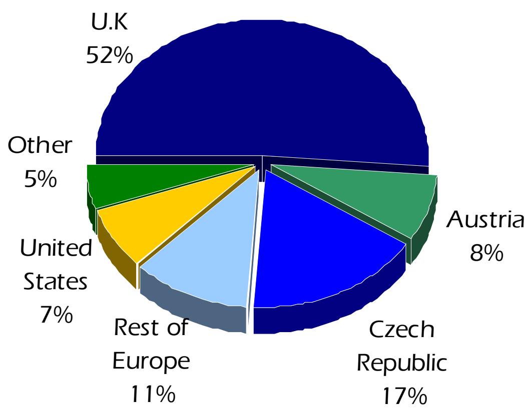
The Environmental business in Spain, which focuses primarily on municipal waste management and accounts for 44% of the area's total revenues, reported a 5.2% increase in revenues in 1Q10 due to new contracts, including a waste treatment plant in Alicante (2009) and street cleaning contracts in Spain (Valdemoro and Telde).

The international Environmental unit accounts for 26% of revenues, from urban waste collection, recycling and reduction in the UK and Central and Eastern Europe. Revenues from this activity expanded 0.4% in the period, supported by the good performance in Central and Eastern Europe, and reflects the positive impact of the start-up of the incineration plant in Zistersdorf, Austria, in the second quarter of 2009. In contrast, activity in the UK was affected by a routine maintenance shutdown at the incineration plant in Allington in January. The volume of waste treated improved during the quarter which, together with resumption of operations at the Allington plant, should be reflected in earnings in the coming quarters.

The Water unit, which accounts for 23% of area revenues and focuses on end-to-end water management contracts and BOT water infrastructure development, experienced 4% growth in revenues due to the good contract performance such as the supply project in Caltanissetta (Italy) and the construction of two desalination plants in Algeria, by the international unit.

Industrial Waste management, which accounts for 7% of area revenues, saw an 8.6% increase in revenues in the quarter due to the gradual recovery in average prices of commodities (oil, paper and metal); this division should also see an increase in volume in the coming quarters.

International Revenue Breakdown



In 1Q10, international revenues accounted for 33.4% of the area's total. The main markets outside Spain are: the UK (52% of the total: solid urban waste management), the Czech Republic (17%: urban waste and end-to-end water management), Austria (8%: waste management), and the US (7%: industrial waste management).

Apart from growth in revenues, the EBITDA margin improved 0.8 points to 15.9%; specifically, EBITDA expanded by 9.3% to 135.8 million euro. The improvement in the EBITDA margin was particularly notable in the Industrial Waste area, due to improved sales prices.

Moreover, this division's backlog continues to grow, evidencing its competitiveness and enhancing earnings visibility. At the end of 1Q10, the backlog had increased 9.5% with respect to December 2009, amounting to 25,945 million euro, i.e. over 7 times revenues in the last twelve months.

7.1.2 Proactiva

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

Proactiva obtained 93.0 million euro in revenues in the first quarter of 2010, on par with 1Q09, and EBITDA of 17.5 million euro, i.e. an EBITDA margin of 18.8%. Net interest-bearing debt amounted to 62.1 million euro at 31 March 2010.

7.1.3 Cash flow

(Million euro)	Mar.10	Mar.09	CHG. (%)
Funds from operations	**152.8**	**118.9**	**28.5%**
(Increase) / decrease in working capital	(119.2)	(18.8)	534.0%
Other items (taxes, dividends, etc.)	(15.8)	(15.1)	4.6%
Operating cash flow	**17.8**	**85.0**	**-79.1%**
Investment cash flow	(34.9)	(124.6)	-72.0%
Cash flow from business operations	**(17.1)**	**(39.6)**	**-56.8%**
Financing cash flow	(26.8)	(48.4)	-44.6%
Other cash flow (change in consolidation scope, etc.)	(30.2)	20.5	-247.3%
(Increase) / decrease in net interest-bearing debt	**(74.1)**	**(67.5)**	**9.8%**

(Million euro)	Mar.10	DEC. 09	CHG. (M€)
Net interest-bearing debt	**4,266.5**	**4,192.4**	**74.1**
With recourse	*3,381.6*	*3,289.2*	*92.4*
Without recourse	*884.9*	*903.2*	*(18.3)*

The 28.5% increase in funds from operations was offset by the 119.2 million euro increase in working capital due to a temporary reduction in supplier accounts payable in the quarter. As a result, operating cash flow totalled 17.8 million euro.

With respect to 1Q09, investment cash flow declined by 72% to 34.9 million euro, used entirely for maintenance operations.

Net debt amounted to 4,266.5 million euro, i.e. a slight 74.1 million euro increase compared with 2009 year-end.

7.2 Construction

7.2.1 Earnings

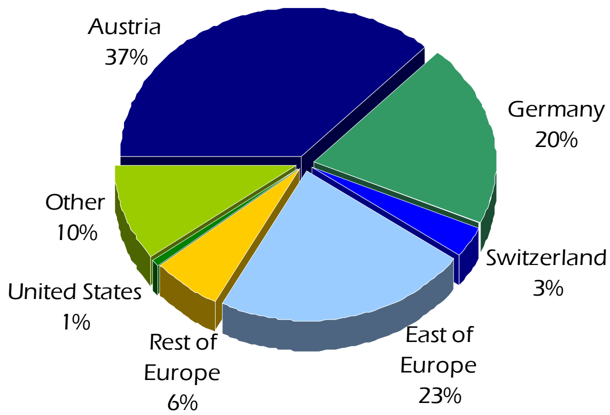
(Million euro)	Mar.10	Mar.09	CHG. (%)
Revenues	1,330.3	1,508.4	-11.8%
Spain	*690.9*	*799.4*	*-13.6%*
International	*639.4*	*709.0*	*-9.8%*
EBITDA	75.8	88.2	-14.1%
EBITDA margin	5.7%	5.8%	*-0.1 p.p.*
EBIT	46.3	64.4	-28.1%
EBIT margin	3.5%	4.3%	*-0.8 p.p.*

Revenues in the Construction area declined 11.8% year-on-year due to the particularly adverse weather conditions, which reduced activity by 13.6% in Spain and by 9.8% in other countries.

The international Construction unit obtained a considerable number of contracts in the quarter, expanding backlog by 6.5% with respect to 1Q09 which, together with improved weather conditions, should enhance earnings in the coming quarters.

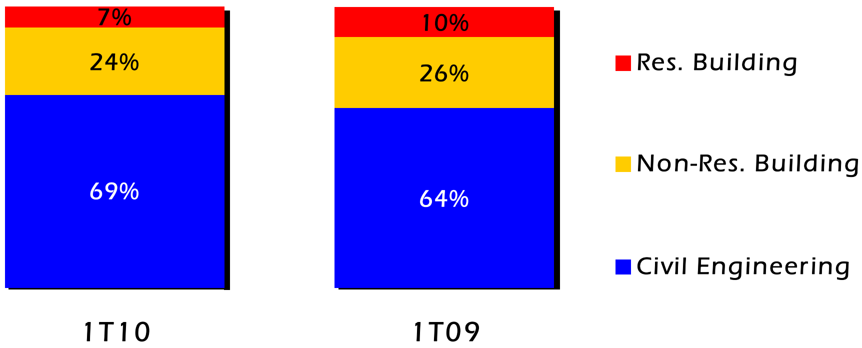
Activity outside Spain accounted for 48% of this area's total revenues, the bulk of which were concentrated in Europe (89%) through locally-based subsidiaries. Specifically, Austria accounted for 37% of international revenues, Germany for 20% and Eastern Europe for 23% (including notably Romania, 6.2%; Croatia, 4.2%, Poland, 3.9% and the Bulgaria 3.1%).The Americas and Asia (China, India and Singapore) accounted for 10%.

International Revenue Breakdown

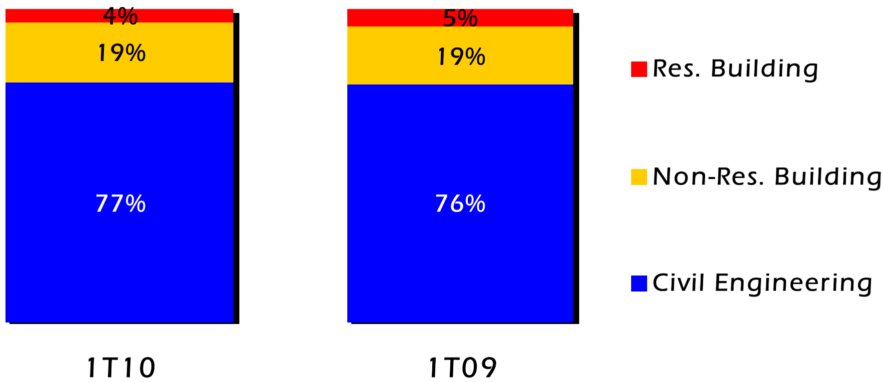


Civil engineering, which is more complex and has greater added value, gained in importance during the year, accounting for 69% of revenues and 77% of the total backlog.

Revenue breakdown by project type			
(Million euro)	Mar.10	Mar.09	CHG. (%)
Civil engineering	916.6	962.7	-4.8%
Non-residential building	319.3	388.4	-17.8%
Residential building	94.4	157.2	-39.9%
Total	1,330.3	1,508.4	-11.8%



Backlog breakdown by project type			
(Million euro)	Mar.10	Mar.09	CHG. (%)
Civil engineering	8,511.0	7,932.0	7.3%
Non-residential building	2,131.6	1,927.3	10.6%
Residential building	448.1	558.4	-19.8%
Total	11,090.7	10,417.7	6.5%



EBITDA totalled 75.8 million euro and the EBITDA margin was 5.7%, i.e. just 0.1 percentage points lower than the 1Q09 figure. The growing number of civil and social infrastructure projects (airports, hospitals, stadiums, etc.) boosted profitability.

7.2.2 Alpine

(Million euro)	Mar.10	Mar.09	CHG. (%)
Revenues	558.3	647.4	-13.8%
EBITDA	(5.1)	16.1	-131.8%
EBITDA margin	-0.9%	2.5%	*-3.4 p.p.*
EBIT	(22.0)	(1.1)	N.S
EBIT margin	-3.9%	-0.2%	*-3.8 p.p.*

The decline in revenues at Alpine reflect the harsh winter weather conditions in almost all of its markets (Central and Eastern Europe). Accordingly, less activity together with general operating costs reduced EBITDA to -5.1 million euro; however, that number should improve as execution conditions are to improve steadily.
The company's backlog increased by 9.5% with respect to 2009 year-end, totalling 3,694 million euro.

7.2.3 Cash flow

(Million euro)	Mar.10	Mar.09	CHG. (%)
Funds from operations	**72.1**	**86.6**	**-16.7%**
(Increase) / decrease in working capital	(543.3)	(266.3)	104.0%
Other items (taxes, dividends, etc.)	1.6	(7.9)	-120.3%
Operating cash flow	**(469.6)**	**(187.6)**	**150.3%**
Investment cash flow	(47.9)	493.4	-109.7%
Cash flow from business operations	**(517.5)**	**305.8**	**N.S.**
Financing cash flow	(8.5)	(59.0)	-85.6%
Other cash flow (change in consolidation scope, etc.)	(17.2)	(94.3)	-81.8%
(Increase) / decrease in net interest-bearing debt	**(543.2)**	**152.5**	**N.S.**

(Million euro)	Mar.10	DEC. 09	CHG. (M€)
Net interest-bearing debt	**956.9**	**413.7**	**543.2**
With recourse	*947.7*	*407.6*	*540.1*
Without recourse	*9.2*	*6.1*	*3.1*

The Construction area faced less activity and an increase in working capital (to 543.3 million euro); operating cash flow was -469.6 million euro, vs. -187.6 million euro in the first quarter of 2009. Funds from operations are expected to recover and working capital to decline significantly over the course of the year.

Investing cash flow in 1Q10 amounted to -47.9 million euro against +493.4 million euro in 1Q09 due to the transfer of concessions to Global Vía Infraestructuras (owned 50% each by FCC and Caja Madrid) in 1Q09. Expenditure in the first quarter of 2010 included 10 million euro to concession companies in the start-up phase that have not been transferred to GVI.

The decline in activity (due to poor weather) together with the seasonal increase in working capital led to net debt of 956.9 million euro for the area in 1Q10, up 543.2 million euro with respect to 2009.

7.3 Cement

7.3.1 Earnings

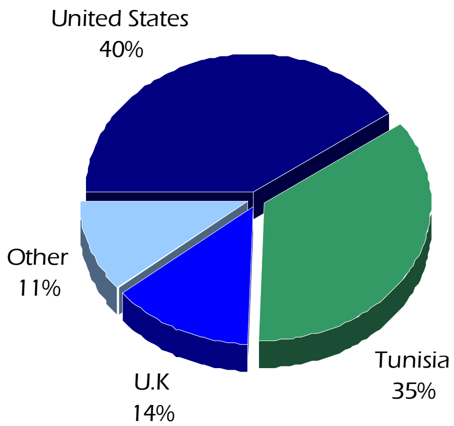
(Million euro)	Mar.10	Mar.09	CHG. (%)
Revenues	191.3	247.8	-22.8%
Spain	*136.1*	*181.9*	*-25.2%*
International	*55.2*	*65.9*	*-16.2%*
EBITDA	44.4	71.5	-37.9%
EBITDA margin	*23.2%*	*28.9%*	*-5.7 p.p.*
EBIT	5.2	32.6	-84.0%
EBIT margin	*2.7%*	*13.2%*	*-10.4 p.p.*

Revenues in the Cement area fell by 22.8% in 1Q10 to 191.3 million euro, due to the decline in domestic and international cement consumption, which was seriously affected by the weather in the quarter.

Nevertheless, since mid March, once the winter effects were over, activity has experienced a recovery continuing the one from second half 2009. It is expected that 2Q10 results will be more in line with the ones at the same period the year before. Moreover, public infrastructure investment programmes that will be implemented, in Spain as well as in the U.S., should also have a positive effect in the activity.

Tunisia activity, where earnings account for 10% of the area, will fully recover following the scheduled shutdown of production lines in January.

International Revenue Breakdown



EBITDA attained 44.4 million euro in this quarter, a 23.2% EBITDA margin. In this regard, it is important to highlight the recurrent savings of 29 million euro obtained during this period. This amount enables a foreseeable 100 million euro cost saving for the whole of this year.

The unit has also increased its energy value by replacing fossil fuels by alternative ones. In 1Q10 5.5% were alternative fuels vs. 4.5% in the same period the previous year. The goal is to attain 30% for 2013; which will reduce substantially Co2 emissions.

7.3.2 Cash flow

(Million euro)	Mar.10	Mar.09	CHG. (%)
Funds from operations	46.2	73.2	-36.9%
(Increase) / decrease in working capital	-13.8	10.0	238.0%
Other items (taxes, dividends, etc.)	(2.9)	(0.6)	383.3%
Operating cash flow	29.5	82.6	-64.3%
Investment cash flow	(6.0)	(117.2)	-94.9%
Cash flow from business operations	23.5	(34.6)	-167.9%
Financing cash flow	(45.3)	(55.8)	-18.8%
Other cash flow (change in consolidation scope, etc.)	3.3	1.3	153.8%
(Increase) / decrease in net interest-bearing debt	(18.5)	(89.1)	-79.2%

(Million euro)	Mar.10	DEC. 09	CHG. (M€)
Net interest-bearing debt	1,437.7	1,419.3	18.4
With recourse	*706.9*	*660.6*	*46.3*
Without recourse	*730.8*	*758.7*	*-27.9*

The investment cash flow in the Cement unit declined 94.9% due to the completion in 2009 of energy improvement measures on the kilns at the Pennsylvania (US) factory and to the acquisition of 5.2% of Corporación Uniland for 105.8 million euro in the first quarter of 2009.

Net debt at the end of the period was 1,437.7 million euro, on par with the December 2009 figure.

7.4 Versia

7.4.1 Earnings

(Million euro)	Mar.10	Mar.09	CHG. (%)
Revenues	191.3	189.3	1.0%
Spain	*130.8*	*131.1*	-0.2%
International	*60.5*	*58.2*	3.9%
EBITDA	15.6	9.3	67.5%
EBITDA margin	8.1%	4.9%	*3.2 p.p.*
EBIT	(4.6)	(10.8)	-57.6%
EBIT margin	-2.4%	-5.7%	*3.3 p.p.*

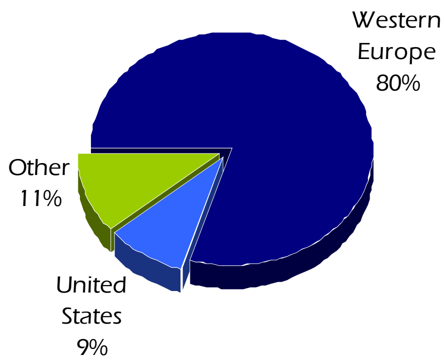
Revenues from Municipal Services (provided by Versia) increased 1% with respect to the first quarter of 2009, i.e. the unit's first improvement since the second quarter of 2008. The improvement is attributable to a notable recovery in the urban furniture business which, together with sustained growth in vehicle testing and car parks, offset the slight decline in logistics activities.

Breakdown of revenues by business

(Million euro)	Mar.10	Mar.09	CHG. (%)
Logistics	69,2	72,1	-4.0%
Handling	51,0	51,0	0.0%
Urban Furniture	26,1	21,0	24.3%
Car Parks	18,5	18,7	-0.9%
Maintenance and Systems (M&S)	7,1	8,9	-20,4%
Vehicle Testing	14,5	13,3	8.6%
SVAT	4,9	4,3	14.1%
Total	**191,3**	**189,3**	**1.0%**

International revenues represented 32% of the total, mainly in Handling (where they accounted for 74% of revenues) and Urban Furniture (50%).

International Revenue Breakdown



EBITDA rose a notable 67.5% to 15.6 million euro and the EBITDA margin improved 3.2 percentage points to 8.1%. The improvement in Urban Furniture had a particularly significant impact on the EBITDA margin. Urban Furniture saw an incipient recovery in demand for advertising space and a progressive decline in expenses incurred with regard to the New York contract roll out (which accounts for 19% of the area's revenues).

7.4.2 Cash flow

(Million euro)	Mar.10	Mar.09	CHG. (%)
Funds from operations	**16.0**	**8.3**	**92.8%**
(Increase) / decrease in working capital	12.2	(4.5)	N.S.
Other items (taxes, dividends, etc.)	0.1	1.0	-90.0%
Operating cash flow	**28.3**	**4.8**	**N.S.**
Investment cash flow	(5.8)	(7.8)	-25.6%
Cash flow from business operations	**22.5**	**(3.0)**	**N.S.**
Financing cash flow	(3.5)	(4.2)	-16.7%
Other cash flow (change in consolidation scope, etc.)	(18.8)	1.4	N.S.
(Increase) / decrease in net interest-bearing debt	**0.2**	**(5.8)**	**-103.4%**

(Million euro)	Mar.10	DEC. 09	CHG. (M€)
Net interest-bearing debt	**459.2**	**459.4**	**-0.2**
With recourse	*459.2*	*459.4*	*-0.2*
Without recourse	*0.0*	*0.0*	*0.0*

Operating cash flow performed positively in the period, amounting to 28.3 million euro due to the increase in funds from operations and the reduction in working capital.

However, this improvement was offset primarily by exchange differences; as a result, debt at the end of the quarter was in line with the 2009 figure of 459.2 million euro.

7.5 Energy

7.5.1 Earnings

(Million euro)	Mar.10	Mar.09	CHG. (%)
Revenues	26.6	25.1	6.0%
EBITDA	21.0	17.2	22.1%
EBITDA margin	*78.9%*	*68.5%*	*10.4 p.p.*
EBIT	9.3	7.5	24.0%
EBIT margin	*35.0%*	*29.9%*	*5.1 p.p.*

Revenues in this unit totalled 26.6 million euro, up 6% due to the recovery in wind activity, in contrast with the low production in 2009. Accordingly, 24.5 million euro of revenues (92% of the total) came from wind energy (load factor of 33.7% in 1Q10); the remaining 2.1 million euro came from solar photovoltaic (installed capacity of 20 MW and a load factor of 12%), in line with the low level of sunshine in the quarter.

The 22.1% increase in operating profit to 21 million euro is due to the increase in wind load capacity, which is the result of stronger winds since the start of the year.

7.5.2 Cash flow

(Million euro)	Mar.10	Mar.09	CHG. (%)
Funds from operations	21.0	17.2	22.1%
(Increase) / decrease in working capital	0.1	(2.6)	103.8%
Other items (taxes, dividends, etc.)	1.9	(2.5)	-176.0%
Operating cash flow	23.0	12.1	90.1%
Investment cash flow	(11.2)	(212.2)	-94.7%
Cash flow from business operations	11.8	(200.1)	-105.9%
Financing cash flow	(4.6)	(4.5)	2.2%
Other cash flow (change in consolidation scope, etc.)	(6.3)	(575.4)	-98.9%
(Increase) / decrease in net interest-bearing debt	0.9	(780.0)	-100.1%

(Million euro)	Mar.10	DEC. 09	CHG. (M€)
Net interest-bearing debt	904.5	905.4	-0.9
With recourse	*364.6*	*355.1*	*9.5*
Without recourse	*539.9*	*550.3*	*-10.4*

With regard to the Energy unit, it's important to note the comparison effect with the first quarter of 2009, when 784 million euro were spent to acquire 14 wind farms. In the first quarter of 2010, capital expenditure totalled just 7.5 million euro, used to secure the sites of two solar thermal plants which will be built in the next 3 years.

7.6 Torre Picasso

7.6.1 Earnings

(Million euro)	Mar.10	Mar.09	CHG. (%)
Revenues	6.4	6.6	-3.4%
EBITDA	5.5	5.6	-2.7%
EBITDA margin	*85.4%*	*84.7%*	*0.7 p.p.*
EBIT	4.5	4.7	-4.2%
EBIT margin	*69.6%*	*70.2%*	*-0.5 p.p.*

Revenues at Torre Picasso declined by just 0.2 million euro with respect to 1Q09 due to a small adjustment in rental prices in the period. The occupancy rate remained very close to 100%.

The EBITDA margin improved by 0.7 percentage points to 85.4%; EBITDA was 5.5 million euro in 1Q10, on par with the 1Q09 figure.

8. Share data

8.1 Share performance

	Jan. - Mar. 2010	Jan. - Mar. 2009
Closing price (euro)	27.11	23.05
Appreciation	*-8.0%*	*-1.2%*
*Yield**	*-5.5%*	*2.2%*
High (euro)	31.98	25.20
Low (euro)	24.27	18.38
Average daily trading (shares)	644,221	463,738
Average daily trading (million euro)	17.5	9.9
Market capitalisation at end of period (million euro)	3,451	2,934
No. of shares outstanding	127,303,296	127,303,296
Basic EPS	3.18	3.84

* Includes dividend payment.

8.2 Dividends

At a meeting on 17 December 2009, the Board of Directors declared an interim dividend of 0.715 euro gross per share; it was paid on 12 January 2010.

8.3 Own shares

At the end of March 2010, the FCC Group held a total of 11,182,038 own shares directly and indirectly (8.78% of the company's capital).

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 four hundred fifty million euro (€450,000,000) convertible bond issue
- and 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 the quarter and the number of shares needed to cover the potential conversion of bonds (i.e. 8.99% of capital stock), the risk of shareholder dilution as a result of the convertible bond issue is almost entirely eliminated.

9. disclaimer

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10. Contact details

FINANCE DEPARTMENT	
DEPARTMENT OF INVESTOR RELATIONS	
> Postal address:	C/ Federico Salmón, 13. 28016 Madrid. Spain.
> Telephone:	902 109 845
> Fax:	+34 91 350 71 54
> Website:	www.fcc.es
> E-mail:	ir@fcc.es