INFRASTRUCTURE

SERVICES

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Management Report
2008


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1. HIGHLIGHTS

FCC amortises 2.49% of its own shares

On 30 June 2008, FCC amortised 3,264,187 shares (2.49% of capital stock). As a result, capital stock is now represented by 127,303,296 shares, and own shares at the end of the period totalled 2,682,260 (2.11% of capital stock).

FCC Group implements its first stock options plan

In October, the group implemented a remuneration system for 55 executives linked to the value of FCC shares.

FCC to build and manage a major environmental complex in Alcalá de Henares

FCC has obtained a 24-year contract to build and operate an environmental complex in Madrid. Total projected revenues amount to 694 million euro.
FCC will invest 100 million euro in building the waste sorting, composting and plasma treatment plants and a controlled landfill. The waste that cannot be recycled or composted will be reused in a facility with a capacity of 15,000 tonnes/year. This process will generate a gas which will be sold for methanol production and power generation.

FCC invests in renewable energy

FCC has completed two deals that represent its initiation into new sources of renewable energy, complementing its energy-from-waste business:
In August it signed an agreement to acquire 14 operational wind farms plus a portfolio of farms under development, all located in Spain. The acquisition was completed in January 2009.
In September the group acquired two photovoltaic plants in Córdoba with an installed capacity of 20MW. The two plants were built by Espelsa, FCC Group's specialised subsidiary; they have been connected to the grid since September.

FCC wins two environmental contracts worth an estimated 1.014 billion euro

FCC has renewed the contract for municipal solid waste collection and street cleaning in Barcelona until 2017, and expanded it with new services; revenues are projected to amount to 797.5 million euro.
Additionally, the company inaugurated a solid waste treatment plant in Alicante worth 47.6 million euro in November. The 20-year contract represents a backlog of 217 million euro in revenue.

Global Vía wins new toll road contracts in Portugal and Chile worth over 1.1 billion euro and strengthens its holding in various concessions

The consortium including Global Vía Infraestructuras (50%-owned by FCC) was awarded the 30-year 706.5-million-euro contract for the IP-4 toll road in Portugal in November, and Global Vía also acquired two operational toll sections of Chile's PanAmerican Highway for 533 million dollars.
Additionally,, together with Caja Madrid, FCC acquired minority stakes in five infrastructure concessions for 97.5 million euro, thus attaining a controlling position in those companies. The portfolio is comprised of the following concessions: Ruta de los Pantanos (16.6%), Tren de Arganda (12.8%), Concesiones de Madrid (33.3%), Tranvía de Parla (40%) and Túnel de Envalira (40%). Once all of the stakes have been transferred to Global Vía, it will own 100% of Concesiones de Madrid, 66.6% of Ruta de los Pantanos, 49.4% of Tren de Arganda, 85% of Tranvía de Parla and 80% of Túnel de Envalira.

FCC signs a 1.225 billion euro syndicated loan with 11 banks

In May, FCC signed a 1.225 billion euro syndicated loan with 11 banks; the 3-year loan may be extended by two years. The transaction is part of the FCC Group's general financing policy. This loan has reinforced funding for future development of the Group and strengthened its solvency by extending the debt maturity profile.

2. EXECUTIVE SUMMARY

- For the purposes of comparison with 2007, FCC's 2008 accounts reflect the change in consolidation method for companies under joint management. Joint ventures are now equity-accounted for both years instead of being proportionately consolidated.
- Realia was fully consolidated in 2008 and in the period June-December 2007 after it was floated in June 2007; FCC's 49.16% stake was equity-accounted in the period January-May 2007.
- At 2008 year-end, FCC commenced joint management of Realia. Therefore, Realia's contribution to earnings in 2008 is fully consolidated, whereas on the balance sheet at year-end it is equity-accounted.

- REVENUES INCREASED BY 4.4%
- EBITDA declined by 9.8% . (6.11% adjusted for non-recurring items).
- NET ORDINARY PROFIT fell by 27.3% excluding extraordinary gains from the sale of the stake in Realia in the first half of 2007.
- Revenues from outside SPAIN ACCOUNT for 41.4% OF THE TOTAL, despite appreciation of the euro with respect to sterling (14.0%) and the US dollar (6.4%).
- THE BACKLOG amounts to 32.706 billion euro, up +8.2% with respect to December 2007.
- *Net debt* declined 11.3% to 6,900 million euro.
- *Realia and Infrastructure Concessions* are not included as independent areas of activity, the former because it was no longer controlled by FCC at 2008 year-end, and the latter due to the aforementioned change in consolidation method for joint ventures.

KEY FIGURES

	Dec. 08	Dec. 07	Change
Net sales	14,016.3	13,423.2	4.4%
EBITDA	1,740.8	1,929.9	-9.8%
Margin	*12.4%*	*14.4%*	
EBIT	946.5	1,259.2	-24.8%
Earnings before taxes (EBT) from continuing activities	490.3	1,252.3	-60.8%
Net attributable income	337.2	737.9	-54.3%
Operating cash flow	1,105.3	1,252.1	-11.7%
Investment cash flow	-1,501.8	-1,091.2	37.6%
Equity	3,196.2	4,250.5	-24.8%
Net financial debt	-6,900.6	-7,776.1	-11.3%
Backlog	32,706.7	30,215.3	8.2%

3. SUMMARY BY BUSINESS AREA

Area	Dec. 08	Dec. 07	Change	% of 2008 total	% of 2007 total
REVENUES					
Construction	7,744.0	6,922.2	11.9%	55.2%	51.6%
Environmental services	3,633.3	3,464.7	4.9%	25.9%	25.8%
Versia	897.4	923.2	-2.8%	6.4%	6.9%
Cement	1,425.1	1,790.8	-20.4%	10.2%	13.3%
Realia	402,3	472,4	-14.8%	2.9%	3.5%
Torre Picasso	26.2	21.8	20.3%	0.2%	0.2%
Other	-112.0	-171.9	-34.8%	-0.8%	-1.3%
Total	**14,016.3**	**13,423.2**	**4.4%**	**100.0%**	**100.0%**
REVENUES IN SPAIN					
Construction	3,909.1	4,057.5	-3.7%	47.7%	46.8%
Environmental services	2,342.9	2,262.1	3.6%	28.6%	26.1%
Versia	615.9	645.1	-4.5%	7.5%	7.4%
Cement	1,085.2	1,415.4	-23.3%	13.2%	16.3%
Realia	332,7	439.3	-24.3%	4.1%	5.1%
Torre Picasso	26.2	21.8	20.3%	0.3%	0.3%
Other	-110.2	-163.7	-32.6%	-1.0%	-1.9%
Total	**8,201.7**	**8,677.5**	**-5.5%**	**100.0%**	**100.0%**
INTERNATIONAL REVENUES					
Construction	3,834.9	2,864.7	33.9%	66.0%	60.4%
Environmental services	1,290.4	1,202.6	7.3%	22.2%	25.3%
Versia	281.6	278.1	1.2%	4.8%	5.9%
Cement	339.9	375.4	-9.5%	5.8%	7.9%
Realia	69.6	33.1	110.3%	1.2%	0.7%
Torre Picasso	0.0	0.0	0.0%	0.0%	0.0%
Other	-1.7	-8.2	-78.7%	0.0%	-0.2%
Total	**5,814.6**	**4,745.7**	**22.5%**	**100.0%**	**100.0%**
EBITDA					
Construction	463.1	373.8	23.9%	26.6%	19.4%
Environmental services	606.0	660.8	-8.3%	34.8%	34.2%
Versia	74.8	91.9	-18.7%	4.3%	4.8%
Cement	417.3	581.7	-28.3%	24.0%	30.1%
Realia	131.1	210.8	-37.8	7.5%	10.9%
Torre Picasso	21.4	18.6	14.9%	1.2%	1.0%
Other	27.2	-7.7	N/A	1.6%	-0.4%
Total	**1,740.8**	**1,929.9**	**-9.8%**	**100.0%**	**100.0%**
EBIT					
Construction	325.4	262.3	24.1%	34.4%	20.8%
Environmental services	298.6	342.0	-12.7%	31.5%	27.2%
Versia	-6.1	40.6	-114.9%	-0.6%	3.2%
Cement	235.6	412.3	-42.9%	24.9%	32.7%
Realia	50.8	184.1	-72.4%	5.4%	14.6%
Torre Picasso	17.8	16.2	10.0%	1.9%	1.3%
Other	24.4	1.7	N/A	2.6%	0.1%
Total	**946.5**	**1,259.2**	**-24.8%**	**100.0%**	**100.0%**

Area	Dec. 08	Dec. 07	Change	% of 2008 total	% of 2007 total
OPERATING CASH FLOW					
Construction	178.4	-30.4	N/A	16.1%	-2.4%
Environmental services	360.3	578.2	-37.7%	32.6%	46.2%
Versia	83.5	172.4	-51.6%	7.6%	13.8%
Cement	359.7	454.5	-20.9%	32.5%	36.3%
Others*	123.4	77.4	59.4%	11.2%	6.2%
Total	1,105.3	1,252.1	-11.7%	100.0%	100.0%
INVESTMENT CASH FLOW					
Construction	-156.9	-178.0	-11.9%	10.4%	16.3%
Environmental services	-628.8	-516.5	21.7%	41.9%	47.3%
Versia	-43.0	-153.4	-72.0%	2.9%	14.1%
Cement	-295.7	-294.8	0.3%	19.7%	27.0%
Others*	-377.4	51.5	N/A	25.1%	-4.7%
Total	-1,501.8	-1,091.2	37.62%	100.0%	100.0%
NET DEBT					
Construction	-119.8	-272.0	-56.0%	1.7%	3.5%
Environmental services	-4,076.4	-3,792.8	7.5%	59.1%	48.8%
Versia	-509.4	-521.6	-2.3%	7.4%	6.7%
Cement	-1,762.2	-1,520.5	15.9%	25.5%	19.6%
Others**	-432.8	-1,669.2	-74.1%	6.3%	21.5%
Total	-6,900.6	-7,776.1	-11.3%	100.0%	100.0%
BACKLOG					
Construction	10,159.4	8,875.4	14.5%	31.1%	29.4%
Environmental services	22,547.3	21,339.9	5.7%	68.9%	70.6%
Total	32,706.7	30,215.3	8.2%	100.0%	100.0%

* REFLECTS, AMONG VARIOUS FLOWS, THOSE GENERATED BY THE ENERGY BUSINESS ACTIVITY AND THE REALIA GROUP.
**INCLUDES, AMONG OTHERS, FINANCING FOR ASSETS IN THE INFRASTRUCTURE CONCESSIONS AND ENERGY AREAS.

4. INCOME STATEMENT

Million euro	Dec. 08	Dec. 07	Change	% of 2008 total	% of 2007 total
Net sales	14,016.3	13,423.2	4.4%	100.0%	100.0%
EBITDA	1,740.8	1,929.9	-9.8%	12.4%	14.4%
Margin	*12.4%*	*14.4%*			
Depreciation and amortisation	-724.0	-684.1	5.8%	-5.2%	-5.1%
Other operating income	-70.3	13.4	N/A	-0.5%	0.1%
EBIT	946.5	1,259.2	-24.8%	6.8%	9.4%
Margin	*6.8%*	*9.4%*			
Financial income	-484.6	-389.5	24.4%	-3.5%	-2.9%
Equity-accounted affiliates	12.6	63.0	-80.0%	0.1%	0.5%
Other operating income	15.8	319.6	-95.1%	0.1%	2.4%
Earnings before taxes (EBT) from continuing activities	490.3	1,252.3	-60.8%	3.5%	9.3%
Corporate income tax expense	-94.3	-332.2	-71.6%	-0.7%	-2.5%
Minority interest	-58.9	-182.2	-67.7%	-0.4%	-1.4%
Income attributable to equity holders of parent	337.2	737.9	-54.3%	2.4%	5.5%

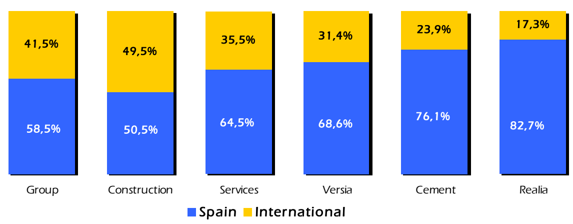
4.1 Revenues

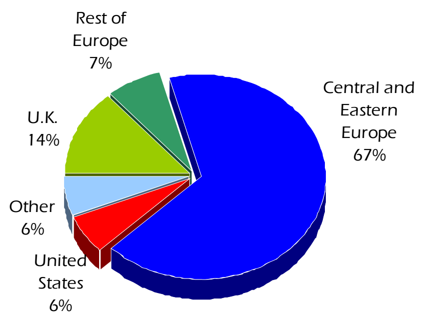
FCC revenue expanded 4.4% to 14,016.3 million euro in 2008. This increase is due in large part to increased revenues from construction (+11.9%) and environmental services (+4.9%).

Revenues declined in Versia (general services, -2.8%) and Cement (-20.4%), the former due to sale of the majority of its bus line business (CTSA) in November 2007 and the effects of the economic slowdown on logistics and handing activities. Cement was affected by the slowdown in residential building in Spain and the US, together with the impact of adverse exchange effect changes on its business in other countries.

The Group continues to expand internationally at a solid pace. Revenue from other countries accounted for 41.5% of the total, having increased by 22.5% in the year.

INTERNATIONAL BUSINESS





FCC's strong foothold in Central and Eastern Europe (88% of international business) is an important potential source of growth and a region where FCC operates in the environment and infrastructure businesses. The Group has also strengthened its operations in the US in the Cement and Urban Furniture segments; early in 2008, it entered the industrial waste management business by acquiring the Hydrocarbon Recovery Services group.

The Group's presence outside Spain has been consolidated steadily despite the adverse currency effect, with sterling depreciating by an average of 14.0% in the period (affecting environmental services) and the dollar depreciating by an average of 6.4% (hitting cement activity particularly hard).

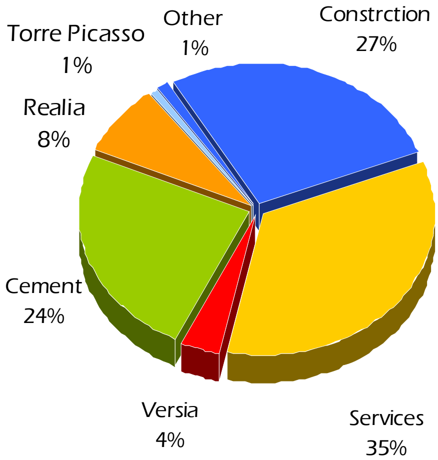
4.2 EBITDA

EBITDA declined 9.8% to 1,740.8 million euro, due to a combination of factors of differing sign. Firstly, construction expanded significantly: 23.9%. In a context of market scepticism as regards construction performance, it is worth noting that this growth is the result of solid growth of this division's backlog and its strong exposure to other countries and to the infrastructure business.

Cement activity declined, however, due to the sharp reduction in demand for building, on top of a deterioration in margins due to rising energy costs. The results of Environmental Services reflect seasonal changes, such as the negative impact on WRG of the delay in starting up a waste treatment plant, depreciation of sterling and the decline in waste volumes in the UK. Furthermore, the group included an 81 million euro value adjustment at Realia for certain land and development assets.

Adjusting for the aforementioned provision, EBITDA would have declined by just 6.11% to 1,821.8 million euro.

EBITDA BY AREAS



The consolidated EBITDA margin was 12.4% in 2008, impacted by lower sales in the group's most capital-intensive activities, such as cement and WRG, which have greater fixed costs than those activities where revenue expanded.

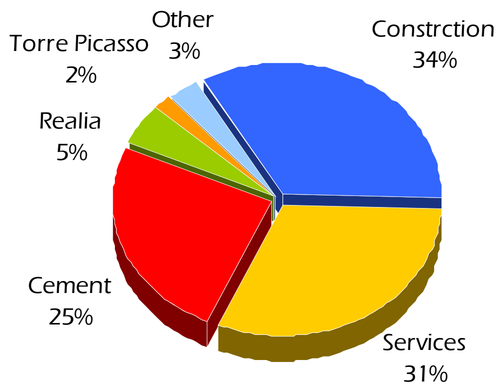
4.3 EBIT

EBIT amounted to 946.5 million euro, 24.8% less than in 2007. Once again, Construction expanded, contrasting with a reduction in the other activities, partly for the reasons described above under EBITDA.

The figures include 165 million euro in depreciation due to the value adjustment of certain assets acquired in previous years: (1) 100 million euro of recurring depreciation on stepped-up assets (most of them in the Environment and Infrastructure business), (2) 18.8 million euro amortisation of goodwill mainly linked to a number of Versia's airport handling contracts, and (3) a 46 million euro provision for Realia rental assets.

Adjusting for the aforementioned goodwill amortisation and depreciation of Realia assets (land/development and rental property), consolidated EBIT would have been 1,092.5 million euro, 13.2% less than in 2007.

EBIT BY AREAS



4.4 Earnings before taxes from continuing activities (EBT)

EBT amounted to 490.3 million euro in 2008 (1,252.3 million euro in 2007, which included 258.5 million euro from the sale of a stake in Realia in the IPO last year).

4.4.1 Financial income

Financial expenses amounted to 484.6 million euro, up 24.4% due to the increase in financial costs in 2008 (as a result of high interest rates since October) and the average volume of financial debt maintained in the year. However, at year-end, improved working capital needs and the change to account for Realia by the equity method reduced net debt to 6,900.6 million euro at December 2008, 11.3% less than in December 2007.

4.4.2 Equity-accounted affiliates

Equity-accounted affiliates' contribution amounted to 12.6 million euro, 80% less than the previous year since Realia was fully consolidated in 2008 whereas from January-May 2007 it was carried by the equity method.

4.4.3 Other financial results

This item, which reflects income from the sale of financial assets and marking-to-market adjustments, declined sharply because of the inclusion in June 2007 of 258.5 million euro from the sale of a stake in Realia in the IPO.

4.5 Profit attributable to equity holders of the parent company

Net attributable profit amounted to 337.2 million euro in 2008. This reduction is the result mainly of comparison with the gain from the Realia IPO in 2007 (this accounts for 64.5% of the decline) and, to a lesser extent, of provisions for certain assets acquired in previous years, a slowdown in operating cash flow and higher financial expenses on acquisitions by the Group.

4.5.1 Minority interest

The 67.7% reduction to 58.9 million euro is attributable to the decline in income corresponding to minority interests at Cementos Portland (to 63.8 million euro) and negative income at Realia (-15.5 million euro).

4.5.2 Corporate income tax expense

The corporate income tax expense fell by 71.6% with respect to 2007, to 94.3 million euro. The consolidated tax rate was 19.2% (compared with 26.5% the previous year), resulting from tax savings from the aforementioned provisions.

5. BALANCE SHEET

ASSETS	Dec. 08	Dec. 07	Diff.
Tangible assets	6,373.4	8,456.4	-2,083.0
Intangible assets	3,300.2	3,263.4	36.8
Investment in associated companies	1,109.1	887.1	222.0
Non-current financial assets	457.8	501.3	-43.5
Other non-current assets	591.3	474.0	117.3
Non-current assets	**11,831.8**	**13,582.3**	**-1,750.5**
Non-current assets available for sale and in discontinued activities	7.4	30.5	-23.1
Inventories	1,575.3	2,685.9	-1,110.6
Accounts receivable and other assets	5,553.9	5,219.9	334.0
Other current financial assets	215.2	160.3	54.9
Cash and cash equivalents	1,408.7	1,497.9	-89.2
Current assets	**8,760.4**	**9,594.5**	**-834.1**
TOTAL ASSETS	**20,592.2**	**23,176.8**	**-2,584.6**

LIABILITIES	Dec. 08	Dec. 07	Diff.
Equity attributable to equity holders of parent company	2,546.9	2,686.2	-139.3
Minority interest	649.2	1,564.3	-915.1
Equity	**3,196.2**	**4,250.5**	**-1,054.3**
Bank debt and other non-current financial liabilities	6,872.3	7,483.5	-611.2
Non-current provisions	821.4	871.1	-49.7
Other non-current liabilities	1,000.8	1,064.0	-63.2
Subsidies	65.9	61.8	4.1
Non-current liabilities	**8,760.5**	**9,480.4**	**-719.9**
Bank debt and other current financial liabilities	2,224.9	2,639.9	-415.0
Trade accounts payable and other current liabilities	6,318.8	6,723.7	-404.9
Current provisions	91.9	82.4	9.5
Current liabilities	**8,635.6**	**9,446.0**	**-810.4**
TOTAL LIABILITIES	**20,592.2**	**23,176.8**	**-2,584.6**

Tangible assets

This item reflects the fact that the Realia stake is accounted for by the equity method in 2008, whereas it was fully consolidated in 2007. Additionally, it includes a 140 million euro investment in the acquisition of two solar photovoltaic plants in September. These assets were transferred to FCC Energía, a new business unit, at 2008 year-end.

Investment in associated companies

The item for investment in associated companies (1,109.1 million euro in 2008) reflects investment in joint and associated businesses, notably Global Vía (infrastructure concessions), Proactiva (environment business in Latin America), and Realia (real estate). The latter was included only in 2008, since it came under joint management at 2008 year-end.

At 2008 year-end, FCC's investment in the equity of infrastructure concession companies (including those already transferred, or in the process of being transferred, to GVI) amounted to 439.2 million euro. Furthermore, a total of 546.7 million euro was invested in concession companies.

Net financial debt

	Dec. 08	Dec. 07	Diff.
Bank debt	-7,939.1	-9,026.1	1,087.0
With recourse	*-6,100.5*	*-5,690.7*	*-409.8*
Without recourse	*-1,838.6*	*-3,335.4*	*1,496.8*
Debt securities outstanding	-143.7	-139.3	-4.4
Accounts payable due to financial leases	-157.2	-131.1	-26.1
Derivatives and other financial liabilities	-284.6	-137.7	-146.9
Cash and other financial assets	1,623.9	1,658.2	-34.3
With recourse	*1,358.3*	*1,169.1*	*189.2*
Without recourse	*265.6*	*489.1*	*-223.5*
TOTAL NET FINANCIAL DEBT	**-6,900.6**	**-7,776.1**	**875.5**
Net financial debt with recourse	-5,327.6	-4,929.8	-397.8
Net financial debt without recourse	-1,573.0	-2,846.3	1,273.3

At 31 December, net bank debt fell by 875.5 million euro to 6,900.6 million euro, 11.3% less than at the end of 2007.

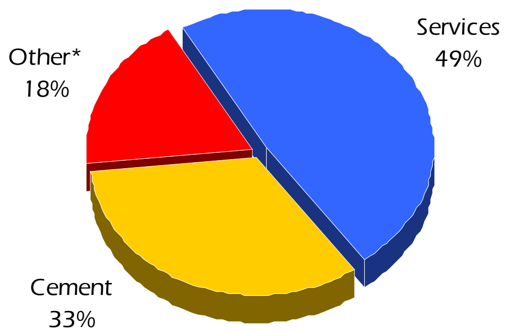
Net debt in 2008 and 2007 reflects the change to recognising joint ventures by the equity method.

The reduction in net debt is attributable to a combination of factors: investment in the period expanded to 1,501.8 million euro (44.7% in environmental services and 9.3% in alternative energy projects) and working capital needs, which finance growth in revenue, amounted to 459.4 million euro in December 2008; additionally, the change in the method of recognising Realia at 2008 year-end eliminated its debt from the FCC Group's balance sheet.

Environmental and general services (Versia) are the main sources of debt, accounting for 65.7% of the total, mainly to finance stable long-term public service concessions and contracts. Alternative energies, whose is growing but is not yet broken out as an independent activity segment, accounted for an additional 140 million euro.

Furthermore, at the end of the year, 22.8% of the total net debt is without recourse to the parent company (i.e. project finance); the breakdown is as follows:

NET DEBT WITHOUT RECOURSE



* Includes stakes in infrastructure concessions and energy companies.

6. CASH FLOW

	Dec. 08	Dec. 07	Change
Operating cash flow	1,105.3	1,252.1	-11.7%
Funds from operations	1,849.4	1,959.2	-5.6%
(Increase) Decrease in working capital	-459.4	-370.4	24.0%
Other items (taxes, dividends, etc.)	-284.7	-336.7	-15.4%
Investment cash flow	-1,501.8	-1,091.2	37.6%
Cash flow from business operations	**-396.5**	**160.9**	**N/A**
Financing cash flow	**-930.4**	**-1,267.6**	**-26.6%**
Other cash flow (change in consolidation scope, etc.)	**2,202.2**	**-1,599.6**	**N/A**
TOTAL CASH FLOW (Increase in net financial debt)	**875.4**	**-2,706.4**	**N/A**

6.1 Operating cash flow

In 2008, operating cash flow fell 11.7% to 1,105.3 million euro due to a combination of a slight (5.6%) reduction in funds from operations to 1,849.4 million euro and an increase in operating working capital to 459.4 million euro.
The variation in working capital by business area in the year is as follows:

	Dec. 08/Dec. 07
Construction	-191.5
Environmental services	-205.6
Versia	0.3
Cement	10.7
Other activities (including Realia)	-73.3
Total (Increase)/Decrease in working capital	-459.4

Part of the increase in working capital is attributable to Construction, derived from the need to finance the notable 33.9% growth in international activity. Additionally, operating financial needs increased by 205.6 million euro for environmental services, where revenues expanded 4.9%.
The performance of operating working capital was notable in 2008, expanding by 221.3 million euro in the first quarter, 580.3 million euro in the second quarter and 117.3 million euro in the third quarter, but declining by 459.5 million euro in the fourth quarter of 2008.

6.2 Investment cash flow

Net investments in the period amounted to 1,501.8 million euro, up 37.6% with respect to 2007. Gross investment amounting to 1,765.8 million euro included 1,092.3 million euro in intangible and tangible fixed assets (61.8% of the total), and another 578 million euro in financial investments and in group companies. The items with the greatest impact were: 122.4 million euro for the acquisition in March of Hydrocarbon Recovery Services and International Petroleum (industrial waste management), 140 million euro for the purchase of 2 solar plants in September, 176.5 million euro for rental assets under development, and 143 million euro to buy out minority shareholders in cement companies.

Divestments amounted to 264 million euro, of which a majority come from the sale of construction and Realia assets.

7. BUSINESS PERFORMANCE

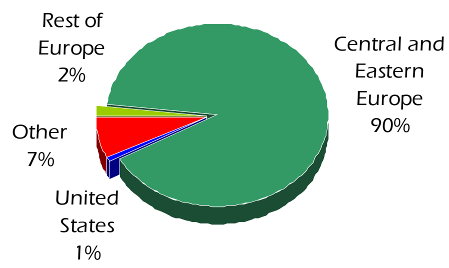
7.1 Construction

7.1.1 Earnings

	Dec. 08	Dec. 07	Change
Revenues	7,744.0	6,922.2	11.9%
Spain	*3,909.1*	*4,057.5*	*-3.7%*
International	*3,834.9*	*2,864.7*	*33.9%*
EBITDA	463.1	373.8	23.9%
EBITDA margin	*6.0%*	*5.4%*	
EBIT	325.4	262.3	24.1%
EBIT margin	*4.2%*	*3.8%*	

Construction registered 11.9% growth resulting from increased sales outside Spain, which rose by 33.9% to 3,834.9 million euro. International activity accounts for almost half (49.5%) of the area's revenue. Revenues from construction in Spain fell 3.7%, after declining 1.2% through September, 6.1% in the first half of 2008 and 16.6% in the first quarter.
FCC's international presence is concentrated mainly in Europe (92% of the total foreign activities), with a notable presence in Austria (47.1% of the total) and a growing foothold in Eastern European countries such as Romania, Bulgaria, the Czech Republic, Poland and Croatia (23.7% of the total).

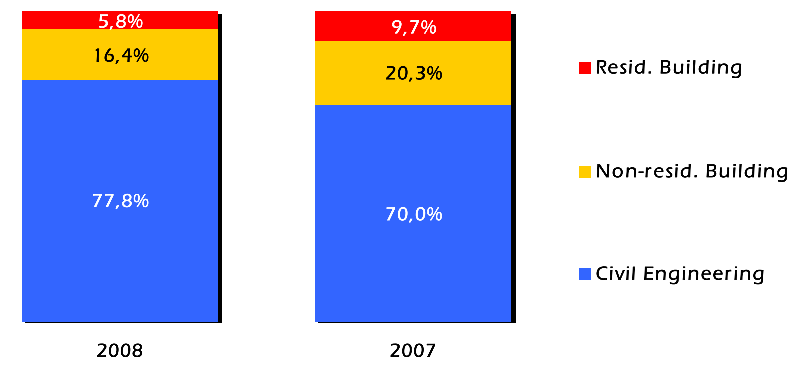
INTERNATIONAL REVENUES



EBITDA amounted to 463.1 million euro, 23.9% more than in 2007. The EBITDA margin closes 2008 at 6%, clearly higher than the previous year.

EBIT also shows a strong growth (+24.1%) to 325.4 million euro with an EBIT margin of 4.2%.

TOTAL CONSTRUCTION BACKLOG



It is important to note the visibility of future business expressed in the backlog, which increased by 14.5% to 10,159.4 million euro at 2008 year-end. That backlog figure is an all-time record and ensures 15.7 months of production. Civil engineering projects account for 77.8% of the total, while the proportion corresponding to building fell to 22.2% of the total in 2008.

➢ CONSTRUCTION EXCLUDING ALPINE

	Dec. 08	Dec. 07	Change
Revenues	4,237.6	4,327.2	-2.1%
EBITDA	293.2	254.4	15.3%
EBITDA margin	*6.9%*	*5.9%*	
EBIT	247.5	216.3	14.4%
EBIT margin	*5.8%*	*5.0%*	

Revenues excluding Alpine (which accounts for more than 91% of all international activity) contracted 2.1%, in line with the expected performance for the year.

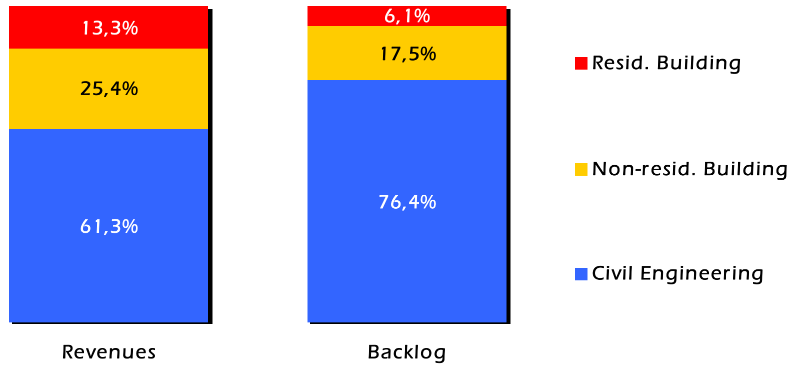
EBITDA growth surpassed revenue growth, rising by 15.3% to 293.2 million euro, and the EBITDA margin was 6.9%. This margin increase is attributable to the larger proportion of large civil engineering projects, which provided a greater return, as well as an extraordinary 17 million euro charge in the fourth quarter of 2007 due to an arbitration decision regarding an industrial contract in Spain.

The EBIT margin expanded to 5.8%, and EBIT amounted to 247.5 million euro, 14.4% more than in 2007.

Breakdown by type of construction (Ex. Alpine).

	Revenues		
	Dec. 08	Dec. 07	Change
Civil engineering	2,597	2,634	-1.4%
Non-residential building	1,077	1,116	-3.5%
Residential building	563	577	-2.4%
Total	**4,237**	**4,327**	**-2.1%**

Backlog			
	Dec. 08	Dec. 07	Change
Civil engineering	5,392	4,264	26.5%
Non-residential building	1,234	1,355	-9.0%
Residential building	434	702	-38.2%
Total	**7,060**	**6,321**	**11.7%**



At 2008 year-end, the backlog excluding Alpine maintained its good performance, having increased by 11.7% to 7.060 billion euro. This expansion is attributable to the increase in civil engineering projects, whose absolute increase (+26.5%) and relative contribution to the backlog (76.4% of the total) more than offset the contraction in building (-18.9%). Accordingly, the civil engineering area, which is more complex and has a more favourable outlook, in view of government investment plans, is gaining as a proportion of the total. The backlog guarantees 20 months' work.

- ALPINE

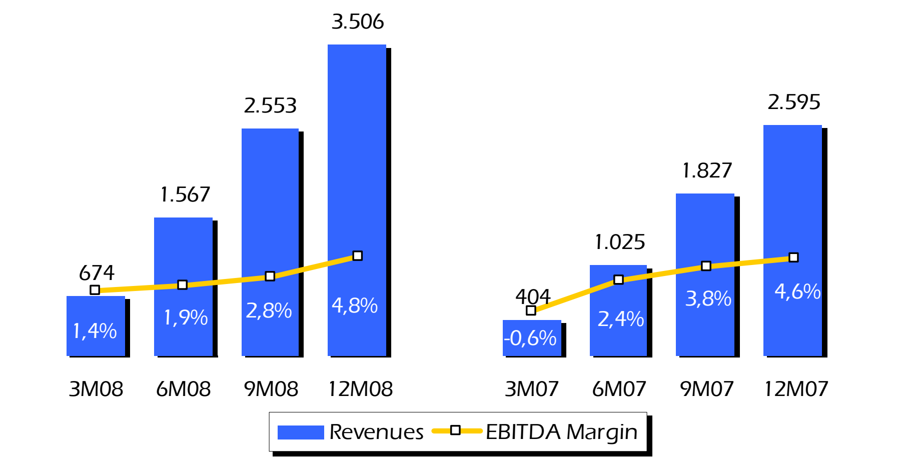
	Dec. 08	Dec. 07	Change
Revenues	3,506.4	2,595.0	35.1%
EBITDA	169.9	119.4	42.3%
EBITDA margin	*4.8%*	*4.6%*	
EBIT	77.9	46.0	69.4%
EBIT margin	*2.2%*	*1.8%*	

Revenues at Alpine increased 35.1%, maintaining solid growth over the course of the year and accounting for 45.3% of the area's total. EBITDA increased even faster, by 42.3% to 169.9 million euro, once the start-up costs due to new projects began to be diluted. As a result, the EBITDA margin increased slightly; by 20 basis points.

EBIT amounted to 77.9 million euro, up 69.4% with respect to 2007. EBIT includes 20.5 million euro of depreciation in the year on assets of Alpine that were stepped when it was integrated into FCC Group.

Because of the strongly seasonal nature of Alpine revenues, due to weather conditions in its principal markets (central-eastern Europe), it is advisable to conduct a comparative analysis between full years.

YTD performance



Alpine's backlog increased 21.3% to 3,099 million euro in December 2008, ensuring 10.6 months' production.

7.1.2 Cash flow

	Dec. 08	Dec. 07	Change
Operating cash flow	178.4	-30.4	N/A
Funds from operations	*477.9*	*358.0*	*33.5%*
(Increase)/Decrease in working capital	*-191.5*	*-295.3*	*-35.2%*
Other items (taxes, dividends, etc.)	*-108.0*	*-93.1*	*16.0%*
Investment cash flow	-156.9	-178.0	-11.9%
Cash flow from business activities	21.5	-208.4	N/A
Financing cash flow	-213.5	-150.4	42.0%
Other cash flow (change in consolidation scope, etc.)	344.3	256.0	34.5%
TOTAL CASH FLOW (Change in net debt)	152.2	-102.8	N/A

	Dec. 08	Dec. 07	Diff.
Net debt at end of period	-119.8	-272.0	152.2
With recourse	-119.8	-285.0	165.2
Without recourse	0.0	13.0	-13.0

Funds from operations increased 33.5% to 477.9 million euro. This strong growth comfortably offsets the increase in working capital by 191.5 million euro, broadly derived from expanding activity in Europe through Alpine.

Net investments amounted to 156.9 million euro, and another 344.3 million euro are linked to the transfer of infrastructure concession stakes to the corresponding units in 2008.

Net debt at the end of the period amounted to 119.8 million euro, 55.9% less than at 2007 year-end.

7.2 Environmental services

7.2.1 Earnings

FCC SERVICIOS MEDIOAMBIENTALES			
	Dec. 08	Dec. 07	Change
Revenues	3,633.3	3,464.7	4.9%
Spain	*2,342.9*	*2,262.1*	3.6%
International	*1,290.4*	*1,202.6*	7.3%
EBITDA	606.0	660.8	-8.3%
EBITDA margin	*16.7%*	*19.1%*	
EBIT	298.6	342.0	-12.7%
EBIT margin	*8.2%*	*9.9%*	

EX WASTE RECYCLING GROUP			
	Dec. 08	Dec. 07	Change
Revenues	2,976.4	2,689.5	10.6%
EBITDA	507.9	436.8	16.3%
EBITDA margin	*17.1%*	*16.2%*	
EBIT	304.1	279.0	9.0%
EBIT margin	*10.3%*	*10.4%*	

Environmental Services increased revenues by 4.9% due to good performance in Spain (+3.6%) and internationally (+7.3%). The latter reflects the integration of the Hydrocarbon Recovery Services group into the Industrial Waste business in March. Adjusting for that effect, sales outside Spain would have fallen slightly, by 0.9%.

Of special note is the negative effect of the euro's appreciation with respect to sterling (14.0%) and the US dollar (6.4%), which impacted WRG in particular; WRG group also suffered from the increase in taxes on landfills and the delay in the start-up of one of its principal plants. Adjusted for the aforementioned acquisition, international revenues at a constant exchange rate would have expanded by 8.9% in 2008.

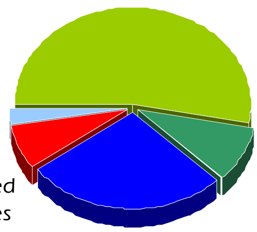
BREAKDOWN OF REVENUES BY BUSINESS			
	Dec. 08	Dec. 07	Change
Environment, Spain	1,440.5	1,356.9	6.2%
Environment, International	1,057.4	1,127.7	-6.2%
Water	845.5	790.1	7.0%
Industrial waste	289.9	189.3	53.1%
Total	**3,633.3**	**3,464.7**	**4.9%**

The Environmental unit in Spain registered 6.2% growth in revenues to 1,440.5 million euro, accounting for 39.6% of this area's total revenues.

The International Environment area was impacted by the aforementioned exchange rate effect. Nevertheless, international revenues totalled 1,057.4 million euro, accounting for 29.1% of Environmental Services revenues. The main international operations are in the United Kingdom (WRG and Focsa Services), which accounts for 53% of the total, and Central and Eastern Europe (through ASA and SmVAK), with 27% of the total, and a growing presence in the USA through the Hydrocarbon Recovery Services Group.

Industrial Waste registered strong growth (53.1%) in part due to the acquisition of Hydrocarbon Services Group (consolidated as of 1 March 2008), whose revenues in 2008 totalled 98.9 million euro. Growth in like-for-like terms was 0.9% in the year.

BREAKDOWN OF INTERNATIONAL REVENUES



EBITDA declined by 8.3% to 606 million euro and EBIT by 12.7% to 298.6 million euro. The fact that EBIT fell faster is due to 42 million euro of depreciation of stepped-up assets acquired in previous years.
WRG made a notable contribution. Excluding WRG, revenues in the area would have grown by 10.6% to 2,976.4 million euro, EBITDA would have increased by 16.3% to 507.9 million euro and the EBITDA margin would have improved by 90 basis points to 17.1%.

The environmental services backlog expanded by 5.7% with respect to December 2007 to a new high in 2008: 22,547.3 million euro.

WASTE RECYCLING GROUP (WRG)

	Dec. 08	Dec. 07	Change
Revenues	656.9	775.2	-15.2%
EBITDA	98.1	224.0	-56.2%
EBITDA margin	*14.7%*	*28.9%*	
EBIT	-5.5	63.0	N/A
EBIT margin	*N/A*	*8.1%*	

WRG's revenues declined to 656.9 million euro, and EBITDA fell to 98.1 million euro. This was due firstly to the negative impact of the euro's 14% appreciation against the pound sterling. At a constant exchange rate, revenues would have fallen by 1.5%.

WRG was also affected until September by a shut-down at its main incinerator (Allington) and, to a lesser extent, by the increase in April in the tax on waste managed by municipalities in the UK.

The fact that EBIT fell faster, to -5.5 million euro, was due to the 23.9 million euro of depreciation of assets that were stepped up in the WRG acquisition.

7.2.2 Cash flow

	Dec. 08	Dec. 07	Change
Operating cash flow	360.3	578.2	-37.7%
Funds from operations	*591.2*	*666.3*	*-11.3%*
(Increase)/Decrease in working capital	*-205.6*	*-91.6*	*124.5%*
Other items (taxes, dividends, etc.)	*-25.3*	*3.5*	*N/A*
Investment cash flow	-628.8	-516.5	21.7%
Cash flow from business activities	-268.5	61.7	N/A
Financing cash flow	-305.8	-312.6	-2.2%
Other cash flow (change in consolidation scope, etc.)	276.7	157.7	75.5%
TOTAL CASH FLOW (Change in net debt)	-297.6	-93.2	219.3%

	Dec. 08	Dec. 07	Diff.
Net financial debt at end of period	-4,076.4	-3,792.8	-283.6
With recourse	-3,315.3	-2,926.9	-388.4
Without recourse	-761.1	-865.9	104.8

Operating cash flow amounted to 360.3 million euro, due mainly to a combination of 591.2 million euro in funds from operations and a 205.6 million euro increase in working capital.

Net investments in the period amounted to 628.8 million euro, 21.7% more than in 2007. Other investments include the acquisition of Hydrocarbon Recovery Services and International Petroleum (US) in the first quarter for 122.4 million euro. Smaller acquisitions in Europe by WRG and the water area accounted for another 24.2 million euro.

7.3 Versia

7.3.1 Earnings

	Dec. 08	Dec. 07	Change
Revenues	897.4	923.2	-2.8%
Spain	615.9	645.1	-4.5%
International	281.6	278.1	1.2%
EBITDA	74.8	91.9	-18.7%
EBITDA margin	*8.3%*	*10.0%*	
EBIT	-6.1	40.6	-114.9%
EBIT margin	*-0.7%*	*4.4%*	

Versia's revenues fell 2.8% to 897.4 million euro due to two effects. One was the sale of CTSA (mass transit business) in November 2007. Adjusting for this divestment, revenues would have increased by 0.4% in the year. The other effect was the economic slowdown, which affected logistics revenues.

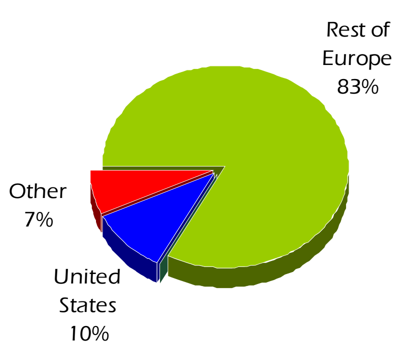
REVENUES

	Dec. 08	Dec. 07	Change
Logistics	323.0	338.0	-4.5%
Airport handling	252.8	258.4	-2.2%
Urban Furniture	132.8	136.3	-2.5%
Parking	74.4	74.8	-0.6%
Maintenance and Systems	49.9	50.0	0.0%
Vehicle testing	46.2	41.0	12.8%
Mass transit*	0.0	29.4	N/A
SVAT	22.0	24.6	-10.3%
Total (**)	**897.4**	**923.2**	**-2.8%**

**See previous paragraph. ** Includes consolidation adjustments*

Vehicle testing was the most dynamic area, registering 12.8% growth. Logistics reflects the impact of reduced economic activity, while Urban Furniture (including notably the New York contract) contributed 26.3 million euro to revenues, 19.8% of the area's total.
International activity increased by 1.2%, mainly due to international expansion by Urban Furniture and Airport Handling, and it now accounts for 31.4% of this area's consolidated revenues.

INTERNATIONAL REVENUES



EBITDA fell to 74.8 million euro due to start-up costs of the Urban Furniture business in New York (12.2 million euro in operating losses), the sale of CTSA and the impact on Logistics of curtailed business and rising fuel prices.

EBIT includes a 23 million euro provision for goodwill adjustments and for certain assets acquired in previous years in the Airport Handling area (contracts in Italy and Miami). Adjusted for this effect, EBIT would have contracted to 16.9 million euro in 2008.

7.3.2 Cash flow

	Dec. 08	Dec. 07	Change
Operating cash flow	83.5	172.4	-51.6%
Funds from operations	*99.1*	*106.6*	*-7.0%*
(Increase)/Decrease in working capital	*0.3*	*52.8*	*-99.4%*
Other items (taxes, dividends, etc.)	*-15.9*	*13.0*	*-222.3%*
Investment cash flow	-43.0	-153.4	-72.0%
Cash flow from business activities	40.5	19.0	113.6%
Financing cash flow	-46.9	-38.6	21.5%
Other cash flow (change in consolidation scope, etc.)	18.0	15.8	13.9%
TOTAL CASH FLOW (Change in net debt)	11.5	-3.9	N/A

	Dec. 08	Dec. 07	Diff.
Net financial debt at end of period	-509.4	-521.6	12.2
With recourse	*-509.4*	*-521.6*	*12.2*
Without recourse	*0.0*	*0.0*	*0.0*

Cash flow improved as investment in expansion was low in 2008, contrasting with sizeable volumes in previous years. This enabled debt to be reduced by 2.3% to 509.4 million euro at year-end.

7.4 Cement

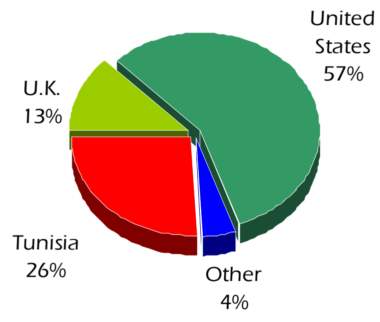
7.4.1 Earnings

	Dec. 08	Dec. 07	Change
Revenues	1,425.1	1,790.8	*-20.4%*
Spain	*1,085.2*	*1,415.4*	*-23.3%*
International	*339.9*	*375.4*	*-9.5%*
EBITDA	417.3	581.7	*-28.3%*
EBITDA margin	*29.3%*	*32.5%*	
EBIT	235.6	412.3	*-42.9%*
EBIT margin	*16.5%*	*23.0%*	

Revenues fell by 20.4%, particularly due to poor performance in Spain, where sales decreased by 23.3%. This performance is attributable to the drastic reduction in residential building in Spain in 2008.

International sales amounted to 339.9 million euro, 23.8% of the total. The 9.5% reduction reflects the negative impact of the exchange rate effect (the dollar depreciated by 6.4% in the period) and a deceleration in demand in the US (17%).Emerging markets (Tunisia) remained strong due to positive consumption and price performance.

BREAKDOWN OF INTERNATIONAL REVENUES



EBITDA fell 28.3% to 417.3 million euro and the EBITDA margin fell just 3.20 percentage points to 29.3%. This moderate reduction in the EBITDA margin compared with the reduction in revenues was achieved despite rising energy costs, especially electricity in Spain, after the wholesale market was liberalised on 1 July (+30% with respect to the first half of 2008) and the impact of fixed costs in a situation of declining activity.

7.4.2 Cash flow

	Dec. 08	Dec. 07	Change
Operating cash flow	359.7	454.5	-20.9%
Funds from operations	*417.8*	*614.3*	*-32.0%*
(Increase)/Decrease in working capital	*10.7*	*-38.0*	*-128.2%*
Other items (taxes, dividends, etc.)	*-68.8*	*-121.8*	*-43.5%*
Investment cash flow	-295.7	-294.8	0.3%
Cash flow from business activities	64.0	159.7	-59.9%
Financing cash flow	-242.0	-195.9	23.5%
Other cash flow (change in consolidation scope, etc.)	-63.7	-15.2	319.1%
TOTAL CASH FLOW (Change in net debt)	-241.8	-51.4	370.4%

	Dec. 08	Dec. 07	Diff.
Net financial debt at end of period	-1,762.2	-1,520.5	-241.7
With recourse	-1,240.4	-1,043.9	-196.5
Without recourse	-521.8	-476.6	-45.2

Operating cash flow fell 20.9% to 359.7 million euro, i.e. by less than funds from operations as a result of the 10.7 million euro reduction in working capital. Capital expenditure amounted to 295.7 million euro. The two largest components are investments in holdings in group companies, which totalled 146.8 million euro, and investments to improve the energy efficiency of the Keystone, Pennsylvania plant.

7.5 Torre Picasso

7.5.1 Earnings

	Dec. 08	Dec. 07	Change
Revenues	26.2	21.8	20.3%
EBITDA	21.4	18.6	14.9%
EBITDA margin	*81.7%*	*85.5%*	
EBIT	17.8	16.2	10.0%
EBIT margin	*68.1%*	*74.4%*	

Torre Picasso has been fully consolidated since 25 July 2007, when FCC acquired the 20% it did not own.

At 2008 year-end, Torre Picasso's occupancy rate was stable and very close to 100%. Average net rent was €28.6/m2 per month.

8. SHARE DATA

8.1 Share performance

	Jan. - Dec. 2008	Jan. – Dec. 2007
Closing price (euro)	23.33	51.40
Change	*(54.6%)*	*(33.4%)*
High (euro)	51.40	83.90
Low (euro)	22.91	51.00
Average daily trading (shares)	684,728	674,995
Average daily trading (million euro)	26.5	45.6
Capitalisation at end of period (million euro)	2,970	6,711
No. of shares outstanding at end of period	127,303,296	130,567,483

8.2 Dividends

At a meeting on 18 December 2007, the Board of Directors declared an interim dividend of 1.065 euro gross per share; it was paid on 9 January 2008. Also, in accordance with the decision by the Ordinary General Meeting of Shareholders on 18 June 2007, a supplementary dividend of 1.065 euro gross per share was paid out of 2007 income on 7 July.

The total dividend, 2.13 euro gross per share, is 3.9% more than was paid out of the previous year's income.

On 17 December 2008, the Board of Directors declared an interim dividend of 0.785 euro gross per share to be paid out of 2008 income; it was paid on 9 January 2009.

8.3 Own shares

In 2008, 2,137,477 own shares, representing 1.68% of capital, were acquired for 68.9 million euro.

On 30 June 2008, capital stock was reduced through the amortisation of 2.49% of own shares charged against reserves.

At 31 December 2008, the company held 2,682,260 own shares, representing 2.11% of capital (127,303,296 shares).

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