
CONSTRUCTION


SERVICES


CEMENT


REAL ESTATE

RESULTS

January – June 2007

30 July 2007

CONTENTS

1. Highlights

Aqualia named Water Company of the Year
(12/04/07)

The prize was given by Global Water Intelligence (GWI), one of the most prestigious international publications in the industry.

GWI highlighted Aqualia's ability to grow in this competitive international market by replicating the business model developed in Spain.

Finalists for the award were Société des Eaux et d'Assainissement d'Algiers (Suez group), Shanghai Pudong Veolia Water (Veolia's Chinese subsidiary) and US company Black & Veatch, out of an initial field of close to eighty nominees.

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

Caja Madrid and FCC have established a 50:50 joint venture called Global Vía Infraestructuras, S.A. to group all of the infrastructure assets owned by the two partners.

The company's initial capital stock is 250 million euro and it has holdings in 35 infrastructure concessions, basically roads, commercial ports and marinas, metro and tram lines, and hospitals.

At its first meeting, the new company's Board of Directors elected Jesús Duque as Chairman of Global Vía Infraestructuras and appointed Javier Falces as general manager.

Global Vía has been created with the aim of becoming one of the world's leading infrastructure groups; in addition to the projects received from its parent companies, it will bid for all major concession tenders in Europe and North America.

REALIA places 43% of its capital
(06-06-2007)

REALIA, the real estate group owned by FCC and Caja Madrid, has completed the public offering of 43% of its capital, and has been officially listed as of the 6 June at a share price of 6.5€/ share.

The number of shares offered represented 43% of REALIA's capital. 52% of the offering was allocated to the international tranche, 31% to the retail tranche and 16% to qualified Spanish investors.

The purpose of the offering was to expand REALIA's shareholder base and give it access to the capital markets, which will enable it to raise funds for future growth. REALIA also wishes to enhance its prestige, transparency and image by being listed. This initiative by REALIA will provide its shareholders with more liquidity through trading on the Stock Exchanges, while enabling the selling shareholders to monetise part of their assets.

FCC awarded three road concessions, two of them abroad

MEXICO (29-06-2007)

Concession for the new 85-km toll road between Nuevo Necaxa and Tihuatlán. The project will require over 400 million euro in investment. The contract is to build, operate and maintain a new 37-km section of road between Nueva Necaxa and Avila Camacho, and to operate and maintain the 48-km section of road between Avila Camacho and Tihuatlán.

SPAIN (25-06-2007)

A 35-year contract to expand and operate, under a shadow toll system, the Eix Transversal road, which will connect the cities of Lleida and Girona, bypassing Barcelona. The bid to build the new lanes and refurbish the existing road surface amounts to 708.3 million euro.

IRELAND (22-03-2007)

Contract to design, build, finance and manage the M50 ring road in Dublin, Ireland. The concession is for 35 years; work is expected to commence in August 2007 and be completed early in 2011. The project includes 41 kilometres of the central roadway of Dublin's M50 ring road, between the junction with the M1, to the north of Dublin, and the southern junction with the N11.

2. EXECUTIVE SUMMARY

- MAIN **OPERATING FIGURES** GROW OVER **+50%.**

- **ORGANIC GROWTH** IN REVENUES UP TO **+16.3%**

- **INTERNATIONAL** SALES REPRESENT **33.5% OF TOTAL**

- AS OF 1ST JUNE **REALIA** IS INTEGRATED GLOBALLY (PREVIOUSLY BY THE EQUITY METHOD). FCC'S STAKE IS REDUCED FROM 49.16% TO **27.65%**.

- ORDER BOOKINGS **INCREASE +51.2%** TOTALLING 6,991 MILLION EURO

- **BACKLOG** INCREASES **+44.5%** UP TO 33,508 MILLION EURO

2.1 KEY FIGURES

	Jun. 07	Jun. 06	Chg. (%)
Net sales	6,612.5	3,963.7	66.8%
EBITDA	940.0	583.0	61.2%
Margin	*14.2%*	*14.7%*	
EBIT	608.0	400.6	51.8%
Margin	*9.2%*	*10.1%*	
Earnings before taxes (EBT) from continuing activities	761.9	422.1	80.5%
Income attributable to equity holders of parent company	491.7	258.5	90.2%

Backlog	33,508.1	23,185.3	44.5%
Operating cash flow	451.3	336.2	34.2%
Gross Capital expenditure	633.3	984.0	-35.6%
Equity	4,521.5	2,896.5	56.1%
Net financial debt	-7,464.5	-1,589.9	369.5%

2.2 SUMMARY BY BUSINESS AREA

	Jun. 07	Jun. 06	Chg. (%)	% of 07 total	% of 06 total
REVENUES					
Construction	3,241.2	1,781.2	82.0%	49.0%	44.9%
Environmental services	1,847.5	1,196.0	54.5%	27.9%	30.2%
Versia	475.9	405.7	17.3%	7.2%	10.2%
Cement	978.1	614.4	59.2%	14.8%	15.5%
Realia*	132.4	N/A	N/A	2.0%	N/A
Torre Picasso	10.0	9.3	7.2%	0.2%	0.2%
Other	-72.5	-42.9	69.2%	-1.1%	-1.1%
Total	**6,612.5**	**3,963.7**	**66.8%**	**100.0%**	**100.0%**
REVENUES IN SPAIN					
Construction	2,095.9	1,697.0	23.5%	47.7%	48.7%
Environmental services	1,146.2	1,018.6	12.5%	26.1%	29.2%
Versia	343.3	322.3	6.5%	7.8%	9.2%
Cement	743.8	480.2	54.9%	16.9%	13.8%
Realia*	128.0	N/A	N/A	2.9%	N/A
Torre Picasso	10.0	9.3	7.5%	0.2%	0.3%
Other	-72.5	-42.9	69.0%	-1.6%	-1.2%
Total	**4,394.7**	**3,484.5**	**26.1%**	**100.0%**	**100.0%**
INTERNATIONAL REVENUES					
Construction	1,145.3	84.2	1260.2%	51.6%	17.6%
Environmental services	701.3	177.4	295.3%	31.6%	37.0%
Versia	132.6	83.4	59.0%	6.0%	17.4%
Cement	234.3	134.2	74.6%	10.6%	28.0%
Realia*	4.4	N/A	N/A	0.2%	N/A
Torre Picasso	0.0	0.0	N/A	0.0%	0.0%
Other	0.0	0.0	N/A	0.0%	0.0%
Total	**2,217.8**	**479.2**	**362.8%**	**100.0%**	**100.0%**
EBITDA					
Construction	163.7	109.5	49.5%	17.4%	18.8%
Environmental services	340.5	194.9	74.7%	36.2%	33.4%
Versia	50.7	53.1	-4.5%	5.4%	9.1%
Cement	321.2	213.7	50.3%	34.2%	36.7%
Realia*	52.1	0.0	N/A	5.5%	N/A
Torre Picasso	7.7	8.1	-5.0%	0.8%	1.4%
Other	4.1	3.7	11.9%	0.4%	0.6%
Total	**940.0**	**583.0**	**61.2%**	**100.0%**	**100.0%**
EBIT					
Construction	124.5	102.5	21.5%	20.5%	25.6%
Environmental services	178.7	104.1	71.7%	29.4%	26.0%
Versia	20.8	26.7	-22.0%	3.4%	6.7%
Cement	224.2	155.7	44.0%	36.9%	38.9%
Realia*	47.9	0.0	N/A	7.9%	N/A
Torre Picasso	6.8	7.2	-6.0%	1.1%	1.8%
Other	5.0	4.3	17.4%	0.8%	1.1%
Total	**608.0**	**400.6**	**51.8%**	**100.0%**	**100.0%**

	Jun. 07	Jun. 06	Chg. (%)	% of 07 total	% of 06 total
NET FINANCIAL DEBT					
Construction	-377.3	477.7	-179.0%	5.1%	-30.0%
Environmental services	-3,792.5	-1,537.4	146.7%	50.8%	96.7%
Versia	-574.1	-368.0	56.0%	7.7%	23.1%
Cement	-1,545.2	-408.0	278.7%	20.7%	25.7%
Realia	-1,795.1	N/A	N/A	24.0%	N/A
Other	619.7	245.8	152.1%	-8.3%	-15.5%
Total	**-7,464.5**	**-1,589.9**	**369.5%**	**100.0%**	**100.0%**
OPERATING CASH FLOW					
Construction	-82.4	18.4	N/A	-18.3%	5.5%
Environmental services	180.0	90.3	99.3%	39.9%	26.9%
Versia	68.5	43.3	58.2%	15.2%	12.9%
Cement	237.5	156.3	52.0%	52.6%	46.5%
Realia*	95.7	0.0	N/A	21.2%	N/A
Other	-48.0	27.9	N/A	-10.6%	8.3%
Total	**451.3**	**336.2**	**34.2%**	**100.0%**	**100.0%**
GROSS INVESTMENTS					
Construction	141.3	64.7	118.4%	22.3%	6.6%
Environmental services	225.2	586.8	-61.6%	35.6%	59.6%
Versia	57.3	28.3	102.5%	9.0%	2.9%
Cement	196.6	297.6	-33.9%	31.0%	30.2%
Other	12.9	6.6	95.5%	2.0%	0.7%
Total	**633.3**	**984.0**	**-35.6%**	**100.0%**	**100.0%**
BACKLOG					
Construction	8,869.2	5,447.3	62.8%	26.5%	23.5%
Environmental services	23,882.3	17,489.8	36.5%	71.3%	75.4%
Versia	316.6	248.2	27.6%	0.9%	1.1%
Realia	440.4	N/A	N/A	1.3%	N/A
Total	**33,508.5**	**23,185.3**	**44.5%**	**100.0%**	**100.0%**

** Includes only the month of June (global integration as of 1st June, 2007)*

3. INCOME STATEMENT.

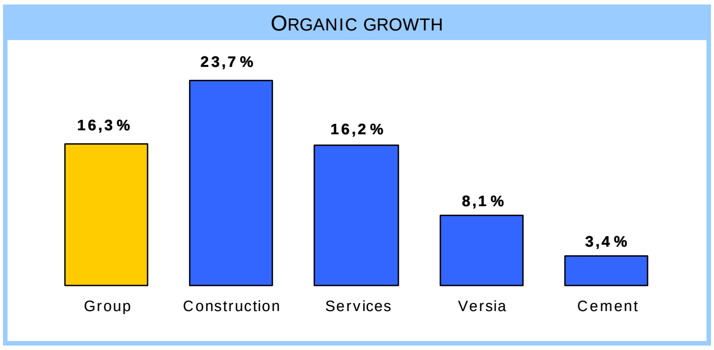
	Jun. 07	Jun. 06	Chg. (%)	as % of 07 revenues	as % of 06 revenues
Net sales	**6,612.5**	**3,963.7**	**66.8%**	**100.0%**	**100.0%**
EBITDA	**940.0**	**583.0**	**61.2%**	**14.2%**	**14.7%**
Margin	***14.2%***	***14.7%***			
Depreciation and amortisation	-337.4	-183.4	84.0%	-5.1%	-4.6%
(Allocation)/reversal of operating provisions	5.4	1.0	440.0%	0.1%	0.0%
EBIT	**608.0**	**400.6**	**51.8%**	**9.2%**	**10.1%**
Margin	***9.2%***	***10.1%***			
Financial income	-148.4	-24.2	513.2%	-2.2%	-0.6%
Equity-accounted affiliates	34.8	43.4	-19.8%	0.5%	1.1%
Other operating income	267.0	5.4	4844.4%	4.0%	0.1%
Impairment and reversion of property, plant and equipment	0.4	-3.1	N/A	0.0%	-0.1%
Earnings before taxes (EBT) from continuing activities	**761.9**	**422.1**	**80.5%**	**11.5%**	**10.6%**
Corporate income tax expense	-192.1	-129.4	48.5%	-2.9%	-3.3%
Minority interest	-78.1	-34.3	127.7%	-1.2%	-0.9%
Income attributable to equity holders of parent	**491.7**	**258.5**	**90.2%**	**7.4%**	**6.5%**

3.1 REVENUES

FCC's revenues increased by over 66.8% in the first half of 2007 due to a combination of strong organic growth and the consolidation of companies acquired in 2006 (Cementos Lemona, SmVAK, Uniland, Waste Recycling Group, Flightcare Italia and Alpine Mayreder Bau).

All areas increased revenues. Services, Construction and Cement performed particularly well.

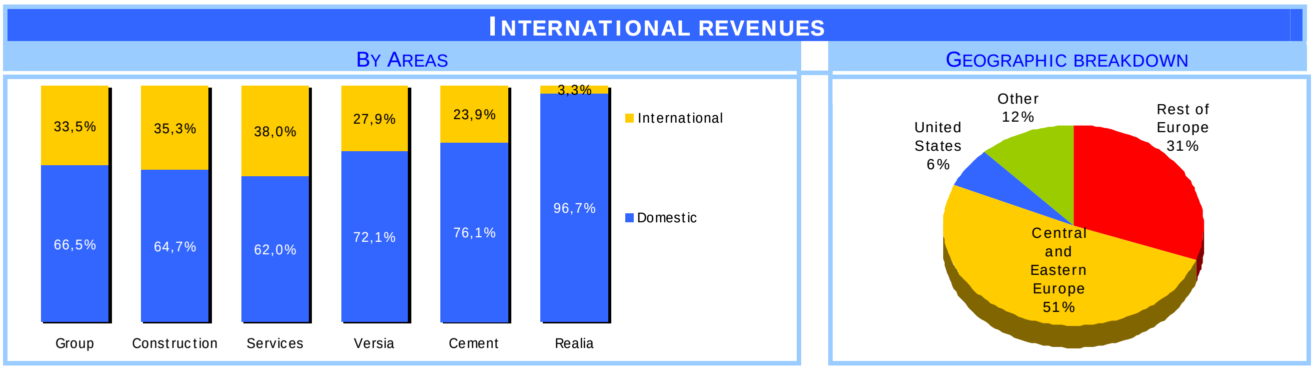
Excluding the contribution from acquisitions, organic growth was 16.3%, boosted mainly by Construction and Services.



The Group's international activity is multiplied by more than four and now contributes 33.5% of total revenues, up from 12.1% in June last year.

	Jun. 07	Jun. 06	Chg. (%)	% of 07 total	% of 06 total
Spain	4,394.7	3,484.5	26.1%	66.5%	87.9%
International	2,217.8	479.2	362.8%	33.5%	12.1%
Total	**6,612.5**	**3,963.7**	**66.8%**	**100.0%**	**100.0%**

Regarding the geographical breakdown by areas, Europe now accounts for 82% of FCC's international revenues, concentrated particularly in Central and Eastern Europe.



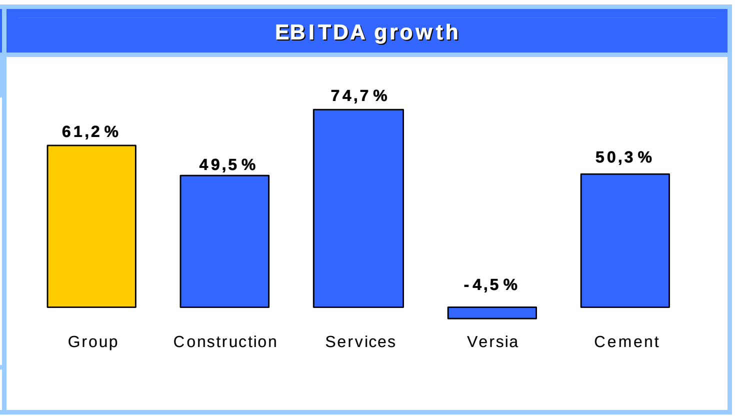
3.2 EBITDA

EBITDA increased by 61.2%, with particularly strong performance by Services, Construction and Cement.

The consolidated EBITDA margin was 14.2% and its decline compared to June 2006 is due to consolidating Alpine in Construction and Uniland in Cement, both with lower margins than the respective consolidated margins.

Personnel expenses increased by 44%, as a result of an increase in the average number of employees (96,468 people in June 2007, 30 vs. 75,133 the year before). Nevertheless, its proportion of revenues falls from 26.0% in June 2006, to 22.5% in June 2007.

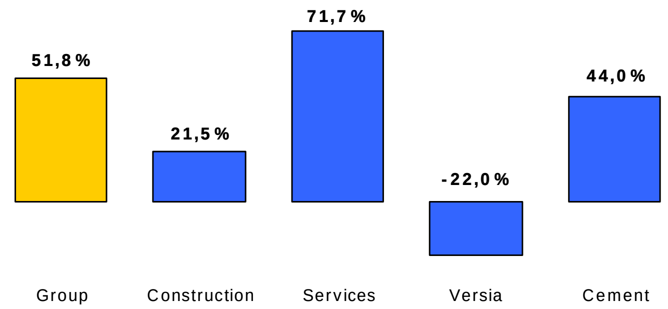
EBITDA margin		
	Jun. 07	Jun. 06
Construction	5.1%	6.1%
Services	18.4%	16.3%
Versia	10.7%	13.1%
Cement	32.8%	34.8%
Realia	39.4%	N/A
Torre Picasso	76.8%	86.6%
Total	**14.2%**	**14.7%**



3.3 EBIT

EBIT margin	Jun. 07	Jun. 06
Construction	3.8%	5.8%
Services	9.7%	8.7%
Versia	4.4%	6.6%
Cement	22.9%	25.3%
Realia	36.2%	N/A
Torre Picasso	68.3%	77.8%
Total	**9.2%**	**10.1%**

EBIT growth



EBIT increased by over 51%, underpinned by superb performance (over 70% growth) by Services.

EBIT includes 55.8 million euro in depreciation of stepped-up assets at companies acquired in 2006.

3.4 EARNINGS BEFORE TAXES FROM CONTINUING ACTIVITIES

EBT amounted to over 761 million euro, an increase of 80.5% in the period.

3.4.1 FINANCIAL INCOME

Financial expenses rose to 148 million euro due to the increase in net financial debt and in interest rates.

3.4.2 EQUITY-ACCOUNTED AFFILIATES

The equity-accounted affiliates result decreased due to the change in Realia's consolidating criteria that is integrated by the equity method during the first five months of the year (31.4 million euro) compared to six months in the previous year.

3.4.3 OTHER OPERATING INCOME

The sale of 21.51% stake of Realia regarding its recent IPO has generated a positive result of 256.9 million euro for FCC.

3.5 PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY

Net profit amounted to over 491 million euro, improving 90% over 1H06.

Not taking into consideration net capital gains due to Realia's stake (210.1 million euro), net profit improved 8.9%.

3.5.1 MINORITY INTERESTS

Minority interests increased by 127.7%, mainly as a result of Cementos Portland (56.6 million euro) and Realia (25.0 million euro).

3.5.2 CORPORATE INCOME TAX EXPENSE

The increase of the earnings before taxes provokes a 48.5% increase in the income tax expense compared to the previous year.

The consolidated tax rate in the first half was 25.2% against 30.7% in June 2006. This variation is due to the reduction in Spain's company tax rate to 32.5%, the tax rate applied to the capital gains obtained from Realia's sale (18.0%) and to more favourable tax rates in other countries such as Austria (ASA and Alpine) and the United Kingdom (WRG).

4. CASH FLOW

		Jan. - Jun. 07	Jan. – Jun. 06	Chg. (%)
+	**Operating cash flow**	**451.3**	**336.2**	**34.2%**
	Funds from operations	*942.3*	*585.8*	*60.9%*
	(Increase)/Decrease in working capital	*-422.2*	*-214.1*	*97.2%*
	Other items (taxes, dividends, etc.)	*-68.8*	*-35.5*	*93.8%*
+	**Investment cash flow**	**-236.9**	**-950.8**	**-75.1%**
=	**Cash flow from business operations**	**214.4**	**-614.6**	**-134.9%**
+	**Financing cash flow and Other**	**-2,475.3**	**-572.2**	**332.6%**
=	**Increase in net financial debt**	**-2,260.9**	**-1,186.8**	**90.5%**
		Jun. 07	Dec. 06	Diff.
	Net financial debt	**-7,464.5**	**-5,203.7**	**-2,260.8**

❖ Operating cash flow increased by over 34% because of robust funds from operations. Working capital increases, mainly in the Construction area, due to a slowdown in receivable collections and an increase in payments to suppliers.

❖ Investment cash flow totalled 237 million euro.

- Investments reached 696 million euro of which 443 million euro were for intangible assets and property, plant and equipment and 168 million for financial assets. Of the latter amount, 123 million euro were invested in acquiring an additional 5.80% stake in Uniland.

  The reduction in investments with respect to June 2006 is due to the fact that ASA (223 million euro) and Cementos Lemona (238 million euro) were acquired in that period.

- Divestments amount 459.4 million euro correspond to Realia's 21.5% stake sale in its IPO.

❖ Financing cash flow and Other, increased significantly due to the inclusion of Realia's net debt (1,795 million euro) apart form dividends and interest paid, exchange differences, and other payments for financing transactions.

5. BALANCE SHEET

ASSETS	Jun. 07	Dec. 06	Difference
Tangible assets	8,659	6,718	1,941
Intangible assets	3,348	3,258	90
Investment in associated companies	423	584	-160
Non-current financial assets	709	605	104
Other non-current assets	463	416	47
Non-current assets	**13,603**	**11,581**	**2,022**
Inventories	2,687	1,080	1,608
Accounts receivable and other assets	5,063	4,776	287
Other current financial assets	258	155	102
Cash and cash equivalents	1,342	1,430	-89
Current assets	**9,350**	**7,442**	**1,908**
Non-current assets	**18**	**0**	**18**
Total assets	**22,971**	**19,022**	**3,949**

LIABILITIES	Jun. 07	Dec. 06	Difference
Equity attributable to equity holders of parent company	2,953	2,613	340
Minority interest	1,569	804	764
Equity	**4,522**	**3,418**	**1,104**
Bank debt and other non-current financial liabilities	7,070	4,739	2,332
Non-current provisions	985	965	21
Other non-current liabilities	1,179	1,155	24
Non-current liabilities	**9,234**	**6,858**	**2,376**
Bank debt and other current financial liabilities	2,527	2,656	-130
Trade accounts payable and other current liabilities	6,639	6,041	598
Current provisions	50	50	0
Current liabilities	**9,215**	**8,747**	**468**
Total liabilities	**22,971**	**19,022**	**3,949**

The most relevant movements in the Balance Sheet correspond to Realia:

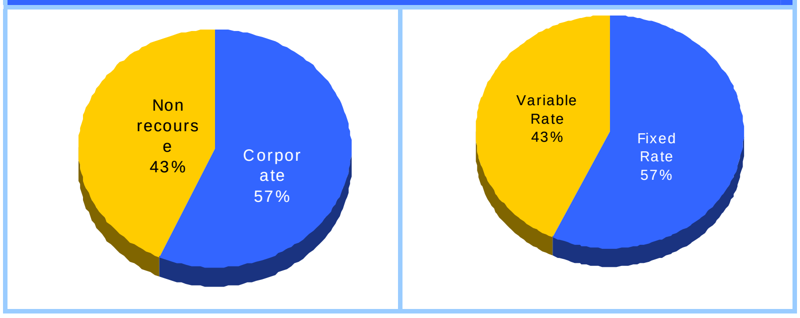
	Total Difference	Due to Realia
Tangible assets	1,941	1,924
Inventories	1,608	1,323
Bank debt and other non-current financial liabilities	2,332	1,691
Bank debt and other current financial liabilities	-130	279

5.1 NET FINANCIAL DEBT

	Jun. 07	Dec. 06	Difference
Bank debt	-8,141.8	-6494.1	-1647.7
With recourse	-4,761.6	-4,586.1	-175.5
Without recourse	-3,380.2	-1,908.1	-1,472.1
Debt securities outstanding	-145.5	-148.4	2.9
Other financial liabilities	-776.6	-146.7	-629.9
Cash and other financial assets	1599.3	1585.5	13.8
With recourse	*1,452.4*	*1,457.8*	*-5.4*
Without recourse	*146.9*	*127.7*	*19.2*
Total net financial debt	**-7,464.6**	**-5,203.7**	**-2,260.9**
CORPORATE NET FINANCIAL DEBT	**-4,231.3**	**-3,423.4**	**-807.9**

Net bank debt amounts to 7,464 million euro and its increase compared to December is mainly due to Realia's debt (1,795 million euro). Almost 43% of this amount (i.e. 3,233 million euro) is without recourse to the parent company (project finance).

NET FINANCIAL DEBT



DEBT WITHOUT RECOURSE

	Amount
Realia	-1,457.9
Waste Recycling Group	-868.1
Uniland	-634.4
Autopista Central Gallega	-150.7
WRG Projects	-217.0
Other Concesión companies	-52.1
Total	**-3.380.2**

MAIN RATIOS

	Jun. 07	Dec. 06
Financial leverage*	48.3%	50.0%
Corporate net financial debt with recourse/annualised EBITDA with recourse**	2.65	2.62

** Corporate net financial debt / (Corporate net financial debt + equity)*
*** Excludes proportional EBITDA of projects and companies totally or partly financed without recourse to the parent company.*

5.2 WORKING CAPITAL

		Jun. 07	Jun. 06
+	(Increase)/Decrease in inventories and accounts receivable	-469.9	-288.2
-	Increase/(Decrease) in accounts payable	47.7	74.1
=	**Decrease/(Increase) in working capital**	**-422.2**	**-214.1**

The increase in working capital was due mainly to Construction, where as usual, in the second quarter, there is a slight decrease in receivable collections and an increase in payments to suppliers.

6. Business performance

6.1 Construction

➢ Earnings

FCC Construction	Jun. 07	Jun. 06	Change
Revenues	3,241.2	1,781.2	82.0%
Spain	*2,095.9*	*1,697.0*	*23.5%*
International	*1,145.3*	*84.2*	*1260.2%*
EBITDA	163.7	109.5	49.5%
EBITDA margin	*5.1%*	*6.1%*	
EBIT	124.5	102.5	21.5%
EBIT margin	*3.8%*	*5.8%*	

Ex Alpine	Jun. 07	Jun. 06	Change
Revenues	2,216.2	1,781.2	24.4%
EBITDA	138.6	109.5	26.6%
EBITDA margin	*6.3%*	*6.1%*	
EBIT	129.3	102.5	26.1%
EBIT margin	*5.8%*	*5.8%*	

Alpine	Jun. 07	Jun. 06*	Change
Revenues	1,025.0	0.0	N/A
EBITDA	25.1	0.0	N/A
EBITDA margin	*2.4%*	*N/A*	
EBIT	-4.8	0.0	N/A
EBIT margin	*-0.5%*	*N/A*	

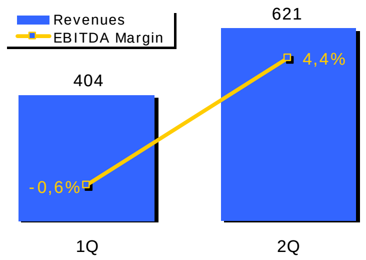
** The company is consolidated since November 15, 2006.*

The construction business performed very well, expanding by over 82%. Excluding Alpine, the rest of this division (basically Spain) attained 23.7% organic growth, a reflection of the industry's enormous dynamism.

The revenues of Alpine have increased significantly compared to the first quarter, when it was negatively affected by adverse weather conditions inherent to its areas of activity.

Alpine's Quarterly Evolution

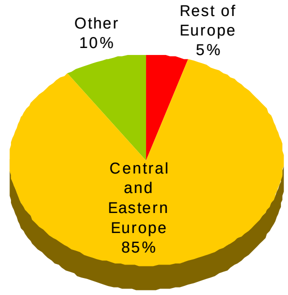
	1Q07	2Q07	1H07
Revenues	404.0	621.0	1,025.0
EBITDA	-2.5	27.6	25.1
EBITDA Margin	*-0.6%*	*4.4%*	*2.4%*
EBIT	-17.4	12.6	-4.8
EBIT Margin	*-4.3%*	*2.0%*	*-0.5%*



The international revenue figure now represents over 35% of the total, after consolidating Alpine Mayreder Bau.

Regarding geographical breakdown, Europe accounts for 90% of total international revenues, where Central and Eastern Europe continue to expand and where FCC is mainly present.

INTERNATIONAL REVENUES



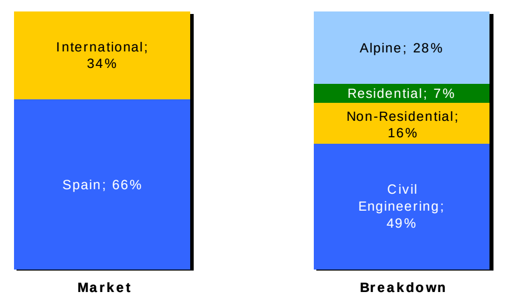
EX - ALPINE REVENUES BREAKDOWN

	Jun. 07	Jun. 06	Chg. (%)	% of 07 total	% of 06 total
Civil Engineering	1,313.2	979.2	34.1%	59.3%	55.0%
Non- residential building	595.0	513.0	16.0%	26.8%	28.8%
Residential building	308.0	289.0	6.6%	13.9%	16.2%
Total	**2,216.2**	**1,781.2**	**24.4%**	**100.0%**	**100.0%**

EBITDA also surged, particularly in Spain, where it increased by over 26%, with the margin rising to 6.3%. As for Alpine, it reported an EBITDA margin of 4.4% in the second quarter (vs. losses in the first quarter) and ends June at 2.4%.

When discussing EBIT, it is necessary to distinguish between Spain and Alpine. EBIT in Spain performed very well, rising over 26%. Alpine reported an EBIT margin of 2.0% in the April-June period (vs. losses in the first quarter) and ends June at -0.5% mainly due to depreciation of stepped up assets.

BACKLOG



Order bookings increased 70% up to 3,584 million euro and backlog reaches a new high amounting 8,869 million euro representing a 62.8% increase.

International backlog accounts for 34% of the total, due to important contracts that have been awarded abroad (roads in Ireland, Danube bridge in Rumania, viaduct in Basarab, ...)

➢ CASH FLOW

	Jan. - Jun. 07	Jan. - Jun. 06	Chg. (%)
Operating cash flow	**-82.4**	**18.4**	**N/A**
Funds from operations	162.5	108.9	49.2%
(Increase)/Decrease in working capital	-232.7	-80.8	188.0%
Other items (taxes, dividends, etc.)	-12.3	-9.7	26.8%
Investment cash flow	**-100.2**	**-57.5**	**74.3%**
Cash flow from business activities	**-182.6**	**-39.1**	**367.0%**
	Jun. 07	Dec. 06	Difference
Net cash (debt) at end of period	**-377.3**	**-169.2**	**208.1**
Net cash (debt)	-232.2	-25.9	-206.3
Net financial debt without recourse	-145.1	-143.3	-1.8

Funds from operations increased close to 50% (in line with EBITDA) and working capital increases in this period, as usual, due to a slight decrease in receivable collections and an increase in payments to suppliers.

Capital expenditure amounted to 141 million euro, one-fourth of which was allocated to concession projects.

Net debt at the end of the period amounted to 377 million euro, of which 242 million euro are related with globally integrated concession projects (Soller tunnel and Acega toll road).

6.2 ENVIRONMENTAL SERVICES

➢ EARNINGS

FCC ENVIRONMENTAL SERVICES	Jun. 07	Jun. 06	Chg. (%)
Revenues	1,847.5	1,196.0	54.5%
Spain	*1,146.2*	*1,018.6*	12.5%
International	*701.3*	*177.4*	295.3%
EBITDA	340.5	194.9	74.7%
EBITDA margin	*18.4%*	*16.3%*	
EBIT	178.7	104.1	71.7%
EBIT margin	*9.7%*	*8.7%*	

EX WASTE RECYCLING GROUP	Jun. 07	Jun. 06	Change
Revenues	1,422.4	1,196.0	18.9%
EBITDA	228.0	194.9	17.0%
EBITDA margin	*16.0%*	*16.3%*	
EBIT	139.8	104.1	34.3%
EBIT margin	*9.8%*	*8.7%*	

WASTE RECYCLING GROUP*	Jun. 07	Jun. 06*	Change
Revenues	425.1	0.0	N/A
EBITDA	112.5	0.0	N/A
EBITDA margin	*26.5%*	*N/A*	
EBIT	38.9	0.0	N/A
EBIT margin	*9.2%*	*N/A*	*N/A*

** The company is consolidated since October 2006*

The Environmental Services division performed well, with over 54% growth. Deducting the impact of consolidating Waste Recycling Group and SmVAK, organic growth was 16.2%.

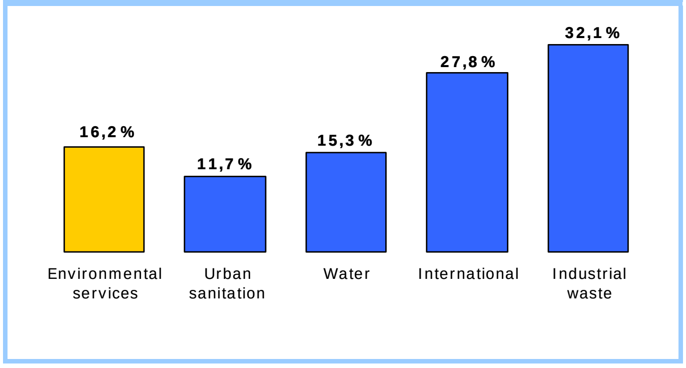
All areas of the Services division attained double-digit growth.

REVENUES	Jun. 07	Jun. 06	Chg. (%)	% of 07 total	% of 06 total
Urban sanitation	711.0	636.5	11.7%	38.5%	53.2%
Water*	391.2	311.1	25.7%	21.2%	26.0%
International*	651.9	177.5	267.3%	35.3%	14.8%
Industrial waste	93.5	70.8	32.1%	5.1%	5.9%
Total	**1,847.5**	**1,195.9**	**54.5%**	**100.0%**	**100.0%**

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

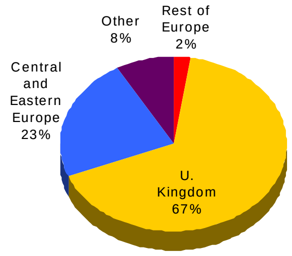
Organic growth was 32.1% in the Industrial Waste area and 11.7% in Urban Sanitation, increasing growth rhythm compared to first quarter. Water, which improved by close to 26%, consolidated SmVAK. Excluding that effect, organic growth would have been 15.3%. The International area more than tripled revenues, mainly due to consolidating WRG. Excluding the consolidation of that UK subsidiary, organic growth was 27.8%.

ORGANIC GROWTH BY BUSINESS



The addition of WRG (International division) and SmVAK (Water division) greatly increased international revenues. At present, over 38% of total revenues are obtained outside Spain, and Europe (Eastern Europe and the UK) has greatly increased its weighting.

INTERNATIONAL REVENUES



EBITDA increased much faster than revenues, boosting the EBITDA margin by 210 basis points. This was due to better management and to the addition of value-added services at WRG, such as management of company-owned landfills and waste treatment plants (incineration, recycling, composting, etc.).

EBIT also increased strongly, ending the period with over 71% growth. The EBIT margin increased notably to 9.7% (100 basis points increase), absorbing the impact of additional asset depreciation and amortisation at newly-consolidated companies.

The environmental services backlog continued to grow rapidly, to over 23.882 billion euro, due to major contracts and the addition of the backlogs from WRG and SmVAK.

➢ CASH FLOW

	Jan. - Jun. 07	Jan. – Jun. 06	Chg. (%)
Operating cash flow	180.0	90.3	99.3%
Funds from operations	*340.5*	*194.6*	*75.0%*
(Increase)/Decrease in working capital	*-128.3*	*-79.8*	*60.8%*
Other items (taxes, dividends, etc.)	*-32.2*	*-24.4*	*32.0%*
Investment cash flow	-243.5	-568.9	-57.2%
Cash flow from business activities	**-63.5**	**-478.6**	**-86.7%**
	Jun. 07	Dec. 06	Difference
Net financial debt at end of period	**-3,792.5**	**-3,655.7**	**-136.8**
Net financial debt with recourse	-2,795.6	-2,638.6	-157.0
Net financial debt without recourse	-996.9	-1,017.1	20.2

Operating cash flow increased considerably due to robust funds from operations. Working capital increases slightly compared to 2006 mainly due to the integration of the newly-consolidated companies.

Capital expenditure totalled over 243 million euro and its reduction with respect to June 2006 is due to the acquisition of ASA (223.6 million euro) and SmVAK (172 million euro) in that period.

6.3 VERSIA

➢ EARNINGS

	Jun. 07	Jun. 06	Change
Revenues	475.9	405.7	17.3%
Spain	*343.3*	*322.3*	6.5%
International	*132.5*	*83.4*	58.9%
EBITDA	50.7	53.1	-4.5%
EBITDA margin	*10.7%*	*13.1%*	
EBIT	20.8	26.7	-22.0%
EBIT margin	*4.4%*	*6.6%*	

Versia increased revenues by over 17%, mainly due to good performance in Handling and Urban Furniture. Excluding the contribution from Flightcare Italia (formerly ADRH), which provides handling services at Rome's airports, and Gen Air Handling, organic growth was 8.1%.

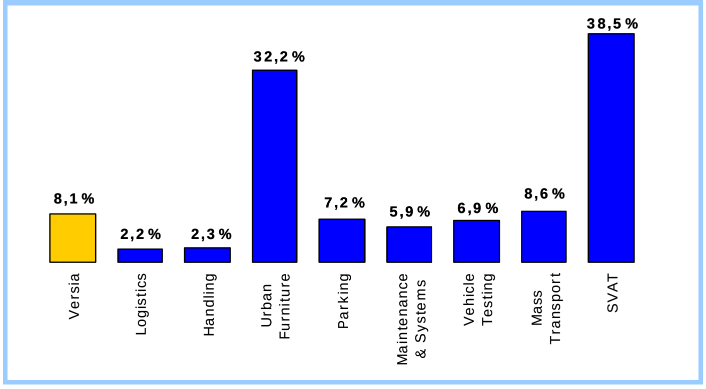
Urban Furniture continued to be one of the fastest-growing areas, attaining 32% in the period, reflecting expansion in Spain (major new contracts such as Málaga, Madrid and, more recently, Pamplona) and other countries (New York, ...).

The Handling business expanded by over 47% due to commencement of operations at the airports in Spain, where Flightcare landed new licences from AENA, and to the consolidation of Flightcare Italia.

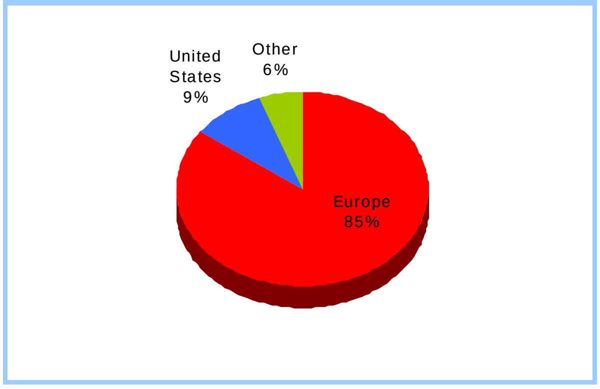
REVENUES

	Jun. 07	Jun. 06	Chg. (%)	% of 07 total	% of 06 total
Logistics	166.3	162.7	2.2%	35.0%	40.1%
Handling	122.7	83.3	47.3%	25.8%	20.5%
Urban Furniture	65.3	49.4	32.2%	13.7%	12.2%
Parking	37.4	34.9	7.2%	7.9%	8.6%
Maintenance and Systems	28.6	27.0	5.9%	6.0%	6.6%
Vehicle testing	24.2	22.6	6.9%	5.1%	5.6%
Mass Transport	15.9	14.6	8.6%	3.3%	3.6%
SVAT	15.5	11.2	38.5%	3.2%	2.8%
Total	**475.8**	**405.7**	**17.3%**	**100.0%**	**100.0%**

ORGANIC GROWTH



INTERNATIONAL REVENUES



As above stated, Versia attained 8.1% organic growth, with a strong contribution from Urban Furniture (+32.2%). All areas expanded in the period.

International activity increased by over 59%, mainly due to international expansion by Urban Furniture and Airport Handling, and it now accounts for 27.8% of this area's consolidated revenues.

EBITDA margin is up to 10.7% improving from a previous 8.4% in March 2007.

EBITDA and EBIT still decline by 2.4 and 5.9 million euro respectively for two main reasons:

- Operating losses in Urban Furniture (5.6 million euro) as expected while starting up the New York concession.
- Consolidation of Flightcare Italia in Airport Handling.

CASH FLOW

	Jan. - Jun. 07	Jan. – Jun. 06	Chg. (%)
Operating cash flow	**68.5**	**43.3**	**58.2%**
Funds from operations	58.1	53.3	9.0%
(Increase)/Decrease in working capital	9.8	-11.9	-182.4%
Other items (taxes, dividends, etc.)	0.6	1.9	-68.4%
Investment cash flow	**-107.1**	**-30.1**	**255.8%**
Cash flow from business activities	**-38.6**	**13.2**	**-392.4%**
	Jun. 07	Dec. 06	Difference
Net financial debt at end of period	**-574.1**	**-516.8**	**-57.3**

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

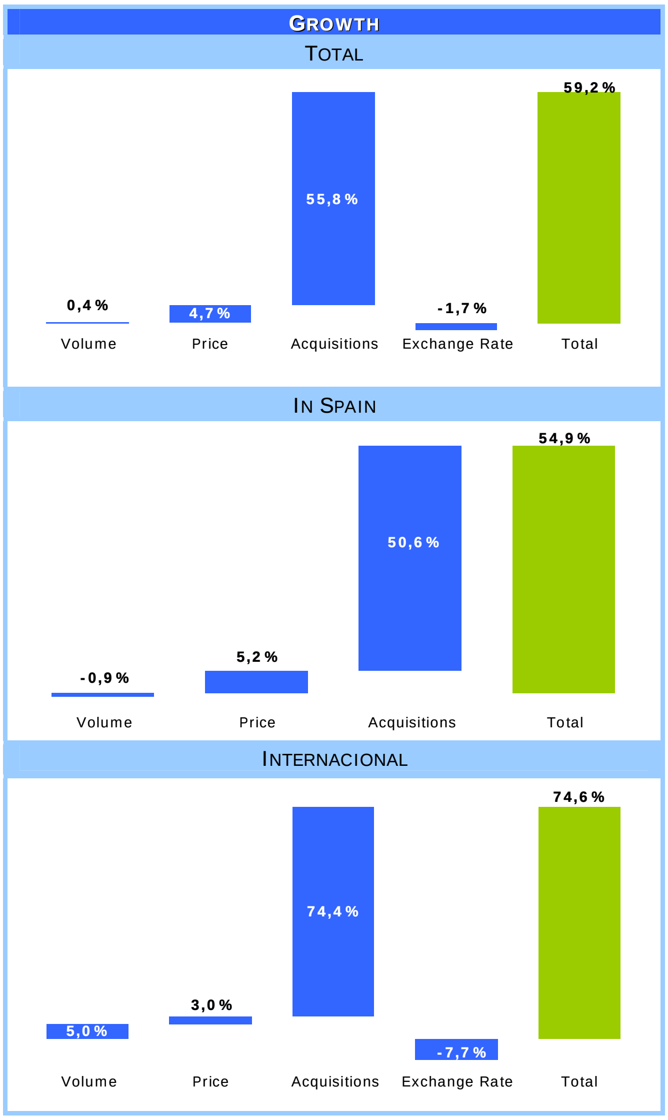
Versia's capital expenditure increases due to the Urban Furniture business (58 million euro for the contract in New York) and the acquisition of Gen Air Handling (7 million euro).

6.4 CEMENT

➢ EARNINGS

	Jun. 07	Jun. 06	Change
Revenues	978.1	614.4	59.2%
Spain	*743.8*	*480.2*	54.9%
International	*234.3*	*134.2*	74.6%
EBITDA	321.2	213.7	50.3%
EBITDA margin	*32.8%*	*34.8%*	
EBIT	224.2	155.7	44.0%
EBIT margin	*22.9%*	*25.3%*	
Net profit	107.3	96.2	11.5%

Good performance in Spain and consolidation of Cementos Lemona and Uniland boosted this area's revenues by close to 60%.



Organic growth at Cementos Portland was 5,1% (3,4% in euros) in 1H07 with a positive evolution of volumes (+0.4%) and prices (+4.7%).

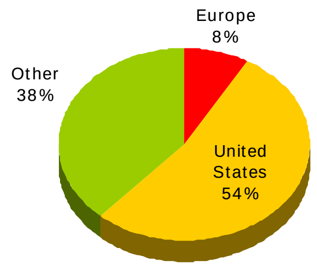
Solid growth in the Spanish market (+4.3%), with a slight decrease in volumes (-0.9%), with a different evolution over the geographical area, and an increase in prices (+5.2%) in all Spanish regions.

As for the International Market, it is strongly recovering and improves 8.0% in local currency with a positive trend in volumes (+5.0%) and prices (+3.0%).

The euro strength against the dollar affects negatively moving from an average exchange rate of 1.22$/€ in the first half 2006 to 1.33$/€ in the same period 2007.

Acquisitions boosted international revenues by over 24%; this division has a strong presence in the East Coast of the US (where Cementos Portland merged Giant Cement with CDN USA) and in emerging markets with strong potential, such as Tunisia, Uruguay and Argentina.

INTERNATIONAL REVENUES



EBITDA increased by over 50% and the EBITDA margin (32.8%) fell slightly due to consolidating Uniland, whose margins are somewhat lower than the area's consolidated margins.

Lastly, EBIT also increased sharply. The EBIT margin was 22.9%, lower than the 25.3% in the previous year due to the impact of Uniland and to additional depreciation and amortisation of stepped-up assets at Cementos Lemona and Uniland.

➢ CASH FLOW

	Jan. - Jun. 07	Jan. – Jun. 06	Chg. (%)
Operating cash flow	**237.5**	**156.3**	**52.0%**
Funds from operations	*321.5*	*216.6*	*48.4%*
(Increase)/Decrease in working capital	*-49.9*	*-38.9*	*28.3%*
Other items (taxes, dividends, etc.)	*-34.2*	*-21.4*	*59.8%*
Investment cash flow	**-191.5**	**-291.8**	**-34.4%**
Cash flow from business activities	**46.0**	**-135.5**	**-133.9%**
	Jun. 07	Dec. 06	Difference
Net financial debt at end of period	**-1,545.2**	**-1,474.4**	**-70.8**
Net financial debt with recourse	-911.1	-903.4	-7.7
Net financial debt without recourse	-634.1	-571.0	-63.1

Capital expenditure amounted to close to 191 million euro in 1H07, mainly to acquire an additional 5.80% of Uniland (123 million euro).

MAIN RATIOS

	Jun. 07	Dec. 06
Corporate leverage*	38.7%	39.6%
Corporate net financial debt / EBITDA**	1.7	2.0

** Corporate net financial debt / (Corporate net financial debt + equity)*
*** Excludes proportional EBITDA of projects and companies totally or partly financed without recourse to the parent company.*

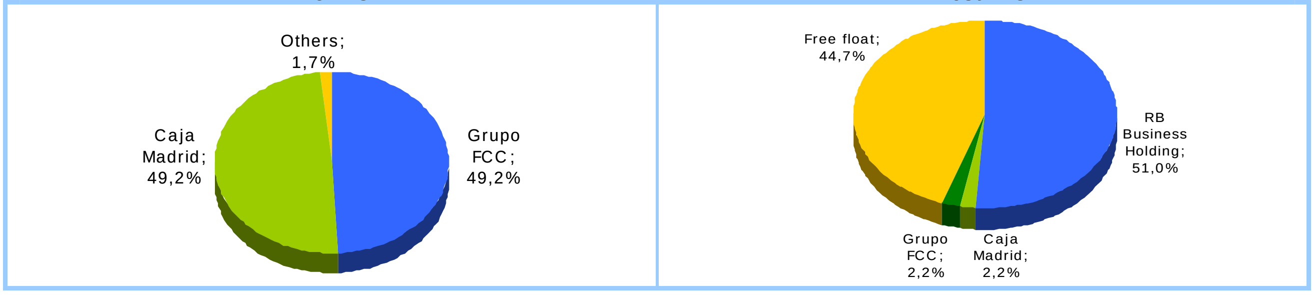
6.5 Real Estate

6.5.1 Realia

With the official listing of Realia on the 6th June, 2007, there has been a change in the shareholder´s structure which leads to a change in the consolidation of Realia in FCC's accounts. FCC's stake has been equity-accounted up to the month of May and as from June, it is globally integrated.

Realia's Shareholder Structure

Pre IPO | Post IPO



**RB Business Holding is 50% owned by FCC and Caja Madrid, regulated by a Shareholder´s Agreement under which FCC controls the financial and operating policies, and has the responsibility to appoint top management in Realia.*

- **Earnings**

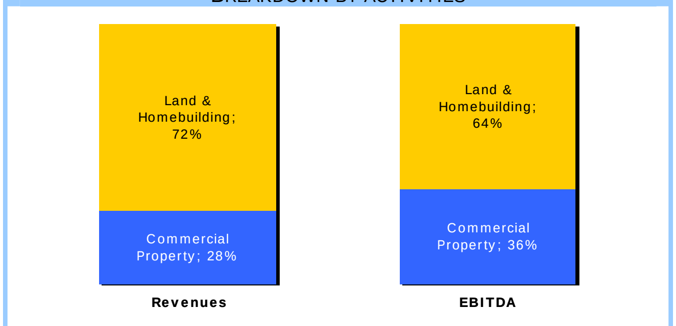
Realia's Income Statement

	Jun. 07	Jun. 06	Chg. (%)
Revenues	411.6	358.4	14.8%
Other income			
Total revenues			
EBITDA	207.5	155.4	33.5%
EBITDA margin	50.4%	43.4%	
EBIT	191.2	144.3	32.5%
EBIT margin	46.5%	40.2%	

Total Revenues

	Jun. 07	Jun. 06	Var (%)
Rents	76,0	49,4	54,0%
Asset sales	23,1	43,4	-46,8%
Promociones Homebuilding	133,0	184,3	-27,9%
Suelo Land sales	210,2	124,6	68,6%
Other	4,6	0,3	1281,1%
Total revenues	**446,8**	**402,0**	**11,2%**

Breakdown by activities



The Commercial property area accounts 28% of total revenues and 36% of EBITDA at June 2007, where rents have increased their weighting. Land & Homebuilding represents 72% of revenues and 64% of EBITDA, due to the high degree of accomplishment in the land sales objective for the whole year 2007. Margin in this area only represents 10% of del total.

Excluding SIIC de Paris revenues accounted for in the period (24.1 million euro), organic growth is up to 8.1%.

Realia Accounted revenues to FCC consolidated account		
	Jan. - May 07	June 07
Total Stake	***49.17%***	***27.65%***
Integration Method	***Equity-accounted***	***Globally-accounted***
Revenues	-	132.4
EBITDA	-	52.1
EBITDA margin	-	*39.3%*
EBIT	-	47.9
EBIT margin	-	*36.2%*
Equity-accounted affiliates	31.4	-
Earnings before taxes (EBT) from continuing activities	**31.4**	**44.3**
Minority interest	-	18.9
Income Tax	-	-17.1
Net Profit	**31.4**	**8.3**

- CASH FLOW

	Jun. 07
Operating cash flow	95.7
Funds from operations	*46.2*
(Increase)/Decrease in working capital	*61.4*
Other items (taxes, dividends, etc.)	*-12.0*
Investment cash flow	22.9
Cash flow from business activities	**118.6**
Net financial debt at end of period	**1,795.1**
Corporate Net financial debt	257.2
Net financial debt without recourse	1,537.9

6.5.2 TORRE PICASSO

- CONSOLIDATION

As of 30th June, 2007 FCC owned 80% of Torre Picasso and it was consolidated proportionately. Last 25th July, 2007, FCC acquired the remaining 20% to Inmobiliaria Asón (170 million euro).

- EARNINGS

	Jun. 07	Jun. 06	Chg. (%)
Revenues	10.0	9.3	7.2%
EBITDA	7.7	8.1	-5.0%
EBITDA margin	*76.8%*	*86.6%*	
EBIT	6.8	7.2	-6.0%
EBIT margin	*68.3%*	*77.8%*	

The decrease in EBITDA (-5.0%) is due to one-off expenses which have taken place in the 1H07 and which will be diluted during the rest of the year.

Occupancy is currently 100% and monthly rents average close to 27 euro per square metre and month (excluding expenses charged to the tenants).

7. Main new contracts in 2007.

City (Country)	Business	Duration (years)	Estimated revenues	Estimated investment or production
FCC MEDIO AMBIENTE				
Bilbao	Urban sanitation	2	20	
Salamanca	Urban sanitation	12	185	20
West Wiltshire (UK)	Urban sanitation	7 + 7	40	
Michoacán (Mexico)	Management of a municipal waste processing plant	15	25	
Rincón de la Victoria	Waste collection and beach cleaning			15
Lérida	Waste / landfill management	20		30
El Campello	Waste collection and beach cleaning	10	30	
Alzira	Urban sanitation	8		30
Majorca	Waste Management	16	26	
Barcelona	Urban Sanitation	2	116	
Wrexham (U. K.)	Urban Waste	25	540	
aqualia				
Castrillón	Water supply + sewage	25	60	
Vendrell	PPP for water and sewage management	25		70
Toledo	Water pipe from Valmojado drinking water plant			15
Santa María de Cayón	Water supply	25	20	
Talavera de la Reina	End-to-end water management	25	115	15
FCC CONSTRUCCION				
San Cugat del Vallès	Multi-purpose building and car park		20	
Madrid	Southern air cargo centre - Barajas airport		20	
Cáceres	Hospital		50	
Málaga	Club house and "La Coja" residential area		70	
Bulgaria - Romania	Bridge over the river Danube		115	
Granada	A-7 road Almuñecar-Salobreña		85	
Santander	Expansion and refurbishment of the university hospital		75	
Cantabria	Cantabria highway Solares - La Encina		90	
Las Palmas	2nd phase of Esfinge pier		50	
Las Palmas	Closure of southern container terminal		15	
Alicante	New Madrid-East Coast railway between Villena and Sax		70	
Tenerife	Breakwater at Granadilla port		115	
Huesca	A-23 highway between Congosto and Arguis		45	
Jaén	A-316 road, Mancha Real bypass		35	
Castellón	CV-13 road between Torreblanca and the airport		30	
Castellón	La Plana highway: Tornesa – Vilanova d'Alcolea		35	
Bulgaria- Romania	Alpine- Environmental Projects		37	
Toledo	Sagra highway		123	
Calvia- Majorca	Expansion of the Port		73	
Queretaro- Mexico	"Acueducto II"	18	202	
INFRASTRUCTURE CONCESSIONS				
Galway (Ireland)	N6 Galway-Ballinasloe toll road	30 - 35		350
Belgrade (Serbia)	Horgos-Belgrade-Pozega toll road	25		800
Dublin (Ireland)	M50 toll road	35		350
FCC versia				
Pamplona	Urban Furniture	12		
Rubí	Mass transit	10	20	

8. SHARE PERFORMANCE AND DIVIDENDS

	Jan. – Jun. 2007	Jan. – Jun. 2006
Closing price (euro)	66.95	59.45
Appreciation	*-13.3%*	*+24.1%*
High (euro)	83.90	68.95
Low (euro)	66.95	47.90
Average daily trading (shares)	669,454	331,448
Average daily trading (million euro)	49.6	19.2
Capitalisation at end of period (million euro)	8,741	7,762

Total 2006 dividend amounted to 2.05 euro gross per share, representing 27.0% increase compared to dividend paid the previous year.

On the 8th January, 2007 an interim dividend was paid amounting to 1,00 euro gross per share (+30.5%), and on the 9th July, 2007 the final dividend has been distributed, amounting to 1.05 euro gross per share (+23.8%).

9. CONTACT DETAILS

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