3Q2019 Earnings Report

1. SIGNIFICANT EVENTS

FCC Construction expands backlog by €475 million with the contract to refurbish the Santiago Bernabéu stadium

During the period, the parent company of the Group's Construction division signed a contract worth €475 million to refurbish the Santiago Bernabéu stadium. The project is to be completed in 3.3 years using a construction system that minimises perturbations to the stadium's operation and to the surrounding area.

The Mersey Gateway Bridge (UK), built by FCC Construction, was granted the Outstanding Structure Award (OStrA) 2019 by the International Association for Bridge and Structural Engineering (IABSE). The IABSE granted the award on the basis of the project's outstanding features, notably its uniqueness, innovativeness and respect for the environment.

New environmental services contracts in the United States and Spain worth a total of €640 million

The Environmental Services area obtained a 10-year municipal waste collection contract in the city of Omaha, Nebraska, that is worth $255 million. FCC will deliver the service using a fleet of 69 trucks powered by compressed natural gas. The contract may be extended for an additional 10 years. In August, the county of Volusia (Florida) awarded the company a municipal solid waste collection worth $87 million with a duration of seven-and-a-half years. This fifth contract in Florida, alongside the existing contracts in Orlando (Orange County) and Lakeland (Polk County), enhances FCC's position in the US. FCC's total backlog in the US, which also includes ten contracts in Texas, amounts to $1,059 million, and it serves a total population of 8 million.

In Spain, in September the City of Jerez awarded a new municipal solid waste management and street cleaning contract worth €150 million with a duration of 9 years to a joint venture headed by FCC Environmental Services.

Aqualia enters France and expands its footprint in the UAE with two new contracts worth €100 million

In June, FCC Aqualia acquired Services Publics et Industries Environnement (SPIE), a French end-to-end water management company. Additionally, in Spain it acquired Agua y Gestión and a stake in Codeur. These acquisitions amounted to a total of €38 million.

This area also obtained a €40 million contract for operation and maintenance (O&M) of the wastewater system in the city of Abu Dhabi and in the adjacent islands of Al Reem, Al Maryah and Al Saadiyat. Additionally, the client administration has renewed the sanitation contract for the city of Al Ain, in the east of the Emirates, for seven years, representing more than €60 million in revenues. As a result, Aqualia's contracts in the Arabian Peninsula (Saudi Arabia, UAE, Qatar and Oman) amount to over €600 million. The projects, which are mostly medium- and long-term concessions, reflect the growing success and acceptance of the public-private partnership (P3) model for developing and operating essential infrastructure in the region, where the company serves a total of 6 million people.

FCC Environment advancing with the development of its new EfW plant in the United Kingdom

In the first quarter, FCC Environment signed a deal to develop and operate a new energy-from-waste plant in Lostock, in partnership with Copenhagen Infrastructure Partners (CIP) fund, owning 60% and 40%, respectively. The project, which represents a total investment of £480 million, will be one of Europe's largest energy-from-waste plants, with an initial treatment capacity of 600,000 t/year.

Also in the United Kingdom, the company obtained a contract worth over €30 million to operate 11 recycling centres in Suffolk. It already operates close to 100 household recycling centres in the UK, recycling and recovering 1.6 million tons of waste each year.

2. EXECUTIVE SUMMARY

- ◊ Attributable net profit increased by 32.4% year-on-year to €233 million, driven by solid growth in all business areas plus a sharp reduction in financial expenses, amply offsetting the €48.7 million increase in minority interests, located mainly in the Water division.
- ◊ Group revenues amounted to €4,577.9 million, 5.2% more than in the same period of 2018. All business areas contributed to this increase, including notably stronger performance by Construction in the third quarter as a result of progress with projects, plus the contribution from projects outside Spain.
- ◊ EBITDA increased by 14.7% to €740.8 million, resulting in an EBITDA margin of 16.2% due to business growth in all areas and higher operating profitability. The utility-type areas — Environmental Services and Water — generated 76.5% of consolidated EBITDA in the period.
- ◊ Contributions by equity-accounted affiliates increased to €67.3 million, including notably €18.7 million at parent company level, mainly from the renewable energy business.
- ◊ Consolidated net interest-bearing debt amounted to €3,000 million at the end of September 2019, up 11.5% million with respect to December 2018, due to an increase in working capital, capital expenditure in the Environmental Services and Water divisions, and an exceptional tax payment in May.
- ◊ The Group's backlog stood at €30,385.1 million at the end of September 2019, 4.8% more than at 2018 year-end.

KEY FIGURES

(million euro)	**Sept. 19**	**Sept. 18**	**Chg. (%)**
Net sales	4,577.9	4,350.8	5.2%
EBITDA	740.8	645.7	14.7%
EBITDA margin	16.2%	14.8%	*1.3 p.p.*
EBIT	414.3	366.8	12.9%
EBIT margin	*9.1%*	*8.4%*	*0.6 p.p.*
Income attributable to equity holders of the parent company	233.0	176.0	32.4%

(M€)	**Sept. 19**	**Dec. 18**	**Chg. (%)**
Equity	2,230.4	1,958.8	13.9%
Net financial debt	3,000.0	2,691.4	11.5%
Backlog	30,385.1	28,990.8	4.8%

3. SUMMARY BY BUSINESS AREA

Area	Sept. 19	Sept. 18	Chg. (%)	% of 2019 total	% of 2018 total
(M€)					
REVENUES BY BUSINESS AREA					
Environment	2,168.5	2,095.7	3.5%	47.4%	48.2%
Water	881.2	826.0	6.7%	19.2%	19.0%
Construction	1,218.6	1,140.9	6.8%	26.6%	26.2%
Cement	315.8	277.2	13.9%	6.9%	6.4%
Corporate serv., etc.	(6.2)	11.0	N/A	-0.1%	0.3%
Total	**4,577.9**	**4,350.8**	**5.2%**	**100.0%**	**100.0%**
REVENUES BY GEOGRAPHIC AREA					
Spain	2,497.9	2,401.7	4.0%	54.6%	55.2%
United Kingdom	557.0	563.0	-1.1%	12.2%	12.9%
Rest of Europe & Others	499.3	368.9	35.3%	10.9%	8.5%
Middle East and Africa	437.0	470.9	-7.2%	9.5%	10.8%
Latin America	311.2	281.2	10.7%	6.8%	6.5%
Czech Republic	213.0	207.9	2.5%	4.7%	4.8%
US and Canada	62.5	57.2	9.3%	1.4%	1.3%
Total	**4,577.9**	**4,350.8**	**5.2%**	**100.0%**	**100.0%**
EBITDA*					
Environment	359.7	324.4	10.9%	48.6%	50.2%
Water	207.0	186.1	11.2%	27.9%	28.8%
Construction	73.7	43.3	70.2%	9.9%	6.7%
Cement	66.7	57.4	16.2%	9.0%	8.9%
Corporate serv., etc.	33.7	34.5	-2.3%	4.5%	5.3%
Total	**740.8**	**645.7**	**14.7%**	**100.0%**	**100.0%**
EBIT					
Environment	179.4	159.3	12.6%	43.3%	43.4%
Water	131.3	120.4	9.1%	31.7%	32.8%
Construction	55.0	35.5	54.9%	13.3%	9.7%
Cement	39.9	30.9	29.1%	9.6%	8.4%
Corporate serv., etc.	8.7	20.7	-58.0%	2.1%	5.6%
Total	**414.3**	**366.8**	**12.9%**	**100.0%**	**100.0%**

Area	Sept. 19	Dec. 18	Chg. (%)	% of 2019 total	% of 2018 total
NET FINANCIAL DEBT*					
With recourse	958.9	741.4	29.3%	32.0%	27.5%
Without recourse					
Environment	419.1	361.8	15.8%	14.0%	13.4%
Water	1,276.0	1,197.6	6.5%	42.5%	44.5%
Construction	0.0	0.0	N/A	0.0%	0.0%
Cement	305.1	337.9	-9.7%	10.2%	12.6%
Corporate	40.9	52.7	-22.4%	1.4%	2.0%
Total	**3,000.0**	**2,691.4**	**11.5%**	**100.0%**	**100.0%**
BACKLOG*					
Environment	10,310.3	9,804.1	5.2%	33.9%	33.8%
Water	15,120.9	14,651.4	3.2%	49.8%	50.5%
Construction	4,909.3	4,516.4	8.7%	16.2%	15.6%
Real Estate	44.6	18.9	136.0%	0.1%	0.1%
Total	**30,385.1**	**28,990.8**	**4.8%**	**100.0%**	**100.0%**

** See page 22 for a definition of the calculation in accordance with ESMA rules (2015/1415en).*

4. INCOME STATEMENT

(M€)	**Sept. 19**	**Sept. 18**	**Chg. (%)**
Net sales	**4,577.9**	**4,350.8**	**5.2%**
EBITDA	**740.8**	**645.7**	**14.7%**
EBITDA margin	*16.2%*	*14.8%*	*1.3 p.p.*
Depreciation and amortisation	(334.8)	(285.0)	17.5%
Other operating income	8.3	6.2	33.9%
EBIT	**414.3**	**366.8**	**12.9%**
EBIT margin	*9.1%*	*8.4%*	*0.6 p.p.*
Financial income	(108.2)	(179.6)	-39.8%
Other financial results	12.4	14.1	-12.1%
Equity-accounted affiliates	67.3	48.4	39.0%
Earnings before taxes (EBT) from continuing operations	**385.8**	**249.7**	54.5%
Corporate income tax expense	(97.3)	(67.0)	45.2%
Income from continuing operations	**288.5**	**182.7**	**57.9%**
Net income	**288.5**	**182.7**	**57.9%**
Non-controlling interests	(55.5)	(6.8)	716.2%
Income attributable to equity holders of the parent company	**233.0**	**176.0**	**32.4%**

4.1 Net sales

Group consolidated revenues increased by 5.2% to end the third quarter at €4,577.9 million due to the increase in activity in all business areas, particularly Water, and the investment cycle in Infrastructure, Cement and Construction. Growth in the Infrastructure business was due to international activities, while Construction obtained higher revenues from a number of international projects, and Cement benefited from the good tone of demand in Spain.

The largest contribution was from Environmental Services, where revenues increased by 3.5%, particularly in Spain, due to the development of new treatment plants; this was offset by the practical conclusion of the development phase of the Edinburgh treatment and energy-from-waste plant at the end of last year prior to its commissioning.

The Water business, which increased revenues by 6.7%, experienced growth in international projects, both the Technology and Networks business (design, engineering and equipment of water infrastructure) related to plant development, and the plant operation business.

Revenues increased by 6.8% in Construction due to the larger contribution by international projects, such as three railway lines in Romania, network installations in Riyadh (Saudi Arabia), and Lima Metro (Peru).

The Cement area expanded revenues by 13.9%, principally due to demand growth in Spain plus a recovery in exports.

Revenue breakdown, by region			
(M€)	**Sept. 19**	**Sept. 18**	**Chg. (%)**
Spain	2,497.9	2,401.7	4.0%
United Kingdom	557.0	563.0	-1.1%
Rest of Europe and Others	499.3	368.9	35.3%
Middle East and Africa	437.0	470.9	-7.2%
Latin America	311.2	281.2	10.7%
Czech Republic	213.0	207.9	2.5%
USA	62.5	57.2	9.3%
Total	**4,577.9**	**4,350.8**	**5.2%**

Revenues in Spain increased by 4% to €2,497.9 million. Environmental Services reported solid 6.2% growth as a result of developing two treatment projects and of a number of extensions and new contracts in municipal waste collection and street cleaning. Water revenues increased by 0.5% due to a combination of moderate growth in water consumption and a lower volume of work on plant operation. The pace of growth in Construction slowed to 1.7%. Cement revenues continued to surge, rising by 13.4% on the back of good performance by volumes and prices.

Revenues in the United Kingdom declined slightly, by 1.1%, as a result of the completion of a new energy-from-waste plant late last year; this project had made a much larger contribution to revenues while it was in the development phase, prior to commissioning. Additionally, the scheduled shutdown of one of the largest energy-from-waste plants in the first quarter of this year had a significant impact in the Environmental Services area.

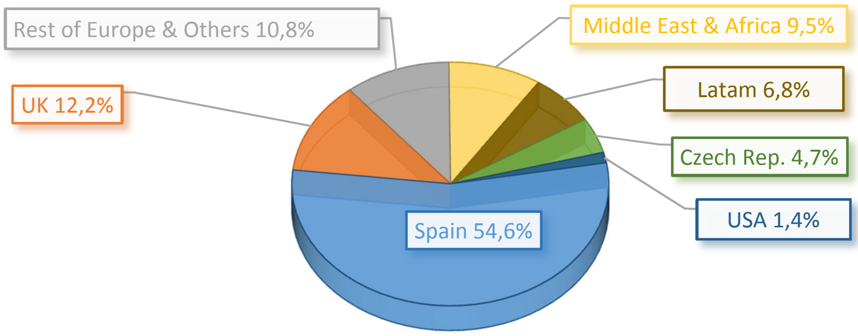
Elsewhere in the EU, revenues increased by 35.3% in the Rest of Europe-Other area due to the faster pace of progress with contracts in Romania (Construction) plus new contracts in Belgium and Portugal, as well as good demand performance in Environmental Services in all the countries where the Group operates. The 2.5% increase in the Czech Republic in the period is due to higher tariffs in the Water business and more moderate growth in Environmental Services.

The Middle East and Africa saw revenues decline by 7.2% due to a number of factors. On the one hand, Saudi Arabia increased its contribution due to progress with executing extensions to the Riyadh Metro contract in Saudi Arabia, while Algeria made a larger contribution from water plant development and operation; in contrast, the completion of the Doha (Qatar) railway contract in the Construction division and of the development phase of a desalination plant in Egypt had a negative impact.

Revenues in Latin America increased by 10.7%, mostly as a result of commencement of a number of Technology and Networks contracts in the Water division (Colombia, Ecuador and Mexico) and of growth in the Construction area in Peru. This offset the lower contribution from projects in Panama and the impact of the completion of construction projects in Chile.

Revenues in the United States increased by 9.3%, supported by the start-up of waste collection and treatment contracts (Florida and Texas) in the Environmental Services area, plus higher exports by Cement.

% Revenues by region



4.2 EBITDA

EBITDA increased 14.7% year-on-year to €740.8 million in the first nine months of 2019. That performance was supported by revenue growth in all business areas and also reflects the entry into force on 1 January 2019 of IFRS 16 "Leases", under which operating leases are now capitalised and their payment is recognised mainly as period depreciation as a function of the remaining time over which they will contribute to producing revenues. Additionally, there was a one-off impact in the United Kingdom due to reduction in revenues and to the expenses incurred in a scheduled overhaul of the Group's largest energy-from-waste plant in the first quarter.

The main developments in the business areas were as follows:

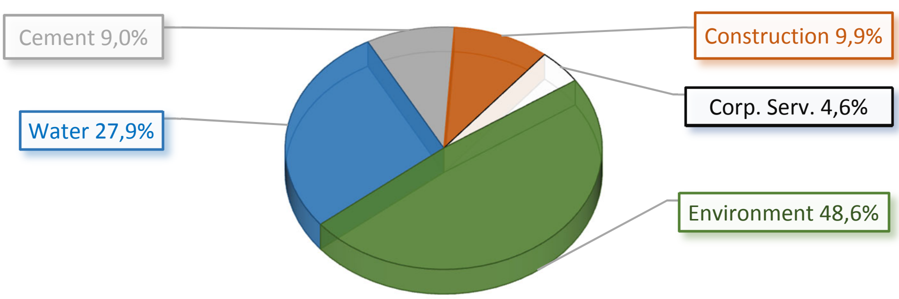
Environmental Services increased EBITDA by 10.9% to €359.7 million. This steady quarter-on-quarter increase is attributable to higher returns in certain jurisdictions, such as Central Europe and the United Kingdom, plus the aforementioned impact in the first quarter of the scheduled overhaul of one of the largest energy-from-waste plants (Allington), which had an impact of €5.5 million.

The Water area saw EBITDA rise 11.2% to €207 million, driven particularly by the higher contribution from international concessions and the Technology and Networks business. Their combined contribution raised the EBITDA margin to 23.5%, from 22.5% in the same period of 2018.

The Construction area logged €73.7 million in EBITDA, a surge of 70.2% with respect to 2018, while the EBITDA margin was stable at 6%, attributable to performance of contracts under execution, including notably Riyadh Metro, in terms of both infrastructure and installations.

Cement EBITDA increased by 16.2% to €66.7 million, supported by good demand performance, especially in Spain, and despite a €3.5 million year-on-year reduction in the first nine months in the sale of CO_2 emission rights.

% EBITDA by Business Area



The utilities-like areas — Environmental Services and Water — continued to account for a large percentage of EBITDA (76.5% in the period) while the areas linked to demand for infrastructure construction and building accounted for 18.9%. The other 4.6% relates to the parent company and other lesser businesses (basically transport concessions).

4.3 EBIT

EBIT increased 12.9% year-on-year to €414.3 million. The variation between years is attributable to the revenue growth referred to above plus the 17.5% increase in period depreciation, mainly due to the application from 1 January of IFRS 16, under which operating leases are capitalised on the balance sheet and their contribution to the generation of revenues is recognised as depreciation over the term of the contract.

4.4 Earnings before taxes (EBT) from continuing operations

Earnings before taxes from continuing operations totalled €385.8 million, a 54.5% increase on the €249.7 million reported in the same period of 2018, due particularly to better operating performance and a higher contribution from affiliates, plus a sharp reduction in financial expenses.

4.4.1 Financial income

Net financial income amounted to €-108.2 million, i.e. 39.8% less than in the same period of 2018. This item reflects two non-recurring items of the same sign but of different import. In the second quarter of 2019, an expense of €18.8 million was booked for default interest in connection with a tax assessment in Spain, which was described in the earnings report for the first quarter and which has been appealed by the Group parent company. Last year, a charge amounting to €-59.3 was booked due to the non-cash impact of repaying the parent company's pre-existing syndicated loan (under IFRS 9, which came into force in January 2018).

Adjusting for these two extraordinary items, net financial income in the first nine months declined by 25.7%, in line with the reduction in the Group's average cost of debt.

4.4.2 Other financial results

This item amounted to €12.4 million, in line with the €14.1 million booked in the same period of the previous year. The main components include €23.7 million in exchange differences (vs. €11 million in 2018) and an adjustment to the price of a company disposed of in 2009.

4.4.3 Equity-accounted affiliates

The contribution by jointly-managed companies and affiliates increased to €67.3 million, a sizeable €18.9 million more than in the same period of 2018. Transport concession companies contributed €21.8 million, renewable energy companies contributed €18.8 million, while affiliates in the Environmental Services division provided €12.6 million.

4.5 Income attributable to the parent company

Attributable net profit amounted to €233 million in the period, 32.4% more than in the same period of 2018. This was the result of incorporating the following items into EBT:

A corporate income tax expense amounting to €97.3 million, up 45.2% from €67 million in the same period of 2018, in line with the increase in income before taxes.

There was a sizeable increase in profit attributable to non-controlling interests, to €55 million, from €6.8 million in the same period of 2018, concentrated mainly in the Water division (€49.7 million, vs. €2.9 million in 2018).

4.6 Key figures from the Income Statement following the proportional criteria

The key figures from the Income Statement calculated following the effective stake of the company in each of the subsidiaries, joint ventures and associates is as follows.

	Sept. 19	Sept. 18	Var. (%)
Net Sales	**4.653,8**	**4.830,9**	**-3,7%**
EBITDA	**837,9**	**826,4**	**1,4%**
EBITDA Margin	*18,0%*	*17,1%*	*0,9 p.p*
EBIT	493,8	494,8	**-0,2%**
EBIT Margin	*10,6%*	*10,2%*	*0,4 p.p*
Income attributable to equity holders of the parent company	**233,0**	**176,0**	**32,4%**

5. BALANCE SHEET

(M€)	**Sept. 19**	**Dec. 18**	**Change (M€)**
Intangible assets	2,448.0	2,426.4	21.6
Property, plant and equipment	2,812.4	2,426.8	385.6
Equity-accounted affiliates	752.1	763.0	(10.9)
Non-current financial assets	619.1	380.6	238.5
Deferred tax assets and other non-current assets	673.3	610.4	62.9
Non-current assets	**7,305.0**	**6,607.2**	**697.8**
Inventories	729.2	691.0	38.2
Trade and other accounts receivable	1,902.6	1,780.8	121.8
Other current financial assets	183.3	178.8	4.5
Cash and cash equivalents	1,052.2	1,266.2	(214.0)
Current assets	**3,867.4**	**3,916.8**	**(49.4)**
TOTAL ASSETS	**11,172.4**	**10,524.0**	**648.4**
Equity attributable to equity holders of the parent company	1,836.9	1,684.0	152.9
Non-controlling interests	393.4	274.8	118.6
Equity	**2,230.4**	**1,958.8**	**271.6**
Grants	231.3	211.3	20.0
Non-current provisions	1,106.1	1,162.0	(55.9)
Long-term interest-bearing debt	3,585.2	3,839.1	(253.9)
Other non-current financial liabilities	442.6	61.3	381.3
Deferred tax liabilities and other non-current liabilities	306.1	301.0	5.1
Non-current liabilities	**5,671.3**	**5,574.7**	**96.6**
Non-current provisions	231.2	209.3	21.9
Short-term interest-bearing debt	650.4	297.3	353.1
Other current financial liabilities	126.7	83.6	43.1
Trade and other accounts payable	2,262.4	2,400.3	(137.9)
Current liabilities	**3,270.7**	**2,990.5**	**280.2**
TOTAL LIABILITIES	**11,172.4**	**10,524.0**	**648.4**

5.1 Equity-accounted affiliates

The investment in equity-accounted companies (€752.1 million) comprised the following at the end of September 2019:

1) €277.9 million from the 36.9% holding in Realia, after subscribing for the equity issue by this investee in December 2018.
2) €34.9 million for investments in companies in the Water area, mainly service concession companies in other countries (North Africa and Mexico).
3) €90.5 million for holdings in companies in the Environmental Services area (recycling and municipal services, mainly in Spain and the UK).
4) €15.5 million for the 44.6% stake in Giant Cement Holding, the parent company of the Cement division in the US, and €22.7 million for other companies in which the Cement area's parent company has a stake.
5) €87.7 million corresponding to stakes in a number of transport and service infrastructure concessions.
6) €222.9 million for all other stakes in, and loans to, equity-accounted undertakings.

5.2 Cash and cash equivalents

Cash and cash equivalents amount to €1.052.2 million. Of that amount, 38.5% corresponds to the Group parent company, and the other 61.5% to other undertakings, without recourse.

5.3 Equity

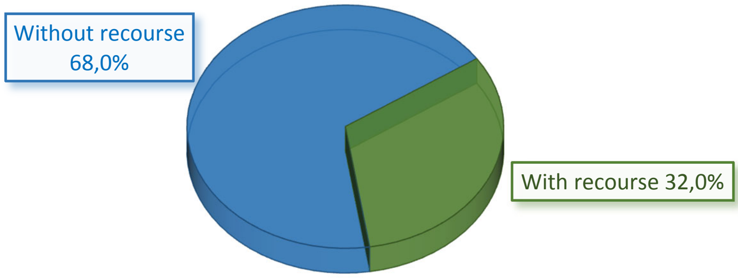
Equity amounted to €2,230.4 million at the end of September, 13.9% more than at the end of December 2018. This increase is due to the €288.5 million in net profit booked in the period plus the €117.5 million increase in minority interests in the Water division.

5.4 Net interest-bearing debt

(M€)	**Sept. 19**	**Dec. 18**	**Change (M€)**
Bank borrowings	2,041.2	2,200.0	(158.8)
Debt instruments and other loans	2,016.9	1,726.0	290.9
Accounts payable due to finance leases	54.6	51.5	3.1
Derivatives and other financial liabilities	122.9	158.9	(36.0)
Gross interest-bearing debt	**4,235.6**	**4,136.4**	**99.2**
Cash and other current financial assets	(1,235.6)	(1,445.0)	209.4
NET FINANCIAL DEBT	**3,000.0**	**2,691.4**	**308.6**
With recourse	*958.9*	*741.4*	*217.5*
Without recourse	*2,041.1*	*1,950.0*	*91.1*

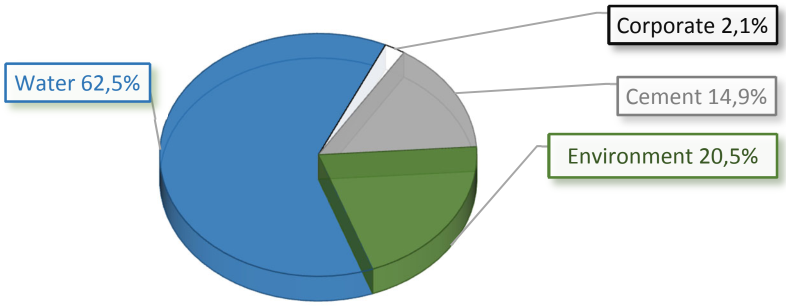
Net interest-bearing debt amounted to €3,000 million at the end of September 2019, €308.6 million more than at the end of December 2018. This variation is due broadly to the combined impact of a number of growth capex projects, concentrated in Water companies and in the development of treatment and recycling plants in the Environmental Services area (partly reflected in the higher non-recourse debt), the expansion in working capital as a result of the degree of progress of ongoing projects, and the non-recurring tax payment referred to above.
Gross interest-bearing debt remained practically unchanged at €4,235.6 million at the end of September 2019, linked to the degree of progress with projects and investments in the utility-like areas.

Debt with and without recourse



Net interest-bearing debt is divided between corporate debt (32%) and project debt (68%), which is without recourse.Net debt with recourse, which represents a minority proportion of the Group's debt, is related mainly to Environmental Services contracts. It is structured as a syndicated loan arranged by FCC, S.A. that came into force in September 2018, plus a smaller European commercial paper (ECP) programme with a stable outstanding balance (€300 million at the end of September).

Net debt without recourse, by area



Net interest-bearing debt without recourse to the Group parent company amounted to €2,041.1 million at 30 September 2019. The Water division has €1,276 million in debt, including not only the bonds issued by the area parent company but also €190.4 million attributable to the business in the Czech Republic and the remainder to end-to-end water concessions. The Cement area accounts for €305.1 million, and Environmental Services for €419.1 million (€334.3 million in connection with the UK, €49.8 million with Central Europe, and the remainder to fund three waste treatment and recycling plants in Spain). The other €40.9 million at parent company level is the project debt of the Conquense highway concession company in Spain and, to a lesser extent, the Coatzacoalcos tunnel concession company in Mexico.

5.5 Other current and non-current financial liabilities

The balance of other current and non-current financial liabilities was €569.3 million at the end of September. The increase with respect to 2018 year-end reflects mainly the liability of €412.2 million associated with capitalising operating leases under the new accounting standards. It also includes other financial liabilities that do not qualify as interest-bearing debt, such as those associated with hedging derivatives, suppliers of fixed assets, and deposits and guarantees received.

6. BUSINESS PERFORMANCE

6.1. Environment

The Environmental Services area accounted for 48.6% of Group EBITDA in the period. A total of 80.7% of its activities involve waste collection, treatment and disposal, along with street cleaning. The other 19.3% relates to municipal environmental services, such as garden upkeep and sewer maintenance.

In Spain, this area deals mainly with municipal waste management and street cleaning, while in the United Kingdom it concentrates on municipal waste treatment, recovery and disposal. In central Europe, mainly Austria and the Czech Republic, FCC operates in the entire waste management chain (collection, treatment and disposal). In the United States, FCC operates in both waste collection and end-to-end management of municipal waste.

6.1.1. Results

(M€)	**Sept. 19**	**Sept. 18**	**Chg. (%)**
Revenues	2,168.5	2,095.7	3.5%
Waste collection and street cleaning	*1,016.8*	*980.8*	*3.7%*
Waste treatment	*733.0*	*686.9*	*6.7%*
Other services	*418.7*	*428.0*	*-2.2%*
EBITDA	359.7	324.4	10.9%
EBITDA margin	16.6%	15.5%	*1.1 p.p.*
EBIT	179.4	159.3	12.6%
EBIT margin	8.3%	7.6%	*0.7 p.p.*

The Environmental Services area obtained €2,168.5 million in revenues in the first nine months, a 3.5% increase year-on-year, due to positive performance by the waste collection and treatment business, particularly in Spain and Central Europe, driven by new contracts and extensions of existing contracts, plus the contribution from other contracts that are in the development phase.

Revenue breakdown, by region

(M€)	**Sept. 19**	**Sept. 18**	**Chg. (%)**
Spain	1,261.5	1,188.0	6.2%
United Kingdom	517.0	537.2	-3.8%
Central Europe	347.9	329.7	5.5%
USA and others	42.1	40.8	3.2%
Total	**2,168.5**	**2,095.7**	**3.5%**

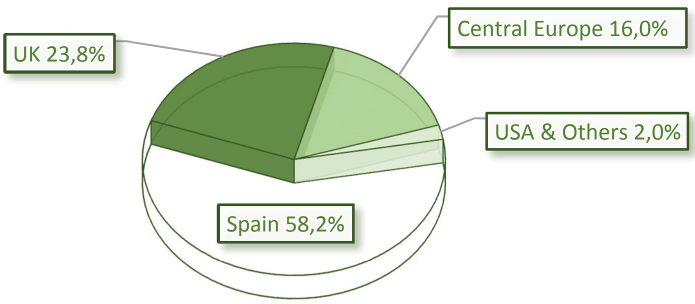
Revenues increased by 6.2% in Spain to €1,261.5 million due to the construction of new treatment plants in Alcalá de Henares (Madrid) and Guipúzcoa and also to new contracts and scope expansions of existing contracts, including notably the organic expansion of the Madrid and Prat de Llobregat contracts.

Revenues in the UK declined by 3.8% to €517 million, mainly as a result of the lower contribution from the Edinburgh energy-from-waste plant, whose construction phase has concluded and which came into operation in May. Revenues were also affected by the scheduled shutdown of the Allington energy-from-waste in the first quarter of this year.

Revenues in Central Europe increased by 5.5% to €347.9 million, due to a larger volume of industrial business in Austria and Hungary and the recovery in the business in Poland.

Revenues in the US and other markets increased by 3.2%, mainly as a result of the United States, which logged a notable 16.4% increase year-on-year because of the larger contribution from the Rowlett (Texas) contract and the entry into service of the Houston recyclable waste plant. This offset the fact that the Egypt contract expired last year and was not renewed.

Revenue breakdown, by region



EBITDA increased by 10.9% with respect to same period of 2018, to €359.7 million. This increase was attributable not only to the reclassification of operating leases under the new accounting standard but also to good performance by all businesses, offsetting both higher fuel costs and the softer prices for recycled subproducts. The EBITDA margin increased to 16.6%.

EBIT increased by 12.6% to €179.4 million due to the performance of the various components of EBITDA described above and to a year-on-year increase in the contribution from other operating income.

Backlog breakdown, by region

(M€)	**Sept. 19**	**Dec. 18**	**Chg. (%)**
Spain	5,287.5	5,606.5	-5.7%
International	5,022.8	4,197.6	19.7%
Total	**10,310.3**	**9,804.1**	**5.2%**

This area's backlog stood at €10,310.3 million at the end of September, a 5.2% increase with respect to 2018 year-end. Performance in Spain continues to be marked by the dearth of tenders, as contracts tend to be extended rather than re-tendered, though this effect is being amply offset by new contracts in other countries, notably the United States, including the municipal waste collection contracts in Omaha (Nebraska), and in Palm Beach and Volusia (both in Florida).

6.1.2. Financial debt

(M€)	**Sept. 19**	**Dec. 18**	**Change (M€)**
Without recourse	419.1	361.8	57.3

Net interest-bearing debt without recourse to the parent company amounted to €419.1 million at the end of the period, i.e. €57.3 million more than at the end of December 2018. Most of that amount (€334.3 million) corresponds to the UK, while €49.8 million relates to the parent company of the business in Central Europe, and the remaining €35 million to three waste treatment and recycling plants in Spain.

6.2. End-to-End Water Management

The Water area accounted for 27.9% of FCC Group EBITDA in the period. Public end-to-end water management concessions (capture, treatment and distribution) accounted for 83.2% of this division's total revenues, and the other 16.8% was in Technology and Networks, which handles water infrastructure design, engineering and equipment, mainly for the development of new concessions or ancillary work at operational concessions.

This area serves more than 13 million people in over 850 municipalities in Spain. In Central Europe, it serves 1.3 million users, mainly in the Czech Republic, and it also operates in Italy, Portugal and France (following the acquisition in June).FCC designs, equips and operates water treatment plants in Latin America, the Middle East and Africa. Overall, the Water division supplies water and/or sewage treatment services to more than 23.6 million people.

6.2.1 Earnings

(M€)	**Sept. 19**	**Sept. 18**	**Chg. (%)**
Revenues	881.2	826.0	6.7%
Concessions and services	*732.8*	*702.4*	4.3%
Technology and networks	*148.4*	*123.6*	20.1%
EBITDA	207.0	186.1	11.2%
EBITDA margin	23.5%	22.5%	*1.0 p.p.*
EBIT	131.3	120.4	9.1%
EBIT margin	14.9%	14.6%	*0.3 p.p.*

This area's revenues increased by 6.7% year-on-year to €881.2 million. The Concessions and Services business attained €732.8 million due to growth in the business in Spain, and to the higher contribution from Algeria (Mostaganem treatment plant) and the Czech Republic. Growth in the Technology and Networks business slowed to 20.1%, amounting to €148.4 million, mainly as a result of the pace of execution of projects in Latin America.

Revenue breakdown, by region

(M€)	**Sept. 19**	**Sept. 18**	**Chg. (%)**
Spain	601.6	598.9	0.5%
Central Europe	82.8	80.2	3.2%
Latin America	62.9	29.4	113.9%
Rest of Europe (France, Portugal and Italy)	51.5	40.2	28.1%
Middle East, Africa and Others	82.4	77.3	6.6%
Total	**881.2**	**826.0**	**6.7%**

Revenues in Spain were stable (€601.6 million) as moderate growth in water sales offset a slight contraction in the treatment plant operation business. Technology and Networks revenues, which are linked to investments in operating concessions, remained stable.

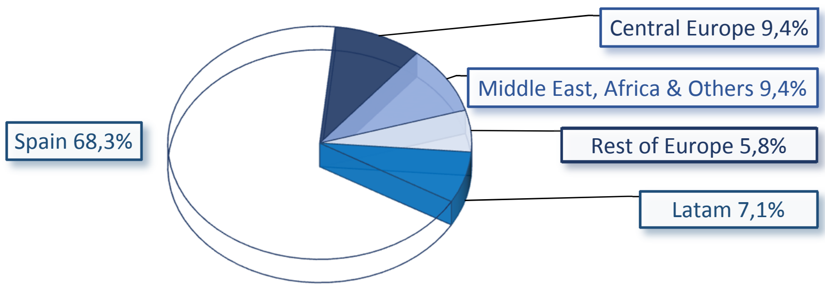
Revenues in Central Europe increased by 3.2% to €82.8 million. This increase was due to a number of factors. The concession business in the Czech Republic increased its contribution as higher tariffs offset a slight decline in sales volumes that was due mainly to weather conditions in the first half. The Technology and Networks business achieved a faster pace of execution of some projects (Romania and Montenegro).

Revenues in the Rest of Europe increased by 28.1% to €51.5 million. This was due to the contribution to the Concessions and Services area by SPIE in France, which was acquired in June, and to the higher volume in Acque di Caltanissetta (Italy) within the Technology and Networks business.

Revenues in Latin America more than doubled to €62.9 million due to the faster pace of execution of projects such as Salitre (Colombia), the BOT project in Guaymas (Mexico) and the new contract in Arraiján (Panama).

In the Middle East, Africa & Others, revenues increased by 6.6% to €82.4 million. The Mostaganem contract in Algeria made a higher contribution, as did the Technology and Networks business, because of the higher degree of progress with the Abu Rawash wastewater treatment plant, which offset the completion of the El-Alamein project (both in Egypt).

Revenue breakdown, by region



EBITDA increased by 11.2% with respect to the same period of 2018, to €207 million. This performance was due to higher returns in the concessions and services business and in the Technology and Networks area, in all of the geographies where it operates. Overall, the EBITDA margin increased to 23.5%, from 22.5% in the same period of 2018.

Backlog breakdown, by region

(M€)	**Sept. 19**	**Dec. 18**	**Chg. (%)**
Spain	7,916.8	8,078.8	-2.0%
International	7,204.1	6,572.6	9.6%
Total	**15,120.9**	**14,651.4**	**3.2%**

The backlog expanded by 3.2% to €15,120.9 million at the end of September, boosted by international projects. Performance by the latter is attributable to the acquisition of SPIE (France) and the "East Area" and "Island Area" sanitation systems in Abu Dhabi.

6.2.2. Financial debt

(M€)	**Sept. 19**	**Dec. 18**	**Change (M€)**
Without recourse	1,276.0	1,197.6	78.4

Net interest-bearing debt, which is entirely without recourse to the Group parent company, amounted to €1,276 million at the end of September 2019, up €78.4 million with respect to 2018 year-end due to, among other factors, the buyout of minority shareholders in the Jerez water concession company and the acquisition of SPIE in France. Most of the debt is in the form of long-term bonds issued by the division parent company.

6.3. Construction

The Construction area contributed 9.9% of FCC Group EBITDA in the first nine months of 2019. This area designs and constructs large civil and industrial engineering projects and complex building projects. Public works, such as railways, tunnels and bridges, account for the bulk of its activity.

(M€)	**Sept. 19**	**Sept. 18**	**Chg. (%)**
Revenues	1,218.6	1,140.9	6.8%
EBITDA	73.7	43.3	70.2%
EBITDA margin	*6.0%*	*3.8%*	*2.3 p.p.*
EBIT	55.0	35.5	54.9%
EBIT margin	*4.5%*	*3.1%*	*1.4 p.p.*

This area's revenues increased by 6.8% in the period to €1,218.6 million due mainly to the good pace of projects in the international area, specifically in Europe, plus a positive exchange rate effect in the period, basically from the dollar, which appreciated by 6.3%.

Revenue breakdown, by region			
(M€)	**Sept. 19**	**Sept. 18**	**Chg. (%)**
Spain	447.8	440.5	1.7%
Middle East and Africa	310.0	332.3	-6.7%
Latin America	247.2	247.1	0.0%
Europe, US, etc.	213.6	121.0	76.5%
Total	**1,218.6**	**1,140.9**	**6.8%**

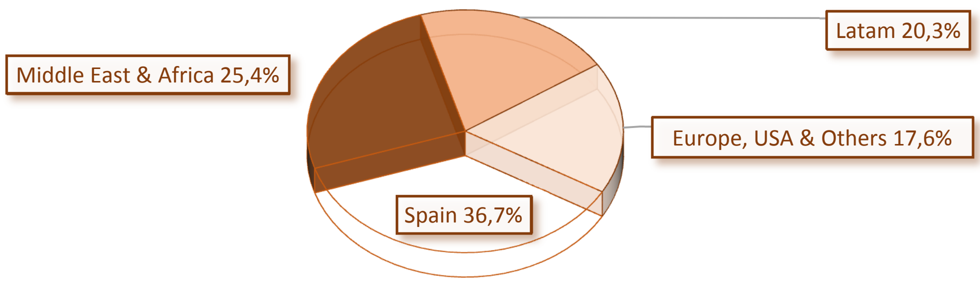
Revenues in Spain increased slightly, by 1.7% to €447.8 million, due to the contribution of new contracts in the period in both building and civil engineering that offset the effect of projects that concluded in the previous year.

Revenues in the Middle East and Africa declined by 6.7%, mainly as a result of the completion of Doha Metro, which was not offset by other ongoing contracts such as the installations on Metro lines in Riyadh (Saudi Arabia).

Revenues in Latin America recovered during the year to €247.2 million, in line with the same period of 2018, due to good performance by the construction of Lima Metro line 2 and the Toyo Tunnel in Colombia.

Revenues in Europe, the US and other markets increased by a notable 76.5% to €213.6 million as a result of greater activity on projects that have commenced in a number of EU countries, such as the Haren complex in Belgium, installations in Ireland and, in particular, railway lines in Romania.

Revenue breakdown, by region



EBITDA increased by 70.2% year-on-year to €73.7 million due to good performance by a number of ongoing projects and the results of others that have concluded. As a result, the EBITDA margin increased by 2.3 percentage points in the period.

EBIT surged by 54.9% year-on-year to €55 million due to the aforementioned increase in EBITDA.

Backlog breakdown, by region

(M€)	**Sept. 19**	**Dec. 18**	**Chg. (%)**
Spain	1,917.3	1,075.8	78.2%
International	2,992.0	3,440.6	-13.0%
Total	**4,909.3**	**4,516.4**	**8.7%**

The area's backlog increased by 8.7% in the nine months to €4,909.3 million. The backlog in Spain expanded by 78.2% due to new contracts such as the Real Madrid football stadium remodelling and the project to build the Murcia-Almería leg of the Mediterranean high-speed railway, which offset the decline in the international backlog.

Backlog breakdown, by business segment

(M€)	**Sept. 19**	**Dec. 18**	**Chg. (%)**
Civil engineering	3,097.9	3,218.0	-3.7%
Building	1,371.7	888.6	54.4%
Industrial projects	439.7	409.9	7.3%
Total	**4,909.3**	**4,516.4**	**8.7%**

Civil engineering accounted for 63.1% of the total, although order intake was higher in the building area because of the Real Madrid stadium contract. The industrial backlog also increased, by 7.3% with respect to December 2018, to €439.7 million, due to projects under development such as a data centre in Spain and new networks contracts in Saudi Arabia.

6.4. Cement

The Cement area contributed 9% of the FCC Group's EBITDA in the period. This division, headed by the CPV Group, produces mainly cement and derivatives; it has seven factories in Spain and one in Tunisia, as well as a minority (44.6%) stake in Giant Cement, which has 2 cement factories on the east coast of the United States.

6.4.1. Results

(M€)	**Sept. 19**	**Sept. 18**	**Chg. (%)**
Revenues	315.8	277.2	13.9%
Cement	*286.8*	*253.8*	*13.0%*
Other	*29.0*	*23.4*	*23.9%*
EBITDA	66.7	57.4	16.2%
EBITDA margin	*21.1%*	*20.7%*	*0.4 p.p.*
EBIT	39.9	30.9	29.1%
EBIT margin	*12.6%*	*11.1%*	*1.5 p.p.*

This area's revenues increased by 13.9% year-on-year to €315.8 million due to higher volumes and prices in Spain and also to higher exports.

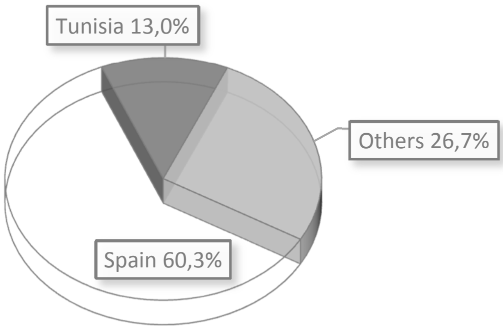
Revenue breakdown, by region			
(M€)	**Sept. 19**	**Sept. 18**	**Chg. (%)**
Spain	190.3	167.8	13.4%
Tunisia	41.0	41.0	0.0%
Other (exports)	84.5	68.4	23.5%
Total	**315.8**	**277.2**	**13.9%**

Revenues in Spain rose by 13.4% to €190.3 million as a result of growth in volumes and a sustained increase in prices, all supported by good demand performance in the construction industry.

Domestic revenues in Tunisia were stable year-on-year at €41 million, as the price increase offset the decline in volumes and the depreciation of the Tunisian dinar (8.6% in the period); revenues increased by 10% in local currency terms.

Export revenues increased by 23.5%, due to higher shipments from Spain, mainly to Europe (notably the UK), the US and Costa Rica, and also from Tunisia.

Revenue breakdown, by region



EBITDA increased by 16.2% to €66.7 million as a result of the aforementioned improvement in the business in Spain and the increase in prices in the Tunisian market. The sale of CO2 emission rights raised €5.6 million, compared with €9.1 million in the same period of 2018. Excluding the impact of emission rights sales in both periods, EBITDA would have increased by 26.5%.

EBIT increased by 29.1% to €39.9 million due to the change in EBITDA described above.

6.4.2. Financial debt

(M€)	**Sept. 19**	**Dec. 18**	**Change (M€)**
Without recourse	305.1	337.9	(32.8)

Net interest-bearing debt, which is entirely without recourse to the Group parent company, decreased by €32.8 million with respect to 2018 year-end, to €305.1 million. The bulk of this reduction is due to early repayment of €31 million of the syndicated loan granted to the division parent company.

7. SHARE DATA

7.1. Share performance

	Jan. – Sept. 2019	Jan.– Sept. 2018
Closing price (€)	10.52	12.52
Change in the period	*-6.9%*	*49.78%*
High (€)	13.20	13.00
Low (€)	10.44	8.226
Average daily trading (shares)	48,097	87,777
Average daily trading (M€)	0.6	0.9
Market capitalisation at end of period (M€)	4,127	4,894
No. of shares outstanding	392,264,826	378,825,506

7.2. Dividends

The Company's Board of Directors resolved to execute the decision adopted by FCC's Shareholders' Meeting on 8 May 2019 to distribute a flexible (scrip) dividend. The main details of this scrip dividend were as follows: the rights were traded on 14-28 May; the cash dividend of €0.40 gross per share was paid on 30 May to the shareholders who had requested it; the capital increase of 13,439,320 shares was registered with the Barcelona Mercantile Registry on 12 June, with the result that the company's capital was increased to 392,264,826 shares. Over 99% of the shareholders opted to receive the dividend in the form of newly-issued shares.This is the first time that the FCC Group has used a flexible dividend formula of this type.

7.3. Own shares

At 30 September 2019, the FCC Group held a total of 1,250,837 shares of FCC, S.A. directly and indirectly (0.319% of the company's capital).

8. DISCLAIMER

The interim financial information contained in this document was obtained from the consolidated interim financial statements as of 30 September 2019, prepared in accordance with the International Financial Reporting Standards (IFRSs) that had been adopted by the European Union at the end of the period, in conformity with Regulation (EC) no 1606/2002 of the European Parliament and of the Council of 19 July 2002,

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Explanatory note

EBITDA

We define EBITDA as earnings from continuing operations before income tax, results of companies accounted for using the equity method, financial result, depreciation and amortization charges, impairment, gains or losses on disposals of non-current assets, grants, net changes in provisions and other non-recurring revenues and expenses.

BACKLOG

The FCC Group uses backlog as a non-IFRS measure to track performance in certain of our businesses.We calculate the backlog for our Environmental Services, Water and Construction business areas because these businesses are characterised by medium- and long-term contracts.Because of its typically short-term purchase cycle, we do not calculate backlog for our Cement business area.

As at any given date, the backlog reflects pending production, that is, amounts under contracts or customer orders, net of taxes on production, less any amounts under those contracts or orders that have already been recognised as revenue.We value pending production according to the expected number of units at current prices as at the date of calculation.We include in backlog only amounts to which customers are obligated by a signed contract or firm order.

In the Environmental Services area, we recognize the backlog for our waste management contracts only when the relevant contract grants us exclusivity in the geographical area where the plant, landfill or other facility is located.

In our Water business area, we calculate initial backlog on the basis of the same long-term volume estimates that serve as the basis for our contracts with customers and for the tariffs set in those contracts.

In our Construction business area, we recognize the backlog only when we have a signed contract with, or a firm order from, the end customer.

Once we have included a contract in our backlog, the value of pending production under that contract remains in backlog until fulfilled or cancelled.However, we do adjust the values of orders in the backlog as needed to reflect price and schedule changes that are agreed with customers.For example, after the date of calculation, a price may increase or decrease as a result of changes in contractual production due to additional works to be performed.Due to a number of possible factors, we could fail to realize as revenue part or all of our calculated backlog with respect to a given contract or order.Our backlog is subject to adjustments and project cancellations and is, therefore, an uncertain indicator of future earnings.

Real Estate backlog:Amount receivable in connection with home sales that were pending at the end of the period.

NET FINANCIAL DEBT

Net financial debt is defined as total gross financial debt (current and non-current) less current financial assets, cash and other current financial assets.

9. CONTACT DETAILS

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