Construction of A9 section Badhoevedorp-Holendrecht.
Amsterdam. Netherlands.

2019 Earnings Report

CONTENTS

1. SIGNIFICANT EVENTS

FCC Construcción has increased its backlog by 24.5% this year

At the end of the year, the Construction area had a backlog of projects to be developed of €5,623 million, 24.5% more than the previous year. In the last quarter, the company was awarded a two-year contract for the construction and subsequent maintenance of a section of the A-9 motorway ring road connecting Amsterdam and its airport, worth €845 million. In Spain, among other awards, backlog increased thanks to the remodelling of the Santiago Bernabéu stadium worth €475 million and the closure of the Insular Ring of Tenerife for another €203 million.

New business boost in the USA in the Environment area

The Environment area reinforced its presence in North America by adding the contract of solid urban waste collection in the city of Omaha, Nebraska, for the next ten years amounting $255 million. FCC will provide the service with a fleet of 69 trucks powered by compressed natural gas. The contract includes a possible extension for an additional period of 10 years. In addition, last August, Volusia County, in Florida, approved the awarding of a seven and a half year urban solid waste collection contract, with a backlog of $87 million. This fifth contract won in Florida and added to those in Orlando (Orange County) and Lakeland (Polk County), strengthens the presence of FCC in the US. The total volume of the FCC backlog in the country, where it already has another ten contracts in Texas, exceeding €1,000 million at the end of the year and serves more than 8 million citizens.

Aqualia enters France and strengthens its presence in the UAE with new contracts worth €100 million

In June, FCC Aqualia acquired the end-to-end water management company Services Publics et Industries Environnement (SPIE) in France. Likewise, in Spain, Agua y Gestión was purchased as well as a stake in Codeur. The combined amount of these acquisitions was €38 million.

In addition, it was awarded the operation and maintenance contract for the sanitation of the capital of Abu Dhabi, as well as the adjacent islands, for €40 million. In addition, the sanitation contract for the city of Al Ain was renewed for seven years, for a total of over €60 million. The total value of the contracts managed by Aqualia in the Arabian Peninsula (Saudi Arabia, UAE and Oman) exceeds 600 million euros. The projects, mostly of a medium and long-term concessional nature, reflect the growing success and acceptance of collaboration models between public and private institutions to promote the development and operation of essential infrastructure in the region, where the company serves a total of 6 million people.

The Environment area completes its reorganisation and is awarded the World Smart City award

The Environment area completed its corporate and financial optimisation in the last quarter. The allocation to subsidiaries and reorganisation of holdings was completed with a new parent company that brings together all the area's activity in its different jurisdictions, FCC Servicios Medio Ambiente Holding. In addition, last November the new parent company of the area made two long-term green bond issues in the GBE of the Irish Stock Exchange (ISE), for a combined amount of €1,100 million. Both issues were rated investment grade and viewed favourably for their potential regarding sustainable and assets that tackle climate change.

Additionally, in November FCC Medio Ambiente won World Smart City awards in the "Innovative Idea" category for its highly energy-efficient e-mobility platform. The award-winning project is a modular chassis-platform, 100% electric, for urban service vehicles that has been developed by FCC Medio Ambiente and the Irizar Group, and which is subsidised by European funds. The strategic objective of this platform is the implementation of affordable electric mobility in urban services with environmental benefits, such as the reduction of pollutants, noise, carbon footprint and the maximisation of energy efficiency.

2. EXECUTIVE SUMMARY

- ◊ Attributable net profit rose 6% year-on-year to €266.7 million, with solid operating growth in all business areas, with a significant reduction in financial expenses being noteworthy. This more than offset the €45 million increase in profit attributable to minority shareholders, mainly in the Water area, and the €70 million adjustment made in the last quarter to the carrying value of certain assets in the Cement area.

- ◊ The Group's revenues amounted to €6,276.2 million, 4.8% higher than in the same period in 2018. This increase was generated in all areas of activity, with a greater dynamism in Water, thanks to the contribution of new contracts, and in Cement, due to higher demand.

- ◊ The gross operating profit increased by 19.1% to €1,025.8 million, leading to a rise in the operating profit to 16.3%, as a result of the aforementioned increase in activity in all areas, the increase in operating efficiency and the greater relative weight of higher-margin activities, utilities (environment and water). To this we must add the increase in transport concessions, following the acquisition of an additional stake in the Cedinsa Group and its change to global consolidation since last November.

- ◊ The profit and loss of equity-accounted affiliates increased significantly to €120.6 million. In addition to the recurring contribution of affiliates, mention should be made of the positive impact of €36.5 million due to the fair value adjustment of the stake in Cedinsa Group, prior to the change in the consolidation method, and the contribution of €24.4 million from renewable energy activity.

- ◊ Consolidated net financial debt closed in 31 December at €3,578.7 million, with an increase of 33% compared to December 2018, mainly due to the effect of the change to Cedinsa's global consolidation, which explains €730.2 million and, in a lesser extent, due to the investments in growth made in Environment, Water and an exceptional tax payment last May.

- ◊ The FCC Group's backlog stood at last 31 December at €31,038.4 million with an increase of 7.1%. By contribution volume, the increase in Construction in Spain and Environment in the USA stood out.

KEY FIGURES

(M€)	**Dec. 19**	**Dec. 18**	**Chg. (%)**
Net sales	6,276.2	5,989.8	4.8%
Gross Operating Profit (EBITDA)	1,025.8	861.2	19.1%
EBITDA Margin	16.3%	14.4%	*2.0 p.p*
Net Operating Profit (EBIT)	511.6	485.9	5.3%
EBIT Margin	*8.2%*	*8.1%*	*0.1 p.p*
Net attributable income	266.7	251.6	6.0%

(M€)	**Dec. 19**	**Dec. 18**	**Chg. (%)**
Equity	2,473.8	1,958.8	26.3%
Net financial debt	3,578.7	2,691.4	33.0%
Backlog	31,038.4	28,990.8	7.1%

3. SUMMARY BY BUSINESS AREA

Zone	Dec. 19	Dec. 18	Chg. (%)	% of 2019 total	% of 2018 total
(M€)					
REVENUES BY BUSINESS AREA					
Environment	2,915.2	2,822.4	3.3%	46.4%	47.1%
Water	1,186.9	1,115.2	6.4%	18.9%	18.6%
Construction	1,719.3	1,655.1	3.9%	27.4%	27.6%
Cement	413.2	372.8	10.8%	6.6%	6.2%
Transport Concessions	49.8	35.3	41.1%	0.8%	0.6%
Corporate serv., etc.	(8.2)	(11.0)	-25.2%	-0.1%	-0.2%
Total	**6,276.2**	**5,989.8**	**4.8%**	**100.0%**	**100.0%**
REVENUES BY GEOGRAPHIC AREA					
Spain	3,465.6	3,259.6	6.3%	55.2%	54.4%
United Kingdom	734.9	752.8	-2.4%	11.7%	12.6%
Rest of Europe & Others	733.9	565.2	29.8%	11.7%	9.4%
Middle East and Africa	576.8	632.2	-8.8%	9.2%	10.6%
Latin America	388.7	425.5	-8.6%	6.2%	7.1%
Czech Republic	286.8	278.9	2.8%	4.6%	4.7%
US and Canada	89.5	75.6	18.4%	1.4%	1.3%
Total	**6,276.2**	**5,989.8**	**4.8%**	**100.0%**	**100.0%**
EBITDA*					
Environment	492.5	441.4	11.6%	48.0%	51.3%
Water	281.7	247.5	13.8%	27.5%	28.7%
Construction	100.2	65.0	54.1%	9.8%	7.5%
Cement	86.4	70.9	21.8%	8.4%	8.2%
Transport Concessions	31.8	19.6	62.2%	3.1%	2.3%
Corporate serv., etc.	33.2	16.8	97.9%	3.2%	2.0%
Total	**1,025.8**	**861.2**	**19.1%**	**100.0%**	**100.0%**
EBIT					
Environment	258.5	225.1	14.8%	50.5%	46.3%
Water	180.2	157.1	14.7%	35.2%	32.3%
Construction	77.3	49.6	55.8%	15.1%	10.2%
Cement	(20.0)	36.7	-154.5%	-3.9%	7.6%
Transport Concessions	12.0	9.5	26.3%	2.3%	2.0%
Corporate serv., etc.	3.6	7.9	-54.4%	0.7%	1.6%
Total	**511.6**	**485.9**	**5.3%**	**100.0%**	**100.0%**
NET FINANCIAL DEBT*					
With Recourse	(12.8)	741.4	-101.7%	-0.4%	27.5%
Without Recourse					
Environment	1,332.2	361.8	N/A	37.2%	13.4%
Water	1,214.5	1,197.6	1.4%	33.9%	44.5%
Construction	0.0	0.0	-	0.0%	0.0%
Cement	293.0	337.9	-13.3%	8.2%	12.6%
Transport Concessions	751.8	52,7	N/A	21.0%	2.0%
Total	**3,578.7**	**2,691.4**	**33.0%**	**100.0%**	**100.0%**
BACKLOG*					
Environment	10,366.2	9,804.1	5.7%	33.4%	33.8%
Water	15,018.3	14,651.4	2.5%	48.4%	50.5%
Construction	5,623.2	4,516.4	24.5%	18.1%	15.6%
Real Estate	30.7	18.9	62.4%	0.1%	0.1%
Total	**31,038.4**	**28,990.8**	**7.1%**	**100.0%**	**100.0%**

** See page 25 for a definition of the calculation in accordance with ESMA rules (2015/1415en).*

4. INCOME STATEMENT

(M€)	**Dec. 19**	**Dec. 18**	**Chg. (%)**
Net sales	**6,276.2**	**5,989.8**	**4.8%**
Gross Operating Profit (EBITDA)	**1,025.8**	**861.2**	**19.1%**
EBITDA Margin	*16.3%*	*14.4%*	*2.0 p.p*
Depreciation and amortisation	(458.4)	(386.2)	18.7%
Other operating income	(55.8)	11.0	N/A
Net Operating Profit (EBIT)	**511.6**	**485.9**	**5.3%**
EBIT margin	*8.2%*	*8.1%*	*0.1 p.p*
Financial income	(144.7)	(209.1)	-30.8%
Other financial results	1.5	14.8	-89.9%
P/L of equity-accounted affiliates	120.6	66.9	80.3%
Profit/(loss) before tax from continuing activities	**489.0**	**358.5**	**36.4%**
Corporate income tax expense	(149.1)	(78.8)	89.2%
Income from continuing operations	**339.9**	**279.7**	**21.5%**
Net Income	**339.9**	**279.7**	**21.5%**
Non-controlling interests	(73.2)	(28.2)	159.6%
Net attributable income	**266.7**	**251.6**	**6.0%**

4.1 Net sales

The Group's consolidated revenues amounted to €6,276.2 million in the year, 4.8% higher than at the end of the previous year, due to the increase in activity in all areas, but mainly in Water and Cement. In the Water area, due to the increase in both its concession activity as a whole and in Technology and Networks in the international area. In Cement, due to the good performance of volumes and prices, mainly in the Spanish market.

By business areas, Environment, with the largest contribution, has grown 3.3%, mainly in Spain, thanks to both the entry into operation of new contracts and to the development of new treatment plants, that have compensated minor contribution of the United Kingdom due to the completion of the construction phase of the thermal treatment and energy-from-waste plant in Edinburgh in the middle of last year. Operations in Central Europe have also increased their contribution.

The Water area grew by 6.4%, due to its greater concession activity, with the contribution of revenues from France after the acquisition of the French company SPIE, and to the greater contribution of the activity in Algeria with the Mostaganem treatment plant, as well as to the Technology and Networks activity due to the good pace of project execution in Latin America.

In Construction, there has been 3.9% growth in activity, with an increased contribution from new and existing projects in the domestic market, as well as an increase in its activity in Europe, focused on projects such as the three railway lines in Romania or projects initiated in other EU countries. On the contrary, there has been a decrease in activity in Latin America due to the completion and delays in some works, as well as in the Middle East due to the termination of the Doha metro contract.

In the Cement area, revenues increased by 10.8%, largely due to increased demand in Spain and a recovery in the level of revenues generated by exports from Spain.

Revenue breakdown, by region			
(M€)	**Dec. 19**	**Dec. 18**	**Chg. (%)**
Spain	3,465.6	3,259.6	6.3%
United Kingdom	734.9	752.8	-2.4%
Rest of Europe and Others	733.9	565.2	29.8%
Middle East & Africa	576.8	632.2	-8.8%
Latin America	388.7	425.5	-8.6%
Czech Republic	286.8	278.9	2.8%
USA	89.5	75.6	18.4%
Total	**6,276.2**	**5,989.8**	**4.8%**

By region, in Spain revenues increased 6.3% to €3,465.6 million. Environment performed solidly with an increase of 5.8%, accounted for by the development of two urban waste treatment and recovery projects, together with the contribution of new services and extensions to municipal collection contracts. Water recorded a more moderate increase of 0.8%, due to an increase in the volumes invoiced and to a lower contribution of the Technology and Networks activity. The Construction area rose by an outstanding 9.2% due to an increase in its activity, both in building and in civil engineering works. The Cement area also achieved a considerable increase of 10.9%, supported by the good performance of volumes and prices. Lastly, it is worth highlighting the contribution of €14.6 million coming from the contribution of Cedinsa Group, in global consolidation since last 1 November.

In the United Kingdom, revenues fell by 2.4% due to minor contribution of the treatment and energy-from-waste plant in Edinburgh, following the completion of its construction phase and the beginning of its operation phase.

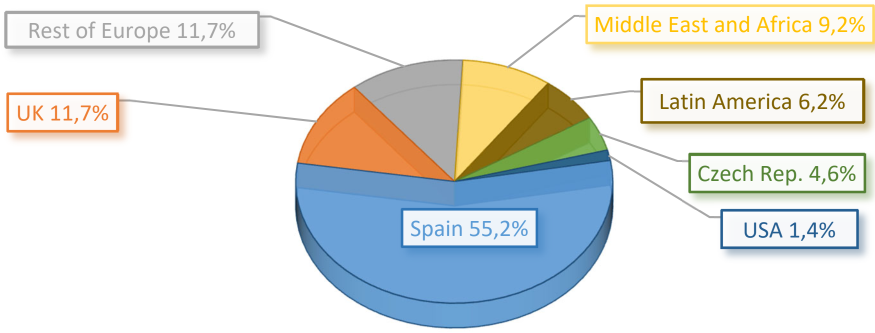
In the rest of regions, Rest of Europe and Others stands out with a 29.8% increase, due to the improved rate of progress of the railway lines in Romania in the Construction area together with new contracts in Belgium and Ireland, plus the positive evolution of demand in the Environment area in all countries in which the Group operates, mainly in Austria, Hungary and Poland. In the Czech Republic, the 2.8% increase in the period is due to the rise in rates in end-to-end water managmente business together with a good performance in the Environment activity.

Outside the EU, the Middle East and Africa recorded a reduction of 8.8% due to several factors, in a positive sense, the greater contribution in the execution of the extensions of the Riyadh metro contract (Saudi Arabia), together with an increase from the operation of a treatment plant in Algeria in the Water area. On the contrary, the effect of the termination of the railway contract in Doha (Qatar) in the Construction area and the completion of the construction phase of a desalination plant in Egypt, stand out.

Revenues in Latin America fell by 8.6%, mainly due to the slower pace of projects in Panama and those completed in the Construction area in Chile, although progress in the execution of projects in Colombia and Mexico in the Water area, have also made a positive contribution.

In the United States revenues rose by 18.4%, due to the greater contribution of the various waste collection and treatment contracts in Florida and Texas in the Environment area and an improvement in exports from Spain in the Cement area.

% Revenue by region



4.2 Gross Operating Profit (EBITDA)

Gross operating profit rose to €1,025.8 million in the period, representing an increase of 19.1% over the previous year. The rise is based on the increase in income generated in all the Group's areas of activity and the increase in operating profitability obtained, particularly in Construction and Environment. In addition, it incorporates the effect of the entry into force on 1 January of the accounting regulations on the recording of operating leases (IFRS 16), which are now capitalised and their payment is recorded mainly as a depreciation charge, based on the time of use remaining in their contribution to the generation of revenue. Also noteworthy is the contribution since 1 November 2019 of the Cedinsa concession group, following the acquisition of an additional 17% stake and the subsequent takeover and change from equity to global consolidation since that date.

The main developments in the business areas were as follows:

Environment increased by 11.6% and reached €492.5 million due to the good performance of all the activities and in all the regions in which the group operates. Operating margin rose to 16.9%, compared to 15.6% the previous year.

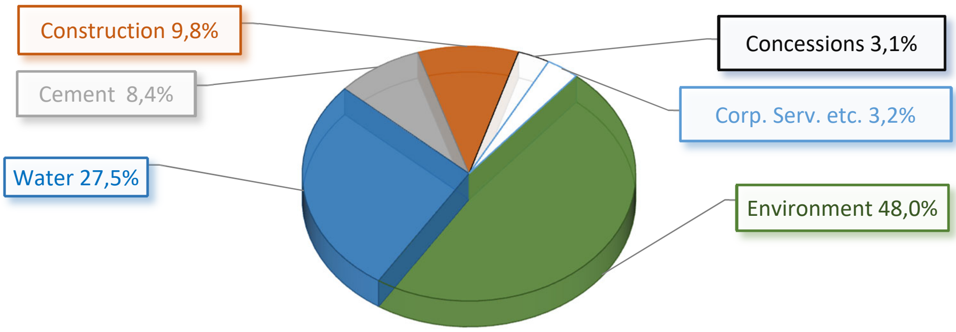
The Water area registered €281.7 million, 13.8% more than the previous year, supported especially by the contribution of the concessions and services activity in Spain, as well as by remarkable growth, both in the BOT concession activity and in Technology and Networks in the international area. Overall, operating margin rose to 23.7% from 22.5% in the previous year.

The Construction area recorded €100.2 million, an outstanding 54.1% more than the previous year, with a sustained increase in the margin throughout the period to 5.8%, thanks to the positive development of the projects underway, mainly in the international area.

In Cement, Ebitda increased 21.8% to €86.4 million, supported by the positive evolution of demand in Spain and despite the reduction of €3.6 million obtained from a minor sale of CO_2 rights in this year, compared to the previous year, together with the effect of the depreciation of the Tunisian Dinar (5.27% in the year).

Also noteworthy is the significant contribution of the Cedinsa concession group to the consolidated Ebitda as at 1 November, which amounted to €11.9 million.

% EBITDA by Business Area



As a result of the performance of the different areas of activity in the year, the "Utilities", Environment and Water (together with Transport Concessions) areas contributed 78.6% to Ebitda in the period, compared with 21.4% from those linked to the demand for infrastructure construction and building and other activities.

4.3 Net Operating Profit (EBIT)

The net operating profit grew up to €511.6 million, 5.3% higher than in the previous year. The change between the two periods is explained by various factors, including most notably the aforementioned increase in income, the 18.7% increase in the depreciation charge recorded in this period, largely due to the application of IFRS 16 since 1 January and, lastly, the €70 million impairment of goodwill in the cement business to adapt it to the more moderate growth expected in the construction business. Without this exceptional adjustment, EBIT would have grown 19.7%, in line with the performance of the gross operating profit.

4.4 Earnings before taxes (EBT) from continuing operations

Earnings before tax from continuing activities were €489 million, up 36.4% on the previous year, mainly due to the development already mentioned regarding the operating profit, to which we must add both a higher contribution from affiliates and a substantial reduction in financial expenses.

4.4.1 Financial income

Net financial income amounted to €-144.7 million, with a reduction of 30.8% compared to the level recorded in the previous year. However, this heading includes two non-recurring factors in both periods, of equal importance but varying relevance. In the second quarter 2019, an expense of €18.8 million was recorded for default interest expenses in relation to a procedure by the Spanish tax authorities, the details of which were set out in the 1H2019 management report and for which the Group's parent company has filed a tax appeal. In 2018, a charge of €-59.3 million was recorded due to the accounting of the repayment of the existing syndicated loan of the parent company (IFRS 9, which came into force in January 2018).

Therefore, adjusted for these two exceptional items, the financial result at year-end would have fallen by 16%, in line with the reduction in the Group's average cost of financing as a result of the financial optimisation process carried out.

4.4.2 Other financial results

This heading includes a result of €1.5 million, 13.3 million less than at the close of the previous year. The difference is largely due to the adjustment of the sale price of a company transferred in 2009 for an amount of €-10 million.

4.4.3 Profit/(loss) of equity-accounted affiliates

The contribution of equity-accounted affiliates has risen to €120.6 million, an increase of €53.7 million compared to the previous year. Noteworthy is the net positive impact of €36.5 million due to the recognition at fair value of the stake in the Cedinsa Group prior to the change of consolidation method. In addition, the energy division contributed a positive result of €24.4 million, which includes an adjustment of €9.9 million to the value of its shareholding.

4.5 Income attributable to the parent company

Net attributable profit for the period amounted to €266.7 million, an increase of 6% compared to 2018. This profit is achieved by the contribution to the EBT of the following concepts:

A corporate tax expense of €149.1 million, compared with €78.8 million at the close of the previous year. This increase is explained by a major result from operations, together with an adjustment of deferred taxes amounting to €25 million, as a result of the exit from the water parent company, FCC Aqualia, and its subsidiaries from the tax group of the Group's parent company.

An increase in the attributable profit to non-controlling interest of €73.2 million compared with €28.2 million in the previous year, mainly concentrated in the Water area (€67 million compared with €24.5 million in the previous period), which includes the entry of a minority shareholder from September 2018.

4.6 Key figures from the Income Statement following the proportional criteria

The most significant figures in the income statement, calculated following effective stake of the company in each of the subsidiaries, joint ventures and associates, is as follows.

	Dec. 19	Dec. 18	Chg. (%)
Net sales	**6,368.5**	**6,467.4**	**-1.5%**
Gross Operating Profit (EBITDA)	**1,132.4**	**1,064.4**	**6.4%**
EBITDA Margin	*17.8%*	*16.5%*	*1.3 p.p*
Net Operating Profit (EBIT)	**597.4**	**634.2**	**-5.8%**
EBIT margin	*9.4%*	*9.8%*	*-0.4 p.p*
Income attributable to equity holders of the parent company	**266.7**	**251.6**	**6.0%**

5. BALANCE SHEET

(M€)	Dec. 19	Dec. 18	Chg. (Mn€)
Intangible assets	3,458.4	2,426.4	1,032.0
Property, Plant and Equipment	2,866.5	2,426.8	439.7
Equity-accounted affiliates	741.5	763.0	(21.5)
Non-current financial assets	863.2	380.6	482.6
Deferred tax assets and other non-current assets	599.9	610.4	(10.5)
Non-current assets	**8,529.6**	**6,607.2**	**1,922.4**
Inventories	728.8	691.0	37.8
Trade and other accounts receivable	1,907.7	1,780.8	126.9
Other current financial assets	189.6	178.8	10.8
Cash and cash equivalents	1,218.5	1,266.2	(47.7)
Current assets	**4,044.6**	**3,916.8**	**127.8**
TOTAL ASSETS	**12,574.1**	**10,524.0**	**2,050.1**
Equity attributable to shareholders of the parent company	1,951.3	1,684.0	267.3
Non-controlling interests	522.5	274.8	247.7
Equity	**2,473.8**	**1,958.8**	**515.0**
Grants	333.8	211.3	122.5
Non-current provisions	1,130.2	1,162.0	(31.8)
Long-term financial debt	4,448.7	3,839.1	609.6
Other non-current financial liabilities	581.6	61.3	520.3
Deferred tax liabilities and other non-current liabilities	303.0	301.0	2.0
Non-current liabilities	**6,797.2**	**5,574.7**	**1,222.5**
Current provisions	249.6	209.3	40.3
Short-term financial debt	538.2	297.3	240.9
Other current financial liabilities	145.4	83.6	61.8
Trade and other accounts payable	2,370.0	2,400.3	(30.3)
Current liabilities	**3,303.2**	**2,990.5**	**312.7**
TOTAL LIABILITIES	**12,574.1**	**1,.524.0**	**2,050.1**

5.1 Fixed and non-current financial assets

The heading "Intangible assets" includes a €1,032 million increase in the year due mainly to the incorporation of the intangible assets from the Cedinsa concession group, amounting to €1,051 million, following the change of consolidation method to global consolidation after the takeover.

The balance of the heading "Property, plant and equipment" at the end of the year amounted to €2,866.5 million, that is €439.7 million more than the previous year. This difference is largely explained by the application from 1 January 2019 of IFRS 16, which establishes that 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, and its counterpart in "Other financial liabilities" for the future payment obligations incurred.

Non-current financial assets are at €863.2 million, €482.6 million more than in the previous year. The increase in collection rights under concession agreements resulting from the entry into global consolidation of various companies, of which the Cedinsa Group, totalling €367.4 million. Furthermore, although to a lesser extent, the increase in collection rights corresponding to waste treatment plants in Spain and the United Kingdom within the Environment area.

5.2 Equity-accounted affiliates

Investments in equity-accounted companies amounted to €741.5 million in the period, comprising:

1) €276.5 million for the 36.9% stake in Realia after subscribing the capital increase carried out by the investee in December 2018.
2) €35.5 million for stakes in companies in the Water area, mainly service concession companies abroad (North Africa and Mexico).
3) €90.6 million for holdings in companies in the Environment area (recycling and municipal services, mainly in Spain and the United Kingdom).
4) €13.7 million for the 44.6% stake in Giant Cement Holding, the parent company of the Cement area in the USA, together with another €23.5 million where the Cement parent company has a stake.
5) €76.6 million for participation in various transport infrastructure and equipment concessions.
6) Another €225.1 million corresponding to other stakes and loans to subsidiaries.

5.3 Cash and cash equivalents

The balance of the heading Cash and cash equivalents amounts to €1,218.5 million, 68% of which is non-recourse and the remaining 32% with recourse to the Group's parent company.

5.4 Equity

Equity at the end of the year amounts to €2,473.8 million, 26.3% more than at the end of the previous year. This increase is due to the contribution of the net profit achieved in the period of €339.9 million and, additionally to the increase in minority interests both in the Water area and in Cedinsa due to the change in the consolidation method.

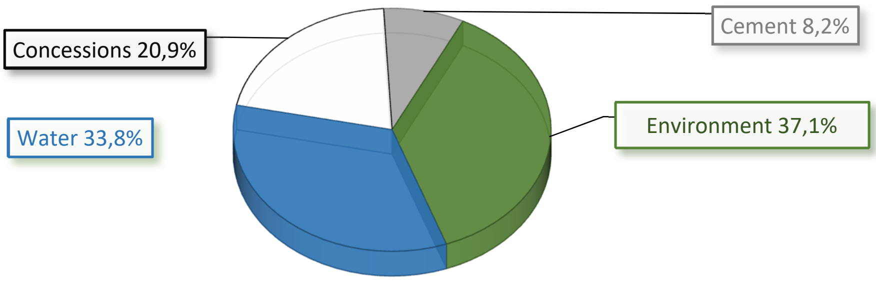
5.5 Net financial debt

(M€)	**Dec. 19**	**Dec. 18**	**Chg. (M€)**
Bank borrowings	1,474.7	2,200.0	(725.3)
Debt instruments and other loans	3,125.0	1,726.0	1,399.0
Accounts payable due to finance leases	63.8	51.5	12.3
Other financial liabilities	323.4	158.9	164.5
Gross financial Debt	**4,986.9**	**4,136.4**	**850.5**
Cash and other current financial assets	(1,408.2)	(1,445.0)	36.8
Net Financial Debt	**3,578.7**	**2,691.4**	**887.3**
With recourse	*(12.8)*	*741.4*	*(754.2)*
Without recourse	*3,591.5*	*1,950.0*	*1,641.5*

Net financial debt at the end of the year amounted to €3,578.7 million, which is an increase of €887.3 million compared to December 2018. This increase is due to a combination of several factors, but what is most significant is the change to global consolidation of the Cedinsa concession group which, together with the €58 million takeover investment, has led to a €788.2 million increase in net financial debt. Also noteworthy is the impact of various growth initiatives, focused on end-to-end water management and on various treatment and recycling plants in the Environment area. Therefore, in the Group as a whole and excluding the aforementioned Cedinsa investment, growth in investments in 2019 amounted to €204.9 million. In addition, the already mentioned effect of a non-recurring tax payment to the tax authorities of €110.9 million and that related to expected performance of working capital in certain projects under way.

According to its nature, the total net financial debt is for the first time fully allocated to subsidiaries and in project debt, for an amount of €3,591.5 million at the end of the year. The parent company has achieved a positive cash position of €12.8 million.

Net Debt by Business Area (without recourse)



The net financial debt without recourse to the Group's parent company is structured as follows:

(i) The Water area totals €1,214.5 million, of which, in addition to the parent's company corporate bond financing, €192 million related to business in the Czech Republic and the remainder of several end-to-end water management concessions; (ii) the Cement area totals €293 million; (iii) the Environment area amounts to €1332.2 million of which €1,093.7 million are related to the issue of two bonds amounting to €600 million and €500 million, maturing in 2023 and 2026, respectively, issued by FCC Servicios Medio Ambiente Holding, S.A.U. This company is wholly owned by FCC, in line with the area's process of subsidiarisation and the transfer of debt to the cash generating units; in addition, €253.1 million relate to activity in the United Kingdom, €37.1 million to the area's activity in central Europe and the remainder to project financing for three waste treatment and recycling plants in Spain; (iv) €751.8 million associated with the transport concession area, most of which (€730.2 million) relates to the inclusion of the project debt of the Cedinsa concession group.

5.6 Other current and non-current financial liabilities

The heading of other current and non-current financial liabilities totals €727 million at the end of the year. The increase compared to the balance at December 2018 includes mainly the liability relating to the recognition on the assets side of the cost of operating leases amounting €420.6 million, in accordance with the entry into force of the new accounting regulations. It also includes other liabilities that are not financial liabilities, such as those associated with hedging derivatives, suppliers of fixed assets, guarantees and deposits received.

6. CASH FLOW

(Millions of Euros)	**Dec. 19**	**Dec. 18**	**Chg. (%)**
Gross Operating Profit (EBITDA)	**1,025.8**	**861.2**	**19.1%**
(Increase)/decrease in working capital	(183.3)	(316.8)	-42.1%
Corporate income tax (paid)/received	(173.0)	(111.9)	54.6%
Other operating cash flow	(39.0)	56.9	-168.5%
Operating cash flow	**630.5**	**489.4**	28.8%
Investment payments	(546.6)	(434.7)	25.7%
Divestment receipts	28.5	42.0	-32.1%
Other investing cash flows	158.9	8.0	N/A
Investing cash flow	**(359.2)**	**(384.7)**	**-6.6%**
Interest paid	(136.8)	(142.4)	-3.9%
(Payment)/receipt of financial liabilities	(97.4)	(851.2)	-88.6%
Other financing cash flow	(111.5)	912.5	-112.2%
Financing cash flow	**(345.7)**	**(81.1)**	**N/A**
Exchange differences, change in consolidation scope, etc.	26.8	4.3	N/A
Increase/(decrease) in cash and cash equivalents	**(47.7)**	**2.9**	**N/A**

6.1 Operating cash flow

The operating cash flow generated during the year amounted to €630.5 million, 28.8% more than in the previous year. This was due to the improved development of operating working capital, which reduced the application of funds down to €183.3 million in the period, 42.1% less than in the previous year, largely due to the slower rate of consumption of pre-payments on various contracts in advanced progress in the Construction area.
The heading Corporate income tax (paid)/received includes an outflow of €173 million, due partially to the payment of €92.1 million recorded to adjust the tax incentives applied by the Group in previous years, already commented on in the 1H2019 earnings report, compensated by close to €30 million the refund made by the tax authorities of outstanding fees for the most part of 2017, as well as a higher payment due to tax adjustments in various international companies.
Other operating cash flow includes an outflow of €39 million, mainly due to a greater provision application than in the previous year, especially in the Construction area.

6.2 Investing cash flow

The investing cash flow represents an outflow of €359.2 million, 6.6% less than that applied in the previous year. The payments for investments include various growth operations in the Water area, including most notably the acquisition of the SPIE group in France for €31.7 million and the investment in the Guaymas (Mexico) BOT for €16.9 million. In the Environment area, in Spain, €47 million invested in treatment plants, the main ones being those associated with the development of the CMR Loeches and the completion of the one in Guipúzcoa. In the international area, among the most significant investments are in the United Kingdom €43.1 million for the development of the Lostock plant, and €22.2 million for the commissioning of the Edinburgh plant. In the USA, €35.3 million for the Palm Beach contract in Florida and €7.3 million in the MRF plant in Houston. In the Transport Concession area, €58 million for the purchase of an additional 17% stake in the Cedinsa concession group.

In turn, proceeds from disposals fell to €28.5 million compared with €42 million the previous year, distributed between €8.2 million for Construction, €9.3 million for Environment and €11 million for Water.

The breakdown of net investments by business area, excluding other cash flows from investment activities, in terms of payments and receipts, is as follows:

(M€)	**Dec. 19**	**Dec. 18**	**Chg. (M€)**
Environment	(301.2)	(246.5)	(54.7)
Water	(124.5)	23.4	(147.9)
Construction	30.5	(4.0)	34.5
Cement	(8.3)	(6.7)	(1.6)
Corporate serv., etc. & adjustments	(114.6)	(188.9)	74.3
Net investments *(Payments - Receipts)*	**(518.1)**	**(422.7)**	**(95.4)**

Other investment flows include an inflow of €158.9 million at year-end compared to €8 million at the end of the previous year. In this increase, €52.8 million are due to the entry into global consolidation of two water concession companies in Algeria and France and a further €59.5 million corresponding to the concession group Cedinsa, and for the same reason. Additionally, there are smaller amounts in loans to third parties and investee companies.

6.3 Financing cash flow

The consolidated financing cash flow at the end of the year amounted to an outflow of €345.7 million compared to €81.1 million in the previous year. Interest payment includes an outflow of €136.8 million, similar to last year, of which €18.8 million correspond to default interest on texes in connection with the tax assessment to recover State aid mentioned above.

The heading (Payment)/receipt of financial liabilities includes an application of €97.4 million in the year. The most significant item was the issue of two green bonds in the environmental area for €600 and €500 million, respectively, of which €1,020 million were used to repay the debt with its parent company FCC and the rest to repay in advance the entire debt of its parent company in the United Kingdom. FCC has earmarked the funds received for the early repayment of all its syndicated financing, which was signed in September 2018 and amounted to €1,200 million. There is also a commercial paper programme on the Irish Stock Exchange, with an outstanding balance at year-end of €300 million.

Other financing cash flows include most notably the payment of €55.6 million for the purchase of 49% of the minority shareholders in the water concession company Aquajerez, together with a further €44.1 million paid to the minority shareholders in the same area in the form of dividends. Another €9.6 million were paid to the FCC Group's parent company shareholders in connection with the distribution of a scrip dividend in the second quarter of the year.

6.4 Exchange differences, change in consolidation scope, etc.

This heading shows an increase of €22.5 million compared 2018, mainly due to the effect on cash flow of the changes in the euro exchange rate, concentrated mainly in the Construction area.

6.5 Variation in cash and cash equivalents

As a result of the performance of the different components of cash flow, the Group's cash position declined €47.7 million compared to the end of the previous year, down to €1,218.5 million at the end of the year.

7. BUSINESS PERFORMANCE

7.1. Environment

The Environment area accounted for 48% of the Group's EBITDA in the year. A total of 80% of its activity involves the provision of waste collection, treatment and disposal services, as well as street cleaning. The remaining 20% corresponds to other types of urban environmental activities, such as garden upkeep or maintenance of sewage systems.

In Spain, urban waste management and street cleaning are the most important activities, while in the United Kingdom the focus is on urban waste treatment, recovery and disposal. In central Europe, mainly Austria and the Czech Republic, FCC is present throughout the waste management chain (collection, processing and disposal). FCC's activities in the USA include both the collection and end-to-emd management of urban waste.

7.1.1. Results

(M€)	**Dec. 19**	**Dec. 18**	**Chg. (%)**
Revenues	2,915.2	2,822.4	3.3%
Waste collection and street cleaning	*1,379.7*	*1,316.5*	*4.8%*
Waste treatment	*960.1*	*930.4*	*3.2%*
Other services	*575.4*	*575.5*	*0.0%*
EBITDA	492.5	441.4	11.6%
EBITDA Margin	*16.9%*	*15.6%*	*1.3 p.p*
EBIT	258.5	225.1	14.8%
EBIT Margin	*8.9%*	*8.0%*	*0.9 p.p*

The revenues of the Environment area reached €2,915.2 million in the period, 3.3% more than the previous year, due to the positive performance of waste collection and treatment activities, mainly in Spain and Central Europe, due to the contribution of already existing contracts, new ones and those underway.

Revenue breakdown, by region

(M€)	**Dec. 19**	**Dec. 18**	**Chg. (%)**
Spain	1,701.7	1,609.1	5.8%
United Kingdom	682.0	718.1	-5.0%
Central Europe	466.9	441.7	5.7%
USA and others	64.6	53.5	20.8%
Total	**2,915.2**	**2,822.4**	**3.3%**

In Spain, revenues increased by 5.8% to €1,701.7 million, mainly due to the contribution of the performance of the new treatment plants at the CMR Loeches (Madrid) and the one in Guipúzcoa, together with the contribution of extensions and new services, such as the organic waste service in Madrid, Jerez de la Frontera and El Prat de Llobregat.

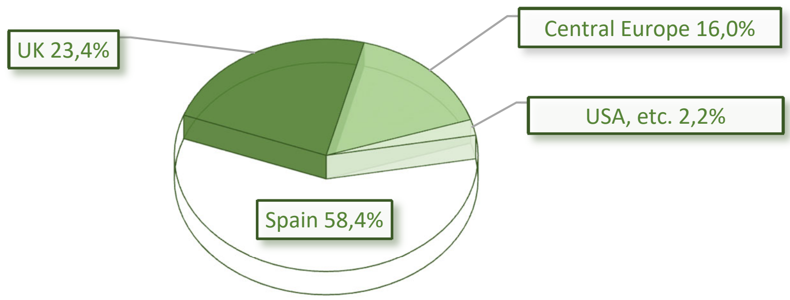
In the United Kingdom, revenue fell by 5% to €682 million due to a minor contribution from the construction phase of the recycling and waste-to-energy plant in Edinburgh, which is now operational, and the planned completion of a contract in the southern area.

In Central Europe, revenues grew by 5.7% to €466.9 million due to the higher volume of activity in Austria, Hungary and the recovery of business in Poland.

Finally, revenues in the US and other markets increased by 20.8%, mainly due to the commencement of new contracts in the country, such as those in Rowlett (Texas), Polk County (Florida), or the collection contract in

Palm Beach (Florida), together with the entry into operation of the recycling plant in Houston. This offests the non-activity in Egypt, where the contract ended in 2018.

Revenue breakdown, by region



Gross operating profit (EBITDA) increased by 11.6% to €492.5 million, due to the good performance of all activities and the positive development of some contracts, together with the reclassification of operating leases due to the change in accounting regulations. Operating margin rose to 16.9%.

Net operating profit (EBIT) increased by 14.8% over the previous year to €258.5 million, thanks to the evolution of different components mentioned in the EBITDA.

Backlog breakdown, by region

(M€)	**Dec. 19**	**Dec. 18**	**Chg. (%)**
Spain	5,354.5	5,606.5	-4.5%
International	5,011.7	4,197.6	19.4%
Total	**10,366.2**	**9,804.1**	**5.7%**

At the end of the year, the area's backlog increased by 5.7% compared to the end of 2018, reaching €10,366.2 million, due to new contracts in the international area, mainly in the USA, such as the urban waste collection contract in Omaha (Nebraska) and those in Palm Beach and Volusia (Florida), which offset the decline in Spain due to the continuing preference for extensions over renewals, all in a context of low tender volumes.

7.1.2. Financial Debt

(M€)	**Dec. 19**	**Dec. 18**	**Chg. (M€)**
Net financial debt without recourse	1,332.2	361.8	970.4

Net financial debt, without recourse to the parent company, reached €1,332.2 million at the end of the financial year. The main balance corresponds to the issue of two (€600 and €500 million) green bonds by its new parent company in the fourth quarter of the year, following the process of segregation and financial ring-fence completed in the area in 2019; of the remaining balance, €253.1 million correspond to the activity in the United Kingdom, and €37.1 million to the activity in central Europe.

7.2. End-to-End Water Management

The Water area accounted for 27.5% of FCC Group Ebitda in the period. An 82.8% of its activity is focused on the public end-to-end concession management (capture, treatment and distribution); the remaining 17.2% corresponds to Technology and Networks, which is responsible for the design, engineering and equipment of water infrastructures, to a large extent related to the development of new concessions or ancillary works for operations.

In Spain the area serves more than 13 million inhabitants in more than 850 municipalities. In Central Europe it serves 1.3 million users, mainly in the Czech Republic, while in the rest of the continent it is present in Italy, Portugal and France, following the acquisition last June. In Latin America, the Middle East and Africa it is present through the design, equipment and operation of treatment plants. Overall, the area of Water provides supply and/or sanitation services to more than 23.6 million inhabitants.

7.2.1 Earnings

(M€)	**Dec. 19**	**Dec. 18**	**Chg. (%)**
Revenues	1,186.9	1,115.2	6.4%
Concessions and services	*982.2*	*933.1*	5.3%
Technology and networks	*204.7*	*182.1*	12.4%
EBITDA	281.7	247.5	13.8%
EBITDA Margin	*23.7%*	*22.2%*	*1.5 p.p*
EBIT	180.2	157.1	14.7%
EBIT margin	*15.2%*	*14.1%*	*1.1 p.p*

The area's revenues increased by 6.4% year-on-year to €1,186.9 million. The Concessions and Services activity reaches €982.28, mainly explained by the increase in contribution of the activity in Algeria (Mostaganem treatment plant) and the contribution of the business in France after the acquisition of the company SPIE. Technology and Networks activity grew by 12.4% to €204.7 million, due to the good pace of project execution in Latin America.

Revenue breakdown, by region

(M€)	**Dec. 19**	**Dec. 18**	**Chg. (%)**
Spain	804.4	797.7	0.8%
Middle East, Africa and Others	113.3	106.4	6.5%
Central Europe	111.7	108.1	3.3%
Latin America	86.3	46.9	84.0%
Rest of Europe (France, Portugal and Italy)	71.2	56.1	26.9%
Total	**1,186.9**	**1,115.2**	**6.4%**

By region, revenues in Spain reached €804.4 million, due to an increase in the volumes invoiced in concessions, which offset less activity in Technology and Networks due to the investment plans related to concessions underway.

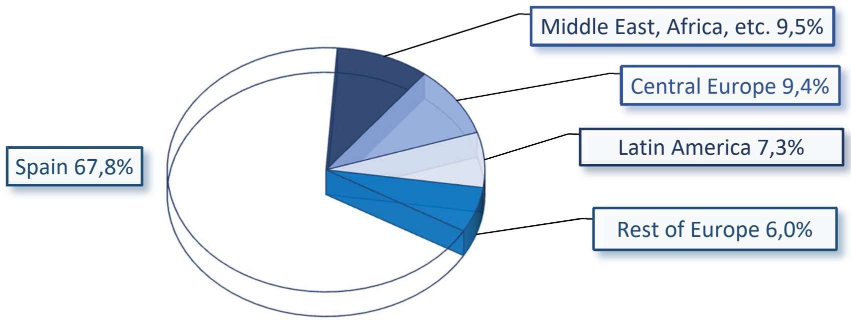
On the international front, in the Middle East, Africa and Others, revenues rose by 6.5% to €113.3 million, due to the, above mentioned, increase in contribution of Algeria, which offest the decrease in Technology and Networks activity, after the completion of the El-Alamein project, and which has not fully compensated the higher level of progress of the Abu Rawash wastewater treatment plant (both in Egypt).

Central Europe increased its revenues by 3.3% to €111.7 million, with a stable growth throughout the year focused on the concession activity in the Czech Republic, where the rise in rates compensated the decrease in the volume invoiced due to the drop in the volume of water invoiced. Technology and Networks activity has remained at similar levels of activity to those recorded in 2018.

In Latin America, turnover grew by 84% to €86.3 million, thanks to greater progress in the execution of projects such as Salitre (Colombia) and the BOT in Guaymas (Mexico).

In the Rest of Europe, revenues increased by 26.9% to €71.2 million. This is largely due to the integration in France of the Spie concession group, acquired last June.

Revenue breakdown, by region



The gross operating profit (EBITDA) increased by 13.8% over the previous year to €281.7 million. This increase is based both on the greater contribution of the concessions and services activity, in the different regions in which the area operates, and on the set of projects in Technology and Networks in the international area. Overall, the operating margin rose to 23.7%.

Backlog breakdown, by region

(M€)	**Dec. 19**	**Dec. 18**	**Chg. (%)**
Spain	7,813.1	8,078.8	-3.3%
International	7,205.2	6,572.6	9.6%
Total	**15,018.3**	**14,651.4**	**2.5%**

The backlog increased by 2.5% at year-end to €15,018.3 million. The international area grew by 9.6%, supported by the impact of the acquisition of SPIE in France or the contracts for the operation and maintenance of the "East Area" and "Island Area" sanitation system in Abu Dhabi. This largely compensated for the decline in Spain, due, among other things, to the delay in awarding some contracts.

7.2.2. Financial Debt

(M€)	**Dec. 19**	**Dec. 18**	**Chg. (M€)**
Net financial debt without recourse	1,214.5	1,197.6	16.9

Net financial debt, which is entirely without recourse to the Group's parent company, amounted to €1,214.5 million at the end of the financial year, without major variations when compared to December of the previous year. Most of the balance of the debt corresponds to long-term bonds issued by the area's parent company, with a gross balance of €1,345.3 million.

7.3. Construction

The Construction area contributed 9.8% of the Group's EBITDA in the year. Its activity is focused on the design and construction of large civil, industrial and complex building works. The presence in public works such as railways, tunnels and bridges, account for the bulk of its activity.

(M€)	**Dec. 19**	**Dec. 18**	**Chg. (%)**
Revenues	1,719.3	1,655.1	3.9%
EBITDA	100.2	65.0	54.1%
EBITDA Margin	*5.8%*	*3.9%*	*1.9 p.p*
EBIT	77.3	49.6	55.8%
EBIT margin	*4.5%*	*3.0%*	*1.5 p.p*

The area's revenues increased by 3.9% in the period to €1,719.3 million, mainly due to the contribution of both new and existing projects, centred in the domestic market, with more moderate growth in the international area.

Revenue breakdown, by region

(M€)	**Dec. 19**	**Dec. 18**	**Chg. (%)**
Spain	665.3	609.2	9.2%
Middle East and Africa	401.5	444.3	-9.6%
Europe, USA, etc.	351.7	228.7	53.8%
Latin America	300.8	372.9	-19.3%
Total	**1,719.3**	**1,655.1**	**3.9%**

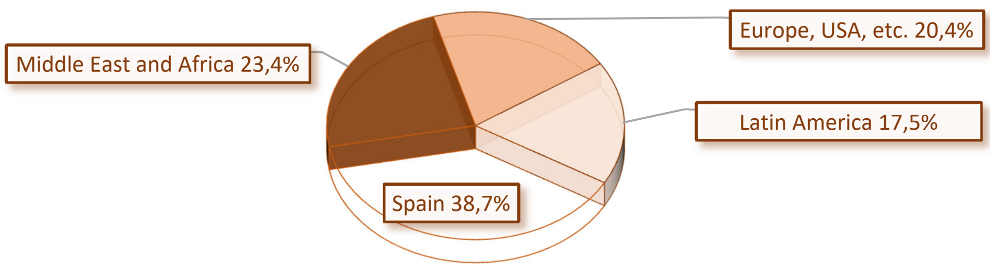
In Spain, revenues increased by 9.2% to €665.3 million, due to the contribution of new contracts such as the remodelling of the Real Madrid football stadium or the Loeches treatment complex, together with other minor civil works contracts.

In the Middle East and Africa, revenues decreased by 9.6%, where the positive contribution of the Riyadh metro installations contract could not offset other concluded ones such as the Doha metro contract.

In Europe, the United States and other markets, revenues increased by a remarkable 53.8% to €351.7 million, as a result of the good pace of execution of various railway lines in Romania, and the increased activity in projects initiated in EU countries such as the Haren complex in Belgium or the new educational facilities in Dublin, Ireland.

In Latin America, revenues fell 19.3% in the year to €300.8 million due to the completion of line 2 of the Panama metro, which has not yet been compensated for by other new early stage constructions.

Revenue breakdown, by region



The gross operating profit (EBITDA) increased by 54.1% compared the previous year, to €100.2 million, due to the improved evolution of projects in progress, mainly in the international area. Therefore, the margin increased by 1.9 p.p. in the period.

The net operating profit stands at €77.3 million, which represents a 55.8% increase over the previous year, reflecting the abovementioned evolution at the Ebitda level.

Backlog breakdown, by region

(M€)	**Dec. 19**	**Dec. 18**	**Chg. (%)**
Spain	2,010.3	1,075.8	86.9%
International	3,612.9	3,440.6	5.0%
Total	**5,623.2**	**4,516.4**	**24.5%**

The area's backlog grew by 24.5% at the end of the year to €5,623.2 million. Spain experienced outstanding growth of 86.9% due to new contracts such as the remodelling of the Real Madrid football stadium or the construction of the Insular Ring in Tenerife. The international area grew more moderately to €3,612.9 million, where the contribution of the contract for the construction of a section of the A9 motorway in Holland was noteworthy.

Backlog breakdown, by business segment

(M€)	**Dec. 19**	**Dec. 18**	**Chg. (%)**
Civil engineering	3,991.6	3,218.0	24.0%
Building	1,251.6	888.6	40.9%
Industrial Projects	380.0	409.9	-7.3%
Total	**5,623.2**	**4,516.4**	**24.5%**

Civil engineering accounted for 71% of the total and is where the largest volume of contracts have been awarded during the year, mainly in the international area, with the A9 Netherlands motorway project mentioned previously.

7.4. Cement

The Cement area contributed 8.4% of the FCC Group's EBITDA this year. Its activity is carried out by the CPV Group, focused on the production of cement and derivatives, with 7 main factories in Spain and 1 in Tunisia, as well as a minority stake of 44.6% in Giant Cement, which operates another 2 factories on the east coast of the USA.

7.4.1. Results

(M€)	**Dec. 19**	**Dec. 18**	**Chg. (%)**
Revenues	413.2	372.8	10.8%
Cement	*374.5*	*341.3*	*9.7%*
Other	*38.7*	*31.5*	*22.8%*
EBITDA	86.4	70.9	21.8%
EBITDA Margin	*20.9%*	*19.0%*	*1.9 p.p*
EBIT	(20.0)	36.7	-154.5%
EBIT margin	*-4.8%*	*9.8%*	*-14.7 p.p*

Revenues increased by 10.8% compared to the end of the previous year to €413.2 million, due both to the increase in volumes and prices in Spain and to the improvement in exports, also from Spain.

Revenue breakdown, by region

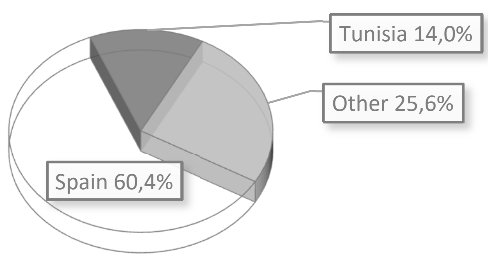
(M€)	**Dec. 19**	**Dec. 18**	**Chg. (%)**
Spain	249.4	224.9	10.9%
Tunisia	57.9	56.4	2.7%
Other (exports)	105.9	91.5	15.7%
Total	**413.2**	**372.8**	**10.8%**

Revenues in Spain grew by 10.9% to €249.4 million, thanks to the sustained increase in volumes and prices, supported by the increase in demand in the construction market.

Revenues in the local market in Tunisia grew by 2.7% to €57.9 million in the year, where the increase in prices offset the decrease in volumes together with the effect of the depreciation of the Tunisian Dinar of 5.3% in the year (revenues increased by 3.8% in local currency terms).

Furthermore, income from exports rose by 15.7%, due to an improvement in the shipments made from Spain, mainly to Europe (where those made to the United Kingdom and Denmark stand out) and to the USA, which offset the decrease in those made from Tunisia.

Revenue breakdown, by region



Gross operating profit increased by 21.8% to €86.4 million, explained by the improvement in activity already mentioned in Spain and the increase in prices in the Tunisian market. The sale of CO_2 rights amounts to €5.8 million compared to €9.4 million in the prior year. Excluding the impact of the sale of rights in both periods, EBITDA increased by 31.1%.

In the last quarter of the year there was an impairment of €70 million in the value of the goodwill of certain assets to accommodate the forecast of a more moderate growth in future construction demand. Therefore, the net operating profit (EBIT) had a negative result of €20 million for the year. Without this exceptional adjustment, EBIT would have grown by 36.2%, in line with the performance obtained through the gross operating profit.

7.4.2. Financial Debt

(M€)	**Dec. 19**	**Dec. 18**	**Chg. (M€)**
Net financial debt without recourse	293.0	337.9	(44.9)

Net financial debt, which is entirely without recourse to the Group's parent company, decreased by €44.9 million compared to the end of the previous year, to €293 million. Most of this reduction corresponds to the repayment of €46 million of the syndicated loan from the parent company of the business area, 25 million of which was voluntary and in advance.

8. SHARE DATA

8.1. Share performance

	Jan. – Dec. 2019	Jan. – Dec. 2018
Closing price (€)	10.92	11.30
Change in the period	*-3.36%*	*35.64%*
High (€)	12.80	13.00
Low (€)	10.36	8.22
Average daily trading (shares)	46,163	85,640
Average daily trading (M€)	0.5	0.9
Market capitalisation at end of period (M€)	4,284	4,432
No. of shares outstanding	392,264,826	378,825.506

8.2. Dividends

The Company's Board of Directors resolved to execute the decision adopted by FCC's Shareholders' Meeting on 8 May 2019, under item five on the agenda, to distribute a 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, increasing the company's capital to 392,264,826 shares. More than 99% of the shareholders chose to receive new shares. This is the first time FCC Group is offering this kind of flexible dividend.

8.3. Own shares

At 31 December 2019, the FCC Group owned, directly and indirectly, a total of 1,250,837 shares of FCC S.A. (0.319% of the company's capital).

9. DISCLAIMER

The financial information contained in this document was obtained from the consolidated financial statements as at 31 December 2019, prepared in accordance with the International Financial Reporting Standards (IFRS) 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.

No liability whatsoever is assumed by the Company, its advisors or representatives, whether for negligence or otherwise, with respect to any loss or damage arising from any use whatsoever of this document or its contents.

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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 amortisation 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 an extra accounting measure in certain areas 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 recognise 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 recognise 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 realise as revenue part or all of our calculated backlog with regard 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.

10. CONTACT DETAILS

FINANCE AND ADMINISTRATION DEPARTMENT

CAPITAL MARKETS DEPARTMENT

> Postal address:	Avda. Camino de Santiago, 40 Edificio 2, Planta 5 - 28050- Madrid. Spain.
> Telephone:	+34 91 757 47 51
> Website:	www.fcc.es
> E-mail:	ir@fcc.es