GRUPO FCC

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.
AND SUBSIDIARIES (CONSOLIDATED GROUP)

Annual Accounts and Directors' Report

Fiscal Year 2009

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.
AND SUBSIDIARIES (CONSOLIDATED GROUP)

Annual Accounts

BALANCE SHEET

A S S E T S	31-12-2009		31-12-2008	
NON-CURRENT ASSETS		**12,832,839**		**11,829,356**
Intangible assets (Note 6)		**4,462,312**		**3,886,429**
Concessions (Notes 6 and 10)	961,755		905,075	
Goodwill	2,615,300		2,556,385	
Total intangible assets	885,257		424,969	
Property, plant and equipment (Note 7)		**5,957,478**		**5,491,693**
Land and buildings	1,640,370		1,588,241	
Plant and machinery	4,317,108		3,903,452	
Investment properties (Note 8)		**264,093**		**263,919**
Investments carried using the equity method (Note 11)		**1,145,754**		**1,116,605**
Non-current financial assets (Note 13)		**404,024**		**517,868**
Deferred tax assets (Note 22)		**599,178**		**552,842**
CURRENT ASSETS		**8,427,874**		**8,768,005**
Non-current assets held for sale				**7,367**
Inventories (Note 14)		**1,103,282**		**1,575,256**
Trade and other accounts receivable		**5,372,976**		**5,499,162**
Trade debtors for sales and services rendered (Note 15)	4,894,660		4,975,888	
Other receivables (Note 15)	420,483		472,269	
Current tax assets (Note 22)	57,833		51,005	
Other current financial assets (Note 13)		**230,980**		**222,830**
Other current assets		**66,174**		**54,729**
Cash and cash equivalents (Note 16)		**1,654,462**		**1,408,661**
TOTAL ASSETS		**21,260,713**		**20,597,361**

Notes 1 to 30 and the enclosed Schedules I to V are an integral part of the consolidated financial statements, along with which they form the consolidated annual accounts for fiscal year 2009.

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND SUBSIDIARIES (CONSOLIDATED GROUP)
At 31 December 2009 (thousands of euros)

L I A B I L I T I E S	31-12-2009		31-12-2008	
SHAREHOLDERS' EQUITY (Note 17)		**3,136,517**		**3,197,953**
Shareholders's equity of parent company		**2,483,835**		**2,548,706**
Capital and reserves	2,809,111		2,954,403	
Capital	127,303		127,303	
Accumulated earnings and other reserves	2,698,323		2,711,920	
Treasury stock	(270,882)		(118,926)	
FY profit (loss) attributable to the parent company	307,199		334,039	
Interim dividend	(88,746)		(99,933)	
Other equity instruments	35,914		-	
Value adjustments	**(325,276)**		**(405,697)**	
Minority interests		**652,682**		**649,247**
NON-CURRENT LIABILITIES		**10,619,979**		**8,758,123**
Grants		**85,692**		**63,576**
Current financial liabilities (Note 19)		**906,535**		**821,429**
Non-current financial liabilities (Note 20)		**8,393,590**		**6,872,318**
Debentures and other marketable securities	562,711		142,929	
Bank loans and overdrafts	7,299,178		6,037,627	
Other financial liabilities	531,701		691,762	
Deferred tax liabilities (Note 22)		**1,216,910**		**1,000,004**
Other non-current liabilities		**17,252**		**796**
CURRENT LIABILITIES		**7,504,217**		**8,641,285**
Current financial liabilities (Note 19)		**110,773**		**91,918**
Current financial liabilities (Note 20)		**1,487,563**		**2,224,890**
Debentures and other marketable securities	586		745	
Bank loans and overdrafts	1,218,218		1,901,426	
Other financial liabilities	268,759		322,719	
Trade and other accounts payable		**5,896,831**		**6,308,398**
Suppliers	3,562,381		4,127,628	
Other creditors	2,315,134		2,149,382	
Current tax liabilities (Note 22)	19,316		31,388	
Other current liabilities		**9,050**		**16,079**
TOTAL LIABILITIES		**21,260,713**		**20,597,361**

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INCOME STATEMENT

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND SUBSIDIARIES (CONSOLIDATED GROUP)
At 31 December 2009 (thousands of euros)

	31-12-2009	31-12-2008
Turnover (Notes 25 and 26)	**12,699,629**	**14,019,500**
Own work capitalised	50,460	85,370
Other operating income (Note 25)	357,527	375,119
Changes in inventories of finished products and work in progress	(25,397)	(61,412)
Supplies (Note 25)	(6,126,122)	(6,987,241)
Staff costs (Note 25)	(3,296,522)	(3,260,766)
Other operating charges	(2,198,960)	(2,408,253)
Fixed asset depreciation (Notes 6, 7 y 8)	(737,639)	(745,674)
Allocation of non-financial grants and others	2,673	7,013
Impairment and gains (losses) on disposals of fixed assets	11,972	(80,012)
Otros resultados	(6,537)	2,666
OPERATING RESULTS	**731,084**	**946,310**
Financial income (Note 25)	66,196	105,856
Financial expense (Note 25)	(357,269)	(590,254)
Change in fair value of financial instruments (Note 25)	5,189	(15,573)
Exchange differences	(32,541)	1,182
Impairment and gains (losses) on disposals of financial instruments (Note 25)	43,329	30,167
FINANCE INCOME/COSTS	**(275,096)**	**(468,622)**
Profit (loss) of companies carried by equity (Note 11)	(6,093)	15,162
BEFORE-TAX PROFIT (LOSS) FROM CONTINUING OPERATIONS	**449,895**	**492,850**
Income tax (Note 22)	(114,916)	(99,960)
PROFIT/LOSS FOR YEAR FROM CONTINUING OPERATIONS	**334,979**	**392,890**
CONSOLIDATED PROFIT(LOSS) FOR THE YEAR	**334,979**	**392,890**

Profit (loss) attributable to parent	**307,199**	**334,039**
Profit (loss) attributable to minority interests (Note 17)	**27,780**	**58,851**

EARNINGS PER SHARE (Note 17)		
Basic	2.52 €	2.68€
Diluted	2.51 €	2.68€

Notes 1 to 30 and the enclosed Schedules I to V are an integral part of the consolidated financial statements, along with which they form the consolidated annual accounts for fiscal year 2009.

STATEMENT OF CHANGE IN EQUITY:

A) STATEMENT INCOME AND EXPENSES

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND SUBSIDIARIES (CONSOLIDATED GROUP)
At 31 December 2009 (thousands of euros)

	31-12-2009		31-12-2008	
CONSOLIDATE PROFIT (LOSS) FOR THE YEAR		**334,979**		**392,890**
Income and expenses carried directly to equity		**(390)**		**(353,476)**
Measurement of financial instruments	(1,172)		1,758	
Cash-flow hedges	(57,355)		(212,500)	
Differences on exchange	33,250		(184,085)	
Companies carried by equity	21,004		(60,595)	
Tax effect	3,883		101,946	
Transfers to the profit and loss account		**75,207**		**(11,554)**
Cash-flow hedges	68,726		(16,127)	
Companies carried by equity	27,376		(44)	
Tax effect	(20,895)		4,617	
TOTAL INGRESOS/(GASTOS) RECONOCIDOS		**409,796**		**27,860**
Allocated to the parent company		**385,271**		**25,052**
Allocated to minority interests		**24,525**		**2,808**

STATMENT OF CHANGE IN EQUITY :

B) STATEMENT OF TOTAL CHANGE IN EQUITY

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND SUBSIDIARIES (CONSOLIDATED GROUP)
At 31 December 2009 (thousands of euros)

	Share capital (Note 17.a)	**Issue premium and reserves** (Note 17.b)	**Interim dividend** (Note 17.d)	**Treasury stock** (Note 17.c)	**Profits (losses) for the year attributed to parent**	**Other equity instruments** (Note 17.e)	**Value adjustments** (Note 17.f)	**Equity allocated to parent company shareholders**	**Minority interests** (Note 17.II)	**Net Equity**
Shareholders' equity at 31 December 2007	**130,567**	**2,373,747**	**(138,654)**	**(325,332)**	**737,851**		**(87,073)**	**2,691,106**	**1,564,337**	**4,255,443**
Total income and expenses for the year					334,039		(308,987)	25,052	2,808	27,860
Operations with shareholders or owners										
Capital increases (decreases)	(3,264)							(3,264)	113	(3,151)
Dividend payment		469,472	38,721		(737,851)			(229,658)	(117,986)	(347,644)
Transactions with treasury stock (net)		(206,289)		206,406				117		117
Increases (decreases) due to business combinations									(704,479)	(704,479)
Other transactions with partners or shareholders									(59,775)	(59,775)
Other changes in shareholders' equity		74,990					(9,637)	65,353	(35,771)	29,582
Shareholders' equity at 31 December 2008	**127,303**	**2,711,920**	**(99,933)**	**(118,926)**	**334,039**		**(405,697)**	**2,548,706**	**649,247**	**3,197,953**
Total income and expenses for the year					307,199		78,072	385,271	24,525	409,796
Operations with shareholders or owners										
Capital increases (decreases)									62,255	62,255
Dividend payment		142,257	11,187		(334,039)			(180,595)	(34,375)	(214,970)
Transactions with treasury stock (net)				(151,956)				(151,956)		(151,956)
Increases (decreases) due to business combinations									1,303	1,303
Other transactions with partners or shareholders										
Other changes in shareholders' equity		(155,854)				35,914	2,349	(117,591)	(50,273)	(167,864)
Shareholders' equity at 31 December 2009	**127,303**	**2,698,323**	**(88,746)**	**(270,882)**	**307,199**	**35,914**	**(325,276)**	**2,483,835**	**652,682**	**3,136,517**

Notes 1 to 30 and the enclosed Schedules I to V are an integral part of the consolidated financial statements, along with which they form the consolidated annual accounts for fiscal year 2009.

CASH FLOW STATMENT

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND SUBSIDIARIES (CONSOLIDATED GROUP)
At 31 December 2009 (thousands of euros)

	31-12-2009		31-12-2008	
Before-tax profit (loss) from continuing operations		**449,895**		**492,850**
Adjustments to profit/loss		**1,088,296**		**1,356,536**
Fixed asset depreciation	737,639		745,674	
Other adjustments (net)	350,657		610,862	
Changes in working capital		**138,934**		**(462,276)**
Other working capital flows		**(99,511)**		**(284,673)**
Dividend payments	26,352		24,407	
Corporate taxes (paid)/received	(94,163)		(268,816)	
Other operating receipts/(payments)	(31,700)		(40,264)	
TOTAL CASH FLOWS FROM OPERATIONS		**1,577,614**		**1,102,437**
Amounts paid on investments		**(1,360,177)**		**(1,765,817)**
Group companies, associates and business units	(553,561)		(578,039)	
PPE, intangible assets and investment property	(736,291)		(1,084,901)	
Other financial assets	(70,325)		(102,877)	
Amounts collected from divestments		**308,837**		**284,121**
Group companies, associates and business units	199,419		59,900	
PPE, intangible assets and investment property	89,950		170,852	
Other financial assets	19,468		53,369	
Other cash flows from investments		**35,908**		**(153,154)**
Collection of interest	23,070		48,092	
Other receipts (payments) on investments	12,838		(201,246)	
TOTAL CASH FLOWS FROM INVESTMENTS		**(1,015,432)**		**(1,634,850)**
Received from shareholders		**(78,688)**		**230**
Issue/(amortisation)	99,077		113	
(Acquistion)/disposal of treasury stock	(177,765)		117	
Receipts and (payments) on financial liabilities instruments		**358,401**		**1,384,807**
Issue	2,630,932		2,843,692	
Devolución y amortización	(2,272,531)		(1,458,885)	
Dividend payments and interest on financial instruments		**(228,198)**		**(368,960)**
Other cash flows from financing activities		**(358,461)**		**(558,752)**
Payment of interest	(312,308)		(517,712)	
Other receipts (payments) from financing activities	(46,153)		(41,040)	
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES		**(306,946)**		**457,325**
EFFECT OF EXCHANGE RATE FLUCTUATIONS		**(9,435)**		**(14,196)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**245,801**		**(89,284)**
Cash and cash equivalent beginning of year		**1,408,661**		**1,497,945**
Cash and cash equivalent end of year		**1,654,462**		**1,408,661**

Notes 1 to 30 and the enclosed Schedules I to V are an integral part of the consolidated financial statements, along with which they form the consolidated annual accounts for fiscal year 2009.

Notes to the consolidated financial statements

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND SUBSIDIARIES (CONSOLIDATED GROUP)
At 31 December 2009

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FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND SUBSIDIARIES (CONSOLIDATED GROUP)
At 31 December 2009

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1. THE FCC GROUP

The FCC Group is made up of the Parent, Fomento de Construcciones y Contratas, S.A., and a number of Spanish and foreign investees which carry on various business activities that are grouped together in the following areas:

Services: this area comprises the units specialising in **environmental services**, i.e. services related to urban cleaning, industrial waste treatment and the integral water cycle, and includes **Versia**: which provides various services such as logistics, street furniture, vehicle roadworthiness tests, vehicle parking, aircraft and passenger ground handling, street maintenance and traffic systems, etc.

Construction: this area specialises in infrastructure construction projects, building construction and related activities, such as motorways, freeways and other roads, tunnels, bridges, hydraulic construction works, ports, airports, residential property developments, housing units, non-residential building construction, lighting, industrial air conditioning and heating systems, environmental restoration, etc.

Cement: this area engages in the operation of quarries and mineral deposits, the manufacture of cement, lime, plaster and related pre-manufactured products and the production of concrete.

Energy: this area focuses on cogeneration, energy efficiency, renewable energies and the application of new technologies to take advantage of the energy produced by waste.

The FCC Group is also highly active in the real estate business through the operation of the Torre Picasso building (wholly owned by the Parent) and its 30.23% minority shareholding in Realia Business, which engages mainly in housing development and office rental both in Spain and abroad.

The Group also operates infrastructure concessions (motorways, tunnels, marinas, railways, tramways and buildings for a variety of uses) mainly through its ownership interest in the Global Via Infraestructuras Group.

Foreign operations, which represent approximately 44% of the FCC Group's revenue (42% in 2008), are carried on mainly in the European, US and Latin American markets.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS, BASIS OF CONSOLIDATION AND ACCOUNTING POLICIES

a) Basis of presentation

The accompanying financial statements and the notes thereto, which compose these statutory consolidated financial statements, were prepared in accordance with the International Financial Reporting Standards (IFRSs) adopted by the European Union at year-end, in conformity with (EC) Regulation no. 1606/2002 of the European Parliament and of the Council, of 19 July 2002, and with all the related implementing provisions and interpretations.

The 2009 consolidated annual accounts of the FCC Group were prepared by the Board of Directors of Fomento de Construcciones y Contratas, S.A. and will be presented at the General Meeting of Shareholders for approval by the shareholders. It is not expected that any changes will be made to the annual accounts by the shareholders. The 2008 consolidated annual accounts were approved at the General Meeting of Shareholders of Fomento de Construcciones y Contratas, S.A. held on 10 June 2009.

The consolidated annual accounts reflect a true image of the equity and financial situation of the FCC Group at 31 December 2009 and 2008 as well as the result of the Group's operation and the changes in net equity and consolidated cash for those years.

The consolidated annual accounts of the FCC Group have been prepared from the accounting records of the Fomento de Construcciones y Contratas, S.A. and its subsidiaries. According to the Group's established operating systems and procedures, these records justify and support the consolidated financial statements as required by international accounting standards.

In order to standardise the presentation of the different items making up the consolidated annual accounts, standardisation criteria have been applied to the individual annual accounts of the companies included in the scope of consolidation. In 2009 and 2008, the closing date of the annual accounts of the companies included in the scope of consolidation was generally the same as that of the parent company, 31 December.

The consolidated annual accounts are expressed in thousands of euros.

Standards and interpretations applied this fiscal year

In 2009, the FCC Group adopted all of the amendments and revisions of the paragraphs and interpretations of the "International Financial Reporting Standards" including IFRIC 12 "Service concession agreements" and "IAS 3, "Business combinations", the most salient aspects of which are indicated in Note 3.a) and b) of this document.

As a consequence of the adoption of IFRIC 12 "Service concession agreements" by the European Union in 2009, the FCC Group decided to implement this standard in 2009. Prior to that, i.e., on the consolidated annual accounts from prior fiscal year, the most relevant aspects of this standard were already being applies, such as charging the financial costs incurred once the concession was operational to the income statement, recognising the profit (loss) associated with building the concession-related assets and amortising those assets based on patterns of use. Consequently, the impact of the new interpretation on the enclosed financial statements consisted basically of reclassifying the intangible fixed assets or financial assets associated with the concessions, which had a negligible effect on the fiscal year results and equity.

Due to the implementation of IFRIC 12 and in compliance with the terms of IAS 8 "Accounting policies: changes in accounting estimates and errors", the FCC Group has restated the financial statements for 2008, which are presented along with the 2009 consolidated annual accounts for comparison purposes. The restated 2008 annual accounts are therefore different than the 2008 consolidated annual accounts approved by the General Meeting of Shareholders. All of the comparative information in the enclosed notes has also been restated.

The impact of this restatement on the consolidated balance sheet is as follows:

	2008 Restated	2008	Difference
Intangible fixed assets	3,886,429	3,300,189	586,240
Property, plant and equipment	5,491,693	6,109,483	(617,790)
Investments carried under the equity method	1,116,605	1,109,140	7,465
Non-current financial assets	517,868	457,827	60,041
Other non-current assets		38,437	(38,437)
Other current financial assets	222,830	215,236	7,594
Other assets	9,361,936	9,361,936	
Total assets	**20,597,361**	**20,592,248**	**5,113**
Equity attributed to parent before profit (loss)	2,214,667	2,209,723	4,944
Profit (loss) attributed to parent company	334,039	337,184	(3,145)
Grants	63,576	65,928	(2,352)
Suppliers	4,127,628	4,121,962	5,666
Other liabilities	13,857,451	13,857,451	
Total liabilities	**20,597,361**	**20,592,248**	**5,113**

Standards and interpretations issued but not yet in force

At 31 December 2009, the most significant standards and interpretations that had been published by the International Accounting Standards Board (IASB) but had not yet come into force because they had not yet been adopted by the European Union were as follows:

		Obligatory application for FCC Group
Standards and amendment to standards:		
Modification of IFRS 1	Additional exemptions for first time adoptions	1 January 2010
Modification of IFRS 2	Share-based payments between group companies and modification of paragraphs 5 and 61	1 January 2010
Modification of IFRS 5	Addition of paragraphs 5B and 44E	1 January 2010
Modification of IFRS 8	Modifications of paragraphs 23 and 36 and addition of paragraph 35A	1 January 2010
IFRS 9	Financial instruments	1 January 2013
Modification of IAS 1	Modification of paragraph 69 and addition of paragraph 139D	1 January 2010
Modification of IAS 7	Modification of paragraph 16 and addition of paragraph 56	1 January 2010
Modification of IAS 17	Elimination of paragraphs 14 and 15 and addition of paragraphs 15A, 68A and 69A	1 January 2010
Revision of IAS 24	Related party disclosures	1 January 2011
Modification of IAS 36	Modification of paragraph 80 and addition of paragraph 140E	1 January 2010
Modification of IAS 38	Modification of paragraphs 36,37, 40, 41 and 130C and addition of paragraph 130E	1 January 2010
Modification of IAS 39	Modification of paragraphs 2(g), 80, 97, 100, 108C and GA30 8(g) and addition of paragraph 103K	1 January 2010
Interpretations and modifications of interpretations:		
Modification of IFRIC 9	Modification of paragraph 5 and addition of paragraph 11	1 January 2010
Modification of IFRIC 14	Early payments of minimum funding requirements	1 January 2011
Modification of IFRIC 16	Modification of paragraphs 14 and 18	1 January 2010
IFRIC 19	Extinguishing financial liabilities with equity instruments	1 January 2011

The directors have assessed the potential impact of applying these standards in the future and estimate that their entry into force will not have a material impact on the consolidated financial statements

b) Principles of consolidation

Subsidiaries

The subsidiaries listed in Appendix I, who's financial and operating policies are controlled by Fomento de Construcciones y Contratas, S.A., either directly or through other companies controlled by it, were consolidated by global integration.

The interest of minority shareholders in the equity of the consolidated companies is presented under "Minority Interests" on the liability side of the accompanying consolidated balance sheet and their interest in profit or loss is shown under "Minority Interests" in the accompanying consolidated income statement.

Goodwill is determined as indicated in Note 3.b) below.

Joint Ventures

The Group participates in joint ventures through investments in companies controlled jointly by one or more FCC Construccion Group companies with other non-Group companies (see Note 11) and interests in unincorporated joint ventures, joint property entities and economic interest groupings (see Note 12).

Through the application of the option provided for in IAS 31, "Interest in Joint Ventures", the Group chose to account for the investments in jointly controlled entities using the equity method, so the enclosed consolidated balance sheet includes a heading entitled "Investments accounted for using the equity method". The interest in the profit (loss) of these companies, net of taxes, is shown under "Profit (loss) of companies consolidated by equity" on the enclosed consolidated income statement.

Jointly operated contracts, such as unincorporated joint ventures mainly in the construction and services areas, and joint property entities are included in proportion to the Group's ownership interest in the assets, liabilities, income and expenses arising from the transactions performed by these entities, and reciprocal asset and liability balances and income and expenses not realised with third parties are eliminated.

Appendix II lists the companies which were accounted for using the equity method and Appendix V lists the businesses operated jointly through contractual arrangements with non-Group third parties, such as unincorporated joint ventures, joint property entities and other entities of similar legal characteristics.

Associated enterprises

The companies listed in Appendix III, over which Fomento de Construcciones y Contratas, S.A. does not exercise control but does have significant influence, are included under "Investments Accounted for Using the Equity Method" in the accompanying consolidated balance sheet. The share in the after-tax profit or loss for the year of these companies is recognised under "Results of Companies Accounted for Using the Equity Method" in the accompanying consolidated income statement.

Transactions between group companies

Profits or losses on transactions between consolidated companies are eliminated on consolidation and deferred until they are realised with third parties outside the Group.

Intra-Group results on Group work on non-current assets, which is recognised at production cost, are eliminated on consolidation.

Receivables and payables relating to jointly operated contracts and to subsidiaries and intra Group income and expenses were eliminated from the consolidated financial statements.

Changes in the consolidated Group

Appendix IV shows the changes in 2009 in the fully consolidated companies and the companies accounted for using the equity method. The results of these companies are included in the consolidated income statement from the effective date of acquisition to year-end or from the beginning of the year to the effective date of disposal, as appropriate.

The effects of the inclusion of companies in the scope of consolidation or of their removal therefrom are shown in the related notes to the consolidated financial statements under “Changes in the Scope of Consolidation”. In addition, Note 4 to these consolidated financial statements (“Changes in the Scope of Consolidation”) sets forth the most significant inclusions therein.

3. MEASUREMENT STANDARDS

The measurement standards applied to the FCC Group’s consolidated annual accounts are outlined below:

a) Service Concession Contracts

The concession contracts consist of agreements between the concession grantor (generally a public agency) and FCC Group companies to provide public services such as water distribution, wastewater filtering and treatment, the management of landfills, motorways and tunnels, etc., through the operation of the property, plant and equipment items required to provide the service.

Revenue from performing the service may be received directly from the users or, sometimes, through the concession grantor itself.

The concession right generally means that the concession operator has an exclusive right to provide the service under the concession for a given period of time, after which the assets assigned to the concession required to provide the service are returned to the concession grantor, usually without any consideration being paid.

One of the basic features of concession contracts is that they include the management or operation of the infrastructure. Concession contracts usually provide for the obligation to purchase or construct these non-current assets or part of them and to maintain them over the life of the concession.

The concession agreements are stated according to the terms of IFRIC 12 “Service Concession Agreements”. Generally speaking, there are two clearly differentiated phases. In the first phase, the concession holder builds or enhances the concession assets which are recognised according to the degree of advancements according to IAS 11 “Construction Contracts”, with a balancing entry in intangible or financial assets. In the second phase, the concession holder renders a series of services related to the operation and/or maintenance of the infrastructure which are recognised according to IAS 18 “Ordinary income”.

An intangible asset is recognised when the risk is assumed by the concession holder, while a financial asset is recognised when the risk is assumed by the grantor of the concession, since the concession holder has an unconditional contractual right to be paid for the construction or enhancement services. The amounts paid in connection with the concession awards are also recognised as assets.

There may be situations in which the risk is shared by the concession holder and the concession grantor but such situations do not account for any significant part of the FCC Group’s concessions.

For concessions classified as intangible assets, the provisions for dismantling, withdrawing or rehabilitating the assets are recognised at the beginning of the concession as an increase in the value of the asset as are the actions to improve or expand upon the asset’s production capacity. The amortisation of those assets and the financial updating of the provisions are carried to the income statement. Provisions for the repair and replacement of infrastructures are set up systematically in profit and loss as the obligations are assumed.

The interest on infrastructure financing is recognised on the profit and loss statement. For intangible assets, only the interest accrued during the construction and until the infrastructure becomes operational is capitalised.

The amortisation of the assets assigned to concessions are calculated on the basis of the pattern of consumption, taken to be the changes in and best estimates of the production units of each activity. The most important concession business in quantitative terms is the water supply and treatment activity, whose assets are depreciated or amortised on the basis of the cubic metres of water consumed.

Concessions classified as financial assets are recognised at the fair value of the construction or enhancement services rendered. According to the amortised cost method, the income is carried to the income statement at the effective interest rate applicable to the flows of concession payments and receipts. As mentioned above, the income and expenses associated with operations and maintenance services are carried to the income statement as provided for in IAS 18 “Ordinary income”.

b) Business combinations and goodwill

The Group decided to apply the revision of IFRS 3 and the modification of IAS 27 relative to “Business Combinations” and “Individual and Consolidated Financial Statements”, respectively, starting on 1 January 2009. Both of these standards were adopted by the European Union in 2009 and must be applied no later than the first fiscal year starting on or after 20 June 2009. However, these standards are not retroactive and this circumstance must be taken into account when comparing fiscal years 2009 and 2008.

The date of inclusion of the acquiree in the consolidated balance sheet is the date on which effective control of this company is obtained, which normally coincides with the acquisition date.

The assets and liabilities of the acquirees are recognised in the consolidated balance sheet at their fair value and the related allocations are made in this connection, including the deferred taxes arising therefrom. However, in accordance with IFRSs, the allocations may be reviewed within the 12 months following the acquisition date, should it be necessary to consider new data.

The positive difference between the acquisition cost and the percentage share of the equity of the subsidiary, adjusted as a result of the recognition at fair value of the assets and liabilities net of taxes, is recognised as goodwill unless the proportional parts of the minority interests are also recognised at fair value.

If control is obtained in a business combination by means of more than one transaction (e.g. through successive purchases), the goodwill arising from each transaction is treated separately and the reserves relating to the adjustment to fair value of previously held interests, at the date on which control is obtained, are recognised in equity.

The positive difference between the acquisition cost and the percentage share of the equity of the subsidiary, adjusted as a result of the recognition at fair value of the assets and liabilities net of taxes, is recognised as goodwill in equity.

Goodwill is not amortised; however, it is tested for impairment at least at each balance sheet date in order to recognise it at the lower of fair value, estimated on the basis of expected cash flows, and acquisition cost, less any accumulated impairment losses. The accounting standards used to determine impairment are explained in part e) of this note.

c) Intangible assets

Except as indicated in the two previous sections of this note relative to service concession agreements and goodwill, intangible assets are measured at acquisition cost less any accumulated amortisation and any accumulated impairment losses. Intangible fixed assets include the investments relating to operating contracts and licences as well as land rights, mainly in the Environmental Services, Versia and Cement areas.

None of the intangible assets recognised were generated internally and, except for goodwill, all have a finite useful life. The intangible assets are amortised over their useful lives, i.e. the period over which it is estimated they will generate income, on a straight-line basis.

d) Property, plant and equipment and Investment property

Property, plant and equipment and investment property are recorded at cost (updated, where applicable, according to the legal provisions prior to the transition to IFRS), less accumulated amortisation and any loss in recognised value due to impairment. Also included as part of the cost of these assets is an estimate of the current cost of dismantling or removing the elements in question. As explained in part b) of this note, in those cases where they have been provided by the acquired companies they are initially recorded at fair value on the acquisition date.

Group work on non-current assets is measured at production cost

Upkeep and maintenance expenses not leading to a lengthening of the useful life or to an increase in the production capacity of the related assets are recognised as expenses in the year in which they are incurred.

When the construction and start-up of non-current assets require a substantial period of time, the borrowing costs accrued over that period are capitalised.

Property, plant and equipment are depreciated by the straight-line method at annual rates based on the following years of estimated useful life:

Investment properties	75
Natural resources and buildings	25-50
Plant, machinery and vehicles	5-15
Furniture and tools	7-12
Data-processing equipment	4
Other fixed assets	5-10

However, there may be cases where the term of a particular contract is shorter than the useful life of the fixed assets associated therewith, in which case the assets are amortised over the term of the contract.

The residual value, useful life and depreciation method applied to the Group's assets are reviewed periodically to ensure that the depreciation method used reflects the pattern in which the economic benefits arising from operating the assets are received.

At least at every balance sheet date, the companies determine whether there is any indication that an item or group of items of property, plant and equipment is impaired so that, as indicated in part e) of this note, an impairment loss can be recognised or reversed in order to adjust the carrying amount of the assets to their value in use. Under no circumstances may the reversals exceed the impairment losses previously recognised.

e) Impairment of property, plant and equipment and intangible assets

Intangible assets with finite useful lives and property, plant and equipment items are tested for impairment when there is any indication that the assets might have become impaired, in order to adjust their net carrying amount to their value in use (if this is lower).

Goodwill and intangible assets with indefinite useful lives must be tested for impairment at least once a year in order to recognise possible impairment losses.

Impairment losses recognised in prior years on assets other than goodwill may be reversed if the estimates used in the impairment tests show a recovery in the value of these assets. The carrying amount of the assets whose recoverable amount increases must in no case exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years.

The recognition or reversal of impairment losses on assets are allocated to income under "Impairment and Gains or Losses on Disposals of Non-Current Assets".

To determine the recoverable amount of the assets tested for impairment, an estimate was made of the present value of the net cash flows arising from the cash-generating units (CGUs) to which the assets belong, except for cash inflows and outflows from financing activities and income tax payments, and the cash inflows and outflows arising from scheduled future improvements or enhancements of the assets of these cash-generating units. To discount the cash flows, a pre-tax discount rate was applied that reflects current market assessments of the time value of money and the risks specific to each cash-generating unit.

The estimated cash flows were obtained from projections prepared by management of each CGU including growth rates based on the various approved business plans (which are reviewed periodically), where growth for the years after those covered by the business plans was considered to be zero. In addition, sensitivity tests are conducted in relation to income, operating margins and discount rates in order to forecast the impact which future changes of these variables will have.

Flows from CGUs located abroad were calculated in the functional currency of these cash generating units and were discounted using discount rates that take into consideration the risk premiums relating to these currencies. The present value of the net flows thus obtained was translated to euros at the year-end exchange rate applicable to the currency concerned.

f) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

f.1) Finance leases

In finance leases in which the Company acts as the lessee, the cost of the leased assets is presented in the balance sheet, based on the nature of the leased asset, and, simultaneously, a liability is recognised for the same amount. This amount will be the lower of the fair value of the leased asset and the present value, at the inception of the lease, of the agreed minimum lease payments, including the price of the purchase option when there are no reasonable doubts that it will be exercised. The minimum lease payments do not include contingent rent, costs for services and taxes to be paid by and reimbursed to the lessor. The total finance charges arising under the lease are allocated to the income statement for the year in which they are incurred using the effective interest method. Contingent rent is recognised as an expense for the period in which it is incurred.

At the end of the financial lease, the Group companies exercise the purchase option. The contracts contain no restrictions on the exercise of the purchase options and there are no clauses to extend the term of the contracts or price adjustments.

The assets recognised for transactions of this nature are depreciated on the basis of their nature and useful lives using the criteria indicated in a), c) and d) of this Note.

f.2) Operating leases

If the Company acts as the lessee, costs arising under operating leases are allocated to the income statement for the year in which they are incurred.

If the Company acts as the lessor, income and costs arising under operating leases are allocated to the income statement for the year in which they are incurred

Any collection or payment that might be made when arranging an operating lease will be treated as a prepaid lease collection or payment which will be allocated to profit or loss over the lease term in accordance with the time pattern in which the benefits of the leased asset are provided or received

g) Investments accounted for using the equity method

The investment is initially recognised at acquisition cost and is subsequently revalued to take into account the share of the results of these companies not distributed in the form of dividends. Also, the value of the investment is adjusted to reflect the proportion of the changes in these companies' equity that were not recognised in their profit or loss. These changes include most notably translation differences and the adjustments to reserves arising from changes in the fair value of the cash flow hedges arranged by the associates.

When there are signs of impairment, the necessary value corrections are made.

h) Financial assets

Financial assets are initially recognised at fair value, which generally coincides with their acquisition cost, adjusted by the transaction costs directly attributable thereto, except in the case of held-for-trading financial assets, whose transactions costs are charged to profit or loss for the year.

All acquisitions and sales of assets are recognised at the date of the transaction.

The financial assets held by the Group companies are classified as follows:

- **Held-for-trading financial assets** are assets acquired with the intention of generating a profit from short-term fluctuations in their prices. These assets, which are expected to mature within 12 months, are included under "Other Current Financial Assets" in the accompanying consolidated balance sheet.

  Held-for-trading financial assets which mature in three months or less and whose immediate realisation would not give rise to significant costs are includ**e**d on the enclosed consolidated balance sheet under "Cash and cash equivalents". These assets are considered readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. They are basically very short-term, highly liquid investments with a high turnover

- **Held-to-maturity investments** are financial assets with fixed or determinable payments and fixed maturity. Those maturing within no more than 12 months are classified as current assets and those maturing within more than 12 months as non-current assets.

- **Loans** maturing within no more than 12 months are classified as current loans and those maturing within more than 12 months as non-current loans. This category includes the collection rights originated by the application of IFRIC 12, "Service Concession Agreements" explained in section a) of this Note.

- **Available-for-sale financial assets** are securities acquired that are not held for trading purposes and are not classified as held-to-maturity investments. They are classified as non-current in the accompanying consolidated balance sheet since it is intended to hold them at long term.

The held-for-trading and available-for-sale financial assets were measured at their fair value at the balance sheet date. The fair value of a financial instrument is taken to be the amount for which it could be bought or sold by two knowledgeable, willing and experienced parties in an arm's length transaction, i.e. fair value is the estimated market value.

In the case of held-for-trading financial assets, the gains or losses arising from changes in fair value are recognised in profit or loss for the year. In the case of available-for-sale financial assets, the gains or losses arising from changes in fair value are recognised in equity until the asset is disposed of, at which time the cumulative gains previously recognised in equity are recognised in profit or loss for the year, or it is determined that it has become impaired, at which time, once the cumulative gains previously recognised in equity have been written off, the loss is recognised in the consolidated income statement.

The collection rights arising from service concession agreements are measured according to the criteria indicated in part a) of this Note.

Held-to-maturity investments, credit, loans and receivables originated by the Group are measured at the lower of amortised cost, i.e. the initial cost minus principal repayments plus the uncollected interest accrued on the basis of the effective interest rate, and market value. The effective interest rate is the rate that exactly matches the initial cost of the investment to all its estimated cash flows of all kinds through its residual life. Where appropriate, if there are signs that these financial assets have become impaired, the necessary valuation adjustments are made.

The trade receivables associated with the Group's regular business operations are recorded at face value and then corrected by amounts that the Group estimated will not be recovered.

The Group companies assign trade receivables to banks, without the possibility of recourse against them in the event of non-payment. These transactions bear interest at normal market rates. The Group companies continue to manage collection of these receivables.

Also, future collection rights arising from construction project contracts awarded under the lump-sum payment method are sold.

Through the sale and assignment of these collection rights, substantially all the risks and rewards associated with the receivables, as well as control over the receivables, were transferred, since no repurchase agreements have been entered into between the Group companies and the banks that have acquired the assets, and the banks may freely dispose of the acquired assets without the Group companies being able to limit this right in any manner. Consequently, the balances receivable relating to the receivables assigned or sold under the aforementioned conditions were derecognised.

i) Inventories

Inventories are stated at average acquisition or production cost and the necessary valuation adjustments are made to reduce the carrying amount to net realisable value, if this is lower.

Assets received in payment of loans are measured at the lowest of the following three values: the amount at which the loan relating to the asset was recognised, production cost or net realisable value.

j) Foreign currency

j.1) Translation differences

The financial statements of foreign operations expressed in currencies other than the euro were generally translated to euros at the year-end exchange rates, except for:

- Share capital and reserves, which were translated at historical exchange rates.

- The income statement items of foreign operations, which were translated at the average exchange rates for the period.

Translation differences arising at the consolidated foreign companies through application of the year-end exchange rate method are included, net of taxes, in equity in the accompanying consolidated balance sheet, as shown in the accompanying consolidated statement of changes in equity.

j.2) Exchange differences

Balances receivable and payable in foreign currencies are translated to euros at the exchange rates prevailing at the date of the consolidated balance sheet, and the differences that arise are taken to income.

The differences resulting from fluctuations in exchange rates between the date on which the collection or payment was made and the date on which the transactions took place or their value was discounted are allocated to profit or loss.

Also, the exchange differences arising in relation to the financing of investments in foreign companies (in which the investment and the financing are denominated in the same currency) are recognised directly in equity as translation differences that offset the effect of the difference arising from the translation to euros of the foreign investee.

k) Equity instruments

Equity or capital instruments are stated at the amount received, net of direct issue costs.

Treasury shares acquired by the Company and by the wholly-owned subsidiary Asesoría Financiera y de Gestión, S.A. during the year are recognised at the value of the consideration paid and are deducted directly from equity. Gains and losses on the acquisition, sale, issue or retirement of treasury shares are recognised directly in equity and in no case are they recognised in profit or loss.

The Group has a remuneration system linked to the value of the Company's shares for executives and Board members that discharge executive functions which is explained in Note 18 "Transactions with payments based on equity instruments".

l) Grants

The grants received are accounted for by type.

l.1) Capital grants

Capital grants are those involving the acquisition or construction of assets. They are stated at the amount received or the fair value of the asset and recorded as deferred income on the liability side of the enclosed consolidated balance sheet. As the related asset or assets are amortised, these amounts are carried to the income statement.

l.2) Operating grants

Operating grants are grants other than the ones described about which are not directly related to an asset or group of assets. The amount received is considered operating income unless the grant is used to finance specific costs, in which case the expenses are carried to the income statement as they are incurred.

m) Provisions

The Group companies recognise provisions on the liability side of the accompanying consolidated balance sheet for present obligations arising from past events which the companies consider will probably require an outflow of resources embodying economic benefits to settle them on maturity.

These provisions are recognised when the related obligation arises and the amount recognised is the best estimate at the date of the accompanying financial statements of the present value of the future expenditure required to settle the obligation. The change in the year relating to the discount to present value is recognised as finance costs in the consolidated income statement.

Provisions for dismantling, removal or rehabilitation and those of an environmental nature are recognised by increasing the value of the affected asset by the current value of the expenses incurred when the operation of the asset concludes. The income statement is affected when the asset in question is amortised as previously described in this note.

Provisions are classified as current or non-current in the accompanying consolidated balance sheet on the basis of the estimated maturity date of the obligation covered by them, and non-current provisions are considered to be those whose estimated maturity date exceeds the average cycle of the activity giving rise to the provision.

n) Financial liabilities

Accounts payable are initially recognised at the fair value of the consideration received, adjusted by the directly attributable transaction costs. These liabilities are subsequently measured at amortised cost.

Financial costs are recognised on the income statement on an accrual basis, using the effective interest rate method and are added to the value of the instrument to the extent that they are not settled in the period in which they are incurred.

Bank borrowings and other current and non-current financial liabilities maturing within no more than 12 months from the balance sheet date are classified as current liabilities and those maturing within more than 12 months as non-current liabilities.

o) Financial derivatives and accounting hedges

A financial derivative is a financial instrument or other contract whose value varies in response to changes in certain variables, such as an interest rate, financial instrument price, foreign exchange rate, credit rating or credit index or any other variable, which may be of a non-financial nature.

Apart from giving rise to gains or losses, financial derivatives may, under certain conditions, fully or partially offset foreign currency or interest rate risks or risks associated with balances and transactions. Hedges are accounted for as described below:

- Fair value hedge: in this case, the change in value of the instrument is recognised on the income statement, compensating the change in the fair value of the hedged item.

- Cash flow hedge: in this type of hedge, the change in the value of the hedging instrument is temporarily recognised in equity and then carried to the income statement when the hedged item materialises.

- Hedge of a net investment in a foreign operation: this type of hedge is intended to cover exchange rate risks and is treated as cash flow hedge.

Taking into account the introduction of IAS 39 Financial Instruments: Recognition and Measurement, in order to be considered a hedge, a financial derivative must meet the following requirements:

- Formal designation and documentation, at inception of the hedge, of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge.

- Documentation identifying the hedged item, the hedging instrument and the nature of the risk being hedged.

- Prospective (analytical) evidence of the effectiveness of the hedge.

- Objective and verifiable ex-post measurements.

The changes in the fair value of cash flow hedges are taken, net of the tax effect, to reserves and are recognised in profit or loss for the year to the extent that the hedged item affects profit or loss.

The financial derivatives were measured by experts on the subject using generally accepted methods and techniques. These experts were independent from the Group and the entities financing it.

- The IRSs were measured by discounting all the flows envisaged in each contract on the basis of its characteristics, such as the notional amount and the collection and payment schedule. This measurement was made using the zero-coupon rate curve determined by employing a bootstrapping process for the deposits and swaps traded at any given time. This zero-coupon rate curve was used to obtain the discount factors for the measurements, which were made assuming the absence of arbitrage opportunity (AAO). When there were caps and floors or combinations thereof, on occasions conditional upon special conditions being met, the interest rates used were the same as those used for the swaps, although in order to introduce the component of randomness in the exercise of the options, the generally accepted Black model was used.

- In the case of a cash flow hedging derivative tied to inflation, the method used is very similar to that applied to interest rate swaps. The projected inflation is estimated on the basis of the inflation included implicitly in the ex-tobacco European inflation-indexed swaps quoted on the market and is aligned with Spanish inflation by means of a convergence adjustment.

For classification as a hedging instrument, the instrument must first undergo an effectiveness test. Effectiveness tests are adapted to the type of hedge and the nature of the instruments used:

- In cash flow hedges, it is firstly verified that the critical terms of the hedging instrument and the hedged item – amounts, maturities, repayments, reference indexes, review dates, etc. – are all the same.

  In the case of interest rate swaps (IRS) in which the FCC Group receives a floating rate equal to that of the hedged borrowings and pays a fixed rate, since the objective is to reduce the variability of the borrowing costs, the effectiveness test estimates the variance of these annualised costs both in the original hedged borrowings and in the portfolio that combines these borrowings with the hedging instrument. A hedge is considered to be fully effective when it achieves a reduction of at least 80% in the original variance of flows, i.e. when the instrument used reduces the variability of the flows by 80% or more. If this is not the case, the derivative is classified as speculative and its changes in value are recognised in profit or loss.

For cash flow hedges in which the derivative hedging instrument is not an IRS but an option (such as an interest rate cap), the reduction in the variance of costs is estimated only if the hedge is “activated”, i.e. if the reference rates fall outside the unhedged variability range. The methodology applied once the hedge has been activated is the same as that used to test the effectiveness of IRSs.

- The effectiveness test of fair value hedges -arranged using IRSs- is based on the comparison of the changes in the fair value of the hedged position and of the hedging instrument. The assessment of the effectiveness of this type of hedge is performed by isolating the effects of the credit risk of the liability and the change in value of the variable leg of the IRS, which does not affect the ultimate objective of the hedge but may give rise to apparent ineffectiveness due to the interest accrued at each date.

Although certain hedging instruments are recognised as speculative, this is only for accounting purposes since for financial and management purposes all the hedges arranged by the FCC Group have, at inception, an underlying financial transaction and the sole purpose of hedging such transaction.

This occurs when the instrument does not pass the effectiveness test, which requires that the changes in the fair value of cash flows of the hedged item directly attributable to the hedged risk are offset by an 80%-120% change in the fair value or cash flows of the hedging instrument. If this is not the case, the value changes are carried to the income statement.

In addition, derivatives and net financial debt undergo sensitivity testing to analyse the possible effects which a change in interest rates could have on the Group’s accounts, assuming a rate increase and decrease of 100 basis points at year end (Note 28).

The details of the Group’s financial derivatives are discussed in Note 21 of this document, along with other related aspects.

p) Income tax

The expense for income tax included in the accompanying consolidated income statement is calculated on the basis of consolidated profit before tax, increased or decreased, as appropriate, by the permanent differences between taxable profit and accounting profit. The corresponding tax rate based on the legislation applicable to each company is applied to this adjusted accounting profit. The tax relief and tax credits earned in the year are deducted and the positive or negative differences between the estimated tax charge calculated for the prior year’s accounting close and the subsequent tax settlement at the payment date are added to or deducted from the resulting tax charge.

The Fomento de Construcciones y Contratas Group has capitalised the deferred tax assets arising from temporary differences and tax loss carryforwards, except for those with respect to which there are reasonable doubts as to their future recovery.

The temporary differences between the accounting profit and the taxable profit for income tax purposes, together with the differences between the carrying amounts of assets and liabilities recognised in the consolidated balance sheet and their tax bases give rise to deferred taxes which are recognised as non-current assets and liabilities. These amounts are measured at the tax rates that are expected to apply in the years in which they will foreseeable be reversed.

q) Pension commitments

Certain Group companies have undertaken commitments relative to pension plans and similar obligations which are further developed in Note 23.

r) Operating income and expense

In construction activities, the Group recognises results by reference to the stage of completion, determined by measuring the construction work performed in the year and the construction costs, which are recognised on an accrual basis. It recognises the revenue corresponding to the selling price of the completed construction work covered by a principal contract entered into with the owners, or by amendments thereto approved by the owners, or the revenue with respect to which there is reasonable certainty regarding its recovery, since construction project revenue and costs are susceptible to substantial variations during the performance period which cannot be readily foreseen or objectively quantified. Budgeted losses are recognised as an expense in the income statement for the year.

The revenue and expenses of the other activities are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. The performance and operating costs include the interest accrued at market rates during the customary payment period in the construction and services industries.

Also recognised as operating income are the derivatives of the accounts receivable for collection rights under service concession agreements.

s) Related party transactions

The Company performs all its transactions with related parties on an arm’s length basis.

Note 29 details the most notable transactions with significant shareholders of the parent company, with officers and directors and between Group companies or entities.

t) Estimates made

In the Group’s consolidated financial statements for 2009 and 2008, estimates were occasionally made in order to quantify certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- Distribution of the cost of the business combinations (see Note 4)
- The impairment losses on certain assets (see Notes 6, 7 and 8)
- The useful life of the intangible assets and property, plant and equipment (see Notes 6, 7 and 8)
- The measurement of goodwill (see Note 6)
- The amount of certain provisions (see Note 19)
- The assumptions used in the actuarial calculation of the post-employment benefit liabilities and obligations (see Notes 19 and 23).
- The fair value of the derivatives (see Note 21).

Although these estimates were made on the basis of the best information available at the date of preparation of these consolidated financial statements on the events analysed, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively, recognising the effects of the change in estimates in the related future financial statements.

4. CHANGES IN THE SCOPE OF CONSOLIDATION

The most noteworthy changes in the scope of consolidation in 2009 and 2008 were as follows:

a) Most significant acquisitions

Following is a detail of the acquisitions in 2009 and 2008, indicating the following data for each acquiree: name, date on which control was obtained, percentage of ownership, cost of the investment, financial statements included with respect to the business combination, allocation at fair value and goodwill.

2009 Financial Statements

Financial statements including business combinations	Olivento Group
Acquisition date	January
% ownership (nominal)	100%
A S S E T S	
Non-current assets	**904,907**
Intangible fixed assets	537,512
Property, plant and equipment	363,910
Other assets	3,485
Current assets	**29,999**
Trade and other accounts receivable	19,841
Other current assets	449
Cash and cash equivalents	9,709
Total assets	**934,906**
L I A B I L I T I E S	
Equity	**223,212**
Net equity allocated to parent company	221,519
Minority interests	1,693
Non-current liabilities	**117,342**
Provisions	2,947
Deferred tax liabilities	114,395
Current liabilities	**594,352**
Current financial liabilities	580,840
Trade and other accounts payable	13,512
Total liabilities	**934,906**

Allocations at fair value	Olivento Group
ASSETS	
Intangible fixed assets	447,520
Total allocations to assets	**447,520**
LIABILITIES	
Deferred tax liabilities	114,395
Total allocations to liabilities	**114,395**
Total net allocations	**333,125**

Goodwill	Olivento Group
Cost of acquisition	221,519
Equity attributable to the parent company	(36,129)
Goodwill of the company acquired	146,042
Difference on acquisition	**331,432**
Total net allocations	(333,125)
Allocations to minority interests	1,693
Allocation to goodwill on consolidation	**—**

2008 Financial Statements

Financial statements including business combinations	Hydrocarbon Recovery Service	International Petroleum Corp.of Delaware	SKY Sierresita Cortijo I	SKY Sierresita Cortijo II
Acquisition date	March	March	September	September
% ownership (nominal)	100%	100%	100%	100%
A S S E T S				
Non-current assets	**103,953**	**9,715**	**69,375**	**69,375**
Intangible fixed assets	76,708	6,789	14,500	14,508
Property, plant and equipment	27,245	2,926	54,875	54,867
Current assets	**13,366**	**2,704**	**8,795**	**8,793**
Inventories	3,212	553	—	—
Trade and other receivables	9,304	1,428	8,780	8,781
Other current financial assets	845	723	—	—
Cash and cash equivalents	5	—	15	12
Total assets	**117,319**	**12,419**	**78,170**	**78,168**
L I A B I L I T I E S				
Equity	**110,527**	**11,979**	**78,004**	**78,002**
Non-current liabilities	**1,826**	**—**	**—**	**—**
Non-current financial liabilities	1,826	—	—	—
Current liabilities	**4,966**	**440**	**166**	**166**
Current financial liabilities	707	—	—	—
Trade and other payables	4,259	440	166	166
Total liabilities	**117,319**	**12,419**	**78,170**	**78,168**

Allocations at fair value	Hydrocarbon Recovery Service	International Petroleum Corp.of Delaware	SKY Sierresita Cortijo I	SKY Sierresita Cortijo II
A S S E T S				
Intangible fixed assets	5,441	—	13,897	13,910
Property, plant and equipment	6,280	—	—	—
Total allocations to assets	**11,721**	**—**	**13,897**	**13,910**
Total net allocations	**11,721**	**—**	**13,897**	**13,910**

Goodwill	Hydrocarbon Recovery Service	International Petroleum Corp. of Delaware	SKY Sierresita Cortijo I	SKY Sierresita Cortijo II	Corporación Uniland Group
Cost of acquisition	110,527	11,979	78,004	78,002	135,635
Equity attributable to the parent company	(64,389)	(8,509)	(64,107)	(64,092)	(60,564)
Goodwill of the company acquired	13,408	1,743	—	—	—
Difference on acquisition	**59,546**	**5,213**	**13,897**	**13,910**	**75,071**
Total net allocations	(11,721)	—	(13,897)	(13,910)	—
Allocation to goodwill on consolidation	**47,825**	**5,213**	**—**	**—**	**75,071**

Noteworthy with respect to the table above was the exercise of put options representing 6.29% of the capital of Corporacion Uniland, S.A. under the agreement to purchase this company entered into by the Cementos Portland Valderrivas Group in 2006, which included an additional put option for the seller on 22.50% of the capital, exercisable over a five-year term. At 2008 year-end, options representing 8.18% of the capital had yet to be exercised, all of which were exercised in 2009. Until 2008, the goodwill contributed by those companies was recognised as such by the FCC Group. According to new accounting standards, however, the companies acquired in 2009 are reflected as a decrease in equity (Note 3.b).

b) Other changes in the scope of consolidation

On 10 September 2009, the company RB Business Holding, S.L. was absorbed by Realia Business S.A, resulting in the termination of the clauses of the shareholders' agreement dated 8 May 2007 and the novation of the contract on 31 December 2008, whereunder the FCC Group and Caja Madrid became the co-directors of the Realia Business Group.

In 2009, the company Asesoría Financiera y de Gestión S.A. (Afigesa, a wholly-owned subsidiary of Fomento de Construcciones y Contratas S.A.) acquired 2.3% of the share capital of Realia Business S.A. for EUR 12,681 thousand following the cancellation of the security loan agreement signed on 29 December 2008 with a financial institution.

As a consequence of this process, at the end of 2009 the FCC Group controlled 30.23% of Realia Business, S.A.

On the consolidated balance sheets included in the 2009 and 2008 annual accounts, the Realia Business Group is consolidated using the equity method. However, because the FCC Group controlled the Realia Business Group through 30 December 2008, the 2008 income statement includes Realia's income and expenses as a fully integrated subsidiary of the FCC Group. The most significant income and expense items in this regard are as follows:

Revenues	402,298
Operating expense and other revenue	(351,548)
Operating results	50,750
Profit before taxes	(40,528)
After-tax profit (loss)	(28,593)

In 2009, the company "FCC Global Insurance General Services, S.A." was removed from the scope of consolidation of the FCC Group which generated before-tax profits of EUR 44,299 thousand (Note 25.f).

Within the framework of the agreements with Caja Madrid whereunder the interest in the concessions controlled by both companies were pooled in the jointly-controlled company Global Vía Infraestructuras, S.A., in 2009 the FCC Group contributed thirteen concession operators with a consolidated value of EUR 74,531 thousand, resulting in before-tax profits of EUR 17,283 thousand. In 2008, the Group contributed fourteen concession operators with a consolidated value of EUR 65,593 thousand which resulted in before-tax profit of EUR 14,699 thousand (Note 25).

5. ALLOCATION OF PROFIT (LOSS)

The FCC Group paid a total of EUR 228,198 thousand in dividends in 2009 (EUR 368,960 thousand in 2008) as broken down on the enclosed cash flow statement:

	2009	2008
Shareholders of Fomento de Construcciones y Contratas, S.A.	191,784	265,054
Minority shareholders of Cementos Portland Valderrivas Group	33,973	69,980
Minority shareholders of the Realia Business Group		31,995
Other minority shareholders of the rest of the companies	2,441	1,931
	228,198	**368,960**

At the Annual General Meeting of Fomento de Construcciones y Contratas, S.A. held on 10 June 2009, the shareholders approved the distribution of the profit for 2008 through a total dividend of EUR 1.57 gross per share. The shareholders of Fomento de Construcciones y Contratas, S.A. received this amount through the payment of an interim dividend in January 2009 amounting to equal to 78.5% gross of the par value of the shares, i.e. EUR 0.785 per share (1.065 euros per share in 2008), and the payment of a final dividend in July 2009 equal to 78.5% gross of the par value of the shares, i.e. EUR 0.785 per share (1.065 euros per share in 2008).

On 17 December 2009, it was resolved to distribute to the shareholders of Fomento de Construcciones y Contratas, S.A. an interim dividend out of the profit for the year equal to 71.5% gross of the par value of the shares, i.e. EUR 0.715 per share. The total amount of this dividend, EUR 88,746 thousand, was paid on or after 12 January 2010 on outstanding shares carrying dividend rights (Note 20.d).

In addition, to complete the dividend out of the 2009 profit of EUR 307,199 thousand attributable to the Parent of the FCC Group, Fomento de Construcciones y Contratas S.A., this Company will propose for the approval of the shareholders at the Annual General Meeting the distribution of a final dividend of EUR 0.715 per share which, together with the interim dividend, gives a total dividend of EUR 1.43 per share.

6. INTANGIBLE FIXED ASSETS

The details of the net intangible assets at 31 December 2009 and 2008 are as follows:

	Cost	Accumulated depreciation	Impairment	Net Carrying Value
2009				
Concession (Note 10)	1,349,733	(386,841)	(1,137)	961,755
Goodwill	2,654,108		(38,808)	2,615,300
Other intangible assets	1,229,355	(343,861)	(237)	885,257
	5,233,196	**(730,702)**	**(40,182)**	**4,462,312**
2008				
Concession (Note 10)	1,249,674	(343,462)	(1,137)	905,075
Goodwill	2,594,389		(38,004)	2,556,385
Other intangible assets	660,709	(235,503)	(237)	424,969
	4,504,772	**(578,965)**	**(39,378)**	**3,886,429**

a) Concessions

This heading includes the intangible fixed assets pertaining to the service concession agreements (Note 10).

The details under this heading of the consolidated balance sheet for 2009 and 2008 are as follows:

	Concessions	Accumulated Amortisation	Impairment
Balance at 31.12.07	**1,075,614**	**(300,199)**	**(1,137)**
Additions or charges for the year	169,130	(44,191)	
Disposals or reductions	(4,703)	791	
Changes in the scope of consolidation, translation differences and other changes	9,575	(57)	
Transfers	58	194	
Balance at 31.12.08	**1,249,674**	**(343,462)**	**(1,137)**
Additions or charges for the year	126,940	(44,865)	
Disposals or reductions	(24,773)	1,383	
Changes in the scope of consolidation, translation differences and other changes	(326)	1,887	
Transfers	(1,782)	(1,784)	
Balance at 31.12.09	**1,349,733**	**(386,841)**	**(1,137)**

The most significant "additions" in 2009 refer to the investments in the following concessions" EUR 25,138 thousand in the Murcia Tram; EUR 25,075 thousand in the Coatzacoalcos Tunnel and EUR 21,709 thousand in the Conquense motorway.

The interest capitalised in 2009 totalled EUR 1,068 thousand (EUR 3,930 thousand in 2008) and the accumulated capitalised interest totalled EUR 6,425 thousand (EUR 5,988 thousand in 2008).

b) Goodwill

The changes in goodwill in the accompanying consolidated balance sheet in 2009 and 2008 were as follows:

Balance at 31.12.07		**2,551,272**
Additions:		
Corporación Uniland Group	75,071	
Hydrocarbon Recovery Services,Inc	47,825	
A.S.A. Group	8,450	
FCC Construcción de Centroamérica Group	6,748	
International Petroleum Corp. of Delaware	5,213	
Cementos Portland Valderrivas, S.A.	3,663	
Gestión de Aguas del Norte, S.A.	1,252	
Other	3,340	151,562
Changes in the scope of consolidation, translation differences and other changes:		
Waste Recycling Group	(192,118)	
Aqualia Gestión Integral del Agua, S.A.	80,410	
Realia Group	(11,602)	
Gonzalo Mateo S.L.	(5,000)	
Other	701	(127,609)
Impairment losses:		
Flightcare Italia, SpA	(14,963)	
Cementos Lemona Group	(3,006)	
Other	(871)	(18,840)
Balance at 31.12.08		**2,556,385**
Additions:		
Alpine Bau Group (*)	7,468	
Other	1,351	8,819
Changes in the scope of consolidation, translation differences and other changes:		
	48,978	
Waste Recycling Group	1,989	50,967
Other		
Impairment losses:		
Other	(871)	(871)
Balance at 31.12.09		**2,615,300**

(*) Acquisitions of companies included in the consolidated group of the Alpine Bau Group.

The heading "Change in the scope of consolidation, translation differences and other changes" includes the effect of the appreciation of sterling compared to the euro which gave rise to an increase of EUR 46,744 thousand (decrease of EUR 192,118 thousand in 2008) in the goodwill associated with the UK WRG group, the original balance of which was EUR 875,173 thousand.

The details of goodwill at 31 December 2009 and 2008 on the consolidated balance sheet are as follows:

	2009	2008
Corporación Uniland Group	825,857	825,857
Waste Recycling Group	693,884	644,906
Alpine Bau Group	269,571	262,103
Cementos Portland Valderrivas, S.A.	226,269	226,269
A.S.A. Group	138,089	138,036
Aqualia Gestión Integral del Agua, S.A.	80,410	80,410
Cementos Lemona Group	70,729	70,729
FCC Logística Group	58,956	58,956
Hydrocarbon Recovery Services	46,208	47,825
Grupo Ekonor Group	43,140	43,140
Giant Cement Holding, Inc.	24,792	25,639
Flightcare Italia, SpA	21,220	21,220
Marepa Group	16,432	16,432
Jaime Franquesa, S.A.	11,322	12,193
Tratamientos y Recuperaciones Industriales, S.A.	9,860	9,860
FCC Construcción de Centroamérica Group	8,460	6,748
Gestiones Especializadas e Instalaciones, S.A.	7,410	7,410
Elcen Obras Servicios y Proyectos, S.A.	7,287	4,287
Deneo Energía e Infraestructuras, S.A.	5,531	5,531
Flightcare Belgium Naamloze Vennootschap	5,503	5,503
International Petroleum Corp. of Delaware	5,037	5,213
Canteras de Aláiz, S.A.	4,332	4,332
Gonzalo Mateo Group	3,859	3,859
Papeles Hernández e Hijos Group	3,815	3,815
Cementos Alfa, S.A.	3,712	3,712
Áridos y Premezclados, S.A. Unipersonal	3,704	3,704
Flightcare, S.L.	3,116	3,116
Other	16,795	15,580
	2,615,300	**2,556,385**

With regard to the goodwill of Corporación Uniland and Waste Recycling shown on the table above, it should be noted that in the case of Corporación Uniland, in order to adapt the impairment test (Note 3.e) to the reality of the cement sector, a ten-year horizon was used to reflect the business cycle more accurately. Since the acquisition was financed almost entirely with external financing, in order to calculate the current value of the estimated future cash flows a before-tax discount rate equal to the marginal cost of the debt, adjusted by the business and country risk, was used.

In the case of the Waste Recycling Group, the future growth hypotheses take into account the maturation of business decisions taken by the company which are being implemented to adapt the company’s revenue mix to market changes, such as recycling, wind power, biomass and contaminated soil. Given the structural characteristics of this type of business and the long useful lives of the business assets, a ten-year horizon was used and the estimated cash flows were discounted using the weighted average cost of capital (WACC).

c) Other intangible assets

The details of this heading on the consolidated 2009 and 2008 balance sheets are as follows:

	Other intangible assets	Accumulated Amortisation	Impairment
Balance at 31.12.07	**573,929**	**(159,064)**	**(293)**
Additions or charges for the year	19,648	(77,957)	
Disposals or reductions	(4,830)	1,735	
Changes in the scope of consolidation, translation differences and other changes	69,528	2,099	56
Transfers	2,434	(2,316)	
Balance at 31.12.08	**660,709**	**(235,503)**	**(237)**
Additions or charges for the year	15,924	(90,364)	
Disposals or reductions	(2,484)	873	
Changes in the scope of consolidation, translation differences and other changes	561,500	(21,279)	
Transfers	(6,294)	2,412	
Balance at 31.12.09	**1,229,355**	**(343,861)**	**(237)**

The heading “Change in the scope of consolidation, translation differences and other changes” for 2009 includes the intangible assets of the Olivento Group in the amount of EUR 537,512 thousand (Note 4), primarily the rights to land on which the wind turbines are located.

7. TANGIBLE FIXED ASSETS

The changes in property plant and equipment at 31 December 2009 and 2008 are as follows:

	Cost	Accumulated Amortisation	Impairment	Carrying equity
2009				
Land and buildings	**2,273,986**	**(603,073)**	**(30,543)**	**1,640,370**
Land	875,388	(82,057)	(29,490)	763,841
Buildings for own use	1,398,598	(521,016)	(1,053)	876,529
Plant and other items of property, plant and equipment	**8,759,636**	**(4,431,420)**	**(11,108)**	**4,317,108**
Plant	4,860,102	(2,295,308)	(9,960)	2,554,834
Machinery and vehicles	2,661,993	(1,543,214)	(658)	1,118,121
Work in progress	344,567			344,567
Other PPE	892,974	(592,898)	(490)	299,586
	11,033,622	**(5,034,493)**	**(41,651)**	**5,957,478**
2008				
Land and buildings	**2,165,626**	**(545,947)**	**(31,438)**	**1,588,241**
Land	868,229	(72,745)	(30,438)	765,046
Buildings for own use	1,297,397	(473,202)	(1,000)	823,195
Plant and other items of property, plant and equipment	**7,844,294**	**(3,908,611)**	**(32,231)**	**3,903,452**
Plant	4,151,840	(1,963,782)	(15,164)	2,172,894
Machinery and vehicles	2,488,357	(1,405,211)	(16,794)	1,066,352
Work in progress	355,898			355,898
Other PPE	848,199	(539,618)	(273)	308,308
	10,009,920	**(4,454,558)**	**(63,669)**	**5,491,693**

In 2009 and 2008, the changes in the different PPE items were as follows:

	Land	Buildings For own use	Land and buildings	Installations plant	Machinery and vehicles	Work in progress	Other equipment	Plant and other PPE	Accumulated amortisation	Impairment
Balance at 31.12.07	**859,366**	**1,254,579**	**2,113,945**	**4,342,562**	**2,300,761**	**301,600**	**784,858**	**7,729,781**	**(4,123,607)**	**(60,546)**
Additions or charges for the year	4,750	25,707	30,457	47,496	237,616	317,913	82,584	685,609	(567,169)	(14,503)
Disposals or reductions	(891)	(9,050)	(9,941)	(23,416)	(102,642)	(10,642)	(44,849)	(181,549)	113,954	644
Changes in the scope of consolidation, translation differences and other changes	3,415	(22,149)	(18,734)	(448,067)	25,891	15,971	12,777	(393,428)	188,711	10,736
Transfers	1,589	48,310	49,899	233,265	26,731	(268,944)	12,829	3,881	(66,447)	—
Balance at 31.12.08	**868,229**	**1,297,397**	**2,165,626**	**4,151,840**	**2,488,357**	**355,898**	**848,199**	**7,844,294**	**(4,454,558)**	**(63,669)**
Additions or charges for the year	9,812	25,138	34,950	56,412	214,856	217,004	72,027	560,299	(596,515)	19,997
Disposals or reductions	(1,143)	(13,674)	(14,817)	(24,419)	(112,032)	(27,345)	(32,881)	(196,677)	138,345	1,456
Changes in the scope of consolidation, translation differences and other changes	(3,320)	10,236	6,916	608,285	8,496	728	2,315	619,824	(130,011)	1,383
Transfers	1,810	79,501	81,311	67,984	62,316	(201,718)	3,314	(68,104)	8,246	(818)
Balance at 31.12.09	**875,388**	**1,398,598**	**2,273,986**	**4,860,102**	**2,661,993**	**344,567**	**892,974**	**8,759,636**	**(5,034,493)**	**(41,651)**

The most significant additions in 2009 refer to the investments made in connection with service contracts, primarily by Fomento de Construcciones y Contratas, S.A. in the amount of EUR 155,659 thousand and investments in the construction business, primarily in the Alpine Bau group in the amount of EUR 97,369 thousand.

"Disposals or Reductions" includes asset disposals and inventory reductions relating to assets which, in general, have been depreciated substantially in full since they have reached the end of their useful lives.

Under the heading of "Changes in the scope of consolidation, translation differences and other changes" includes the sum of EUR 363,910 thousand which refers to the inclusion in 2009 of the property, plant and equipment of the Olivento Group (Note 4). It also includes the effect of the appreciation of sterling against the euro, which gave rise to an increase of EUR 100,318 thousand in the goodwill associated with the UK WRG Group, compared to a decrease of EUR 417,427 thousand in 2008.

The interest capitalised in 2009 totalled EUR 9,012 thousand (EUR 5,655 thousand in 2008) and the accumulated interest capitalised totalled EUR 46,111 thousand (EUR 39,432 thousand in 2008).

The Group companies takes out as much insurance as is considered necessary to cover the risks to which the property, plant and equipment may be exposed. At the end of the year, the parent company deemed that these risks were adequately covered.

Fully depreciated property, plant and equipment which, being in good working order, are used in production amounted to EUR 4,805 million at 31 December 2009 (31 December 2008: EUR 1,850 million).

As explained in Note 26, of the total property, plant and equipment in the accompanying consolidated balance sheet, EUR 3,309,291 thousand (2008: EUR 3,208,419 thousand) were located abroad.

Restrictions on ownership of assets

Of the total property, plant and equipment in the consolidated balance sheet at 31 December 2009, there are restrictions on title to assets amounting to EUR 1,310,347 thousand (31 December 2007: EUR 1,430,464 thousand), the detail being as follows:

	Cost	Accumulated depreciation	Net value
2009			
Buildings, plant and equipment	2,395,838	(1,246,454)	1,149,384
Other PPE	289,413	(128,450)	160,963
	2,685,251	**(1,374,904)**	**1,310,347**
2008			
Buildings, plant and equipment	2,414,599	(1,147,007)	1,267,592
Other PPE	300,746	(137,874)	162,872
	2,715,345	**(1,284,881)**	**1,430,464**

The Group's assets subject to restrictions on title relate to non-current assets held under finance leases or other financing arrangements, as indicated in Note 9 and to revertible assets assigned to the operation of concessions and other contracts.

Acquisition commitments

In the course of their business activities, the Group companies had formalised property, plant and equipment purchase commitments amounting to EUR 42,777 thousand at 31 December 2009 (31 December 2008: EUR 91,041 thousand), the detail being as follows:

	2009	2008
Buildings for own use	28,526	200
Plant	12,683	86,551
Machinery and vehicles	1,183	2,725
Other PPE	385	1,565
	42,777	**91,041**

8. INVESTMENT PROPERTY

The heading of investment property on the consolidated balance sheet includes the net value of the land, buildings and other structures held either to earn rentals or, as the case may be, for capital appreciation when sold in the future at a higher market price. The Torre Picasso building leases office space, commercial premises and parking spaces.

The composition of the investment property heading at 31 December 2009 and 2008 is as follows:

	Cost	Accumulated depreciation	Net value
2009			
Investment properties			
Torre Picasso	294,838	(56,641)	238,197
Other	28,618	(2,722)	25,896
	323,456	**(59,363)**	**264,093**
2008			
Investment properties			
Torre Picasso	293,474	(52,808)	240,666
Other	25,811	(2,558)	23,253
	319,285	**(55,366)**	**263,919**

The details of the changes in "Investment Property" in 2009 and 2008 are as follows:

	Torre Picasso	Other	Realia Business Group	Total
Balance at 31.12.07	**242,275**	**22,683**	**2,070,544**	**2,335,502**
Additions	1,929	17	178,460	180,406
Outflows	—	(525)	(56,452)	(56,977)
Depreciation charge and allowances	(3,538)	(210)	(78,570)	(82,318)
Changes in the scope of consolidation	—	8	(2,192,152)	(2,192,144)
Transfers	—	1,280	78,170	79,450
Balance at 31.12.08	**240,666**	**23,253**	—	**263,919**
Additions	1,403	2,941	—	4,344
Outflows	(39)	(413)	—	(452)
Depreciation charge and allowances	(3,833)	(210)	—	(4,043)
Changes in the scope of consolidation	—	(4,319)	—	(4,319)
Transfers	—	4,644	—	4,644
Balance at 31.12.09	**238,197**	**25,896**	—	**264,093**

The main change compared to 2008 is included under the heading of "Changes in the scope of consolidation" and refers to the effects of changing the method of consolidating Realia Business Group (Note 4).

The income from the Torre Picasso building in 2009 and 2008 is as follows:

	2009	2008
Rental income	26,127	26,173
Transfer of costs to tenants	7,185	6,948
Profit net of taxes	13,202	11,160

At 31 December 2009 and 2008, the details of the maturities of future minimum payments owed to Torre Picasso by different tenants under the leases in force, without considering future rent adjustments:

	2009	2008
Up to one year	25,812	26,196
One to five years	69,832	59,434
More than 5 years	18,112	1,402
	113,756	**87,032**

The market value of the Torre Picasso building is higher than the carrying value.

According to the obligations assumed under the EUR 250,000 thousand financing agreement signed on 18 December 2009 by the FCC Group as the owner of the Torre Picasso building (Note 20), the building is mortgaged and the rights to the rental payments under current and future leases are pledged for the next 15 years. The FCC Group has also assumed the commitment to many the investments which are needed to keep the building in a proper state of maintenance and conservation.

At the end of 2009 the Group did not have any firm commitments to purchase or invest in property. Also, at 31 December 2009, there were no contractual obligations relating to repairs, maintenance or improvements except as mentioned above.

9. LEASES

a) Financial leases

The characteristics of the finance leases at the end of 2009 and 2008 and their cash flows are shown below:

	MOVABLE PROPERTY	REAL ESTATE	TOTAL
2009			
Net carrying value	**243,902**	**19,985**	**263,887**
Accumulated depreciation	**91,669**	**3,265**	**94,934**
Cost of the assets	**335,571**	**23,250**	**358,821**
Finance expense	**27,846**	**8,935**	**36,781**
Capitalised cost of the assets	**363,417**	**32,185**	**395,602**
Lease payments made during the year	**(82,240)**	**(637)**	**(82,877)**
Lease payments made in prior	**(119,991)**	**(8,990)**	**(128,981)**
Lease payments outstanding, including purchase option	**161,186**	**22,558**	**183,744**
Unaccrued finance charges	**(7,335)**	**(4,822)**	**(12,157)**
Present value of lease payments outstanding, including purchase option	**153,851**	**17,736**	**171,587**
Contract term (years)	2 - 5	10	
Value of purchase options	10,888	10,721	21,609

	MOVABLE PROPERTY	REAL ESTATE	TOTAL
2008			
Net carrying value	**291,090**	**18,829**	**309,919**
Accumulated depreciation	99,060	3,634	102,694
Cost of the assets	**390,150**	**22,463**	**412,613**
Finance expense	35,468	7,085	42,553
Capitalised cost of the assets	**425,618**	**29,548**	**455,166**
Lease payments made during the year	(147,847)	(5,745)	(153,592)
Lease payments made in prior	(127,379)	(984)	(128,363)
Lease payments outstanding, including purchase option	**150,392**	**22,819**	**173,211**
Unaccrued finance charges	(11,330)	(4,661)	(15,991)
Present value of lease payments outstanding, including purchase option	**139,062**	**18,158**	**157,220**
Contract term (years)	2 - 5	10	
Value of purchase options	7,651	11,071	18,722

The details, by maturity, of the reconciliation of the total amount of the lease payments to their present value at the balance-sheet dates of 31 December 2009 and 2008 are as follows:

	Up to one year	One to five years	More than five years	Total
2009				
Lease payments outstanding, including purchase options	**73,163**	**91,059**	**19,522**	**183,744**
Unaccrued finance charges	(2,039)	(8,359)	(1,759)	(12,157)
Present value of lease payments outstanding, including purchase option	**71,124**	**82,700**	**17,763**	**171,587**
2008				
Lease payments outstanding, including purchase options	**72,463**	**77,699**	**23,049**	**173,211**
Unaccrued finance charges	(3,967)	(9,442)	(2,582)	(15,991)
Present value of lease payments outstanding, including purchase option	**68,496**	**68,257**	**20,467**	**157,220**

The finance leases arranged by the Group companies do not include lease payments the amount of which must be determined on the basis of future economic events or indices and, accordingly, in 2009 no expense was incurred in connection with contingent rent.

b) Operating leases

As the lessee, the operating lease payments recognised as an expense at 31 December 2009 totalled EUR 375,446 thousand (EUR 395,008 thousand at 31 December 2008). These payments refer primarily to leased construction machinery and leased constructions for the Group's business activities.

There are non-cancellable future payment obligations amounting to EUR 484,089 thousand (2008: EUR 395,344 thousand) in relation to operating leases on buildings and structures. These obligations, entered into mainly by the logistics companies, are recognised in the income statement on an accrual basis. The details of the maturity dates of the non-cancellable minimum future payments at 31 December 2009 and 2008 are as follows:

	2009	2008
Up to one year	102,073	76,423
One to five years	295,415	240,928
More than 5 years	86,601	77,993
	484,089	**395,344**

As the lessor, practically all of the operating lease payments recognised as income are associated with the operation of the Torre Picasso building (Note 8).

10. SERVICE CONCESSION AGREEMENTS

This note presents an overview of all the Group's investments in the concessions recognised under different headings on the asset side of the consolidated balance sheet.

The following table sets forth the total investments made by the Group companies in concessions, which are included under "Property, Plant and Equipment", "Intangible Assets" and "Investments in Associates" in the accompanying consolidated balance sheets at 31 December 2009 and 2008.

	Intangible fixed assets	Financial assets	JV concession operator	Associate concession operator	Total investment
2009					
Water services	1,027,304	16,608	68,918	12,562	1,125,392
Motorways and tunnels	**25,375**	—	**481,583**	**20,015**	**526,973**
Other	**297,054**	**89,365**	**322**	**15,117**	**401,858**
TOTAL	**1,349,733**	**105,973**	**550,823**	**47,694**	**2,054,223**
Amortisation	**(386,841)**	—	—	—	**(386,841)**
Impairment	**(1,137)**	—	—	—	**(1,137)**
	961,755	**105,973**	**550,823**	**47,694**	**1,666,245**

2008					
Water services	1,021,325	13,229	75,107	13,450	1,123,111
Motorways and tunnels	**8,307**	—	**354,745**	**33,738**	**396,790**
Other	**220,042**	**58,079**	**2,292**	**38,864**	**319,277**
TOTAL	**1,249,674**	**71,308**	**432,144**	**86,052**	**1,839,178**
Amortisation	**(343,462)**	—	—	—	**(343,462)**
Impairment	**(1,137)**	—	—	—	**(1,137)**
	905,075	**71,308**	**432,144**	**86,052**	**1,494,579**

Under the concession contracts and during the term thereof, the concession operators in which the Group holds ownership interests are obliged to purchase or construct property, plant and equipment items assigned to the concessions amounting to EUR 120,424 thousand (2008: EUR 254,437 thousand).

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

This heading includes the value of the investments in companies accounted for using the equity method, which comprises both the equity interest and the non-current loans granted to these companies, and the jointly controlled entities that, as indicated in Note 2.b), were accounted for using the equity method.

	2009	2008
Joint ventures	855,618	776,263
Associated enterprises	290,136	340,342
	1,145,754	**1,116,605**

In the years ended 31 December 2009 and 2008 there were no impairment losses, since the market value was equal to or higher than the values obtained by applying the method described in the preceding paragraph.

The detail, by company, of “Investments Accounted for Using the Equity Method” is disclosed in the Appendixes II and III to these consolidated financial statements.

a) Joint ventures

The changes in 2009 and 2008 were as follows:

	Acquisitions and disbursements	P/L for the year results	Dividends paid	Changes in Fair value of financial instruments recognised in reserves	Sales	Changes in consolidation method and y transfers	Exchange difference and other movements	Value of the equity	Loans granted	Total
Balance at 31.12.07								**404,025**	**31,876**	**435,901**
Grupo Realia Business	—	—	—	—	—	168,894	—	168,894	—	168,894
Grupo Global Vía	—	(20,167)	—	(6,778)	—	186,815	—	159,870	—	159,870
Participadas grupo Uniland	715	10,240	(1,745)	—	—	(1,818)	(1,142)	6,250	—	6,250
Grupo Proactiva	—	3,122	(1,726)	—	—	—	(1,188)	208	—	208
Zabalgarbi, S.A.	1,565	2,770	—	—	—	—	—	4,335	—	4,335
Other	60	13,356	(8,988)	(75)	—	—	(803)	3,550	(2,745)	805
Total 2008	2,340	9,321	(12,459)	(6,853)	—	353,891	(3,133)	343,107	(2,745)	340,362
Balance at 31.12.08	—	—	—	—	—	—	—	**747,132**	**29,131**	**776,263**
Grupo Realia Business	12,681	(16,444)	—	(4,019)	—	—	(7,326)	(15,108)	50,654	35,546
Grupo Global Vía	31,864	(11,259)	—	(3,743)	—	117,217	30,076	164,155	—	164,155
Participadas grupo Uniland	—	5,578	—	—	(134,585)	—	—	(129,007)	—	(129,007)
Grupo Proactiva	—	4,351	—	—	—	—	(4,573)	(222)	—	(222)
Mercia Waste Management Ltd.	—	2,597	—	—	—	—	479	3,076	—	3,076
Valenciana de Servicios ITV, S.A.	—	1,385	(1,150)	—	—	—	—	235	—	235
Other	2,835	5,598	(4,395)	541	—	—	(1,600)	2,979	2,593	5,572
Total 2009	47,380	(8,194)	(5,545)	(7,221)	(134,585)	117,217	17,056	26,108	53,247	79,355
Balance at 31.12.09	—	—	—	—	—	—	—	**773,240**	**82,378**	**855,618**

The most significant changes in both fiscal years relate mainly to the Global Vía Infraestructuras Group as a consequence of the investment of the concessionaire companies by the FCC Group (Note 4). Also notable in 2009 was the disposal of the Uniland Group companies Cementos Avellaneda, S.A. and Cementos Artigas, S.A. and in 2008 the change in the consolidation method used for the Realia Business Group (Note 4).

The detail of the assets, liabilities, revenue and profit or loss for 2009 and 2008 of the associates and joint ventures, in proportion to the ownership interests held therein, based on the information included in the respective financial statements, is as follows:

	2009	2008
Non-current assets	2,449,364	2,626,899
Current assets	825,460	1,100,196
Non-current liabilities	1,683,050	1,684,103
Current liabilities	631,100	1,042,946
Profit/loss		
Net turnover	656,359	711,175
Operating results	78,437	77,683
Profit before taxes	(12,888)	(5,129)
Result attributed to the parent company	(13,462)	(3,649)

The joint ventures engage mainly in the operation of concessions such as motorways, tunnels, passenger transport and real estate, which is broken down into real estate investment and sales of finished residential real estate, activities which are handled by Global Vía Infraestructura, S.A. and Realia Business, S.A., respectively.

With regard to the joint ventures with companies outside the FCC Group, guarantees have been provided in the amount of EUR 675,433 thousand (EUR 357,426 thousand in 2008), most to public entities and private clients to guarantee the successful fulfilment of the Group's contractual obligations.

b) Associates

The changes in 2009 and 2008 are as follows:

	Acquisitions and disbursements	P/L for the year results	Dividends paid	Changes in Fair value of financial instruments recognised in reserves	Sales	Changes in consolidation method and y transfers	Exchange difference and other movements	Value of the equity	Loans granted	Total
Balance at 31.12.07								**412,906**	**43,279**	**456,185**
Cedinsa Group	5,226	(141)	—	(561)	—	—	—	4,524	259	4,783
Nova Bocana Barcelona, S.A.	3,160	—	—	(1,026)	—	—	—	2,134	—	2,134
Desarrollo Urbanístico Sevilla Este, S.L.	—		—	—	—	(104,550)	—	(104,550)	—	(104,550)
Urbs Index et Causidicus, S.A.	—	1,683	—	(8,787)	—	—	—	(7,104)	—	(7,104)
M50 (Concession) Limited	—	—	—	(5,203)	—	—	(683)	(5,886)	—	(5,886)
Cedinsa Eix del Llobregat, S.A.	—	(1,498)	—	(3,992)	—	—	—	(5,490)	—	(5,490)
Concesiones de Madrid, S.A.	—	—	—	—	—	(15,358)	—	(15,358)	—	(15,358)
Autovía Necaxa-Tihuatlan, S.A. de C.V.	—	439	—	(2,611)	—	—	(2,000)	(4,172)	—	(4,172)
Concesionaria Hospital Son Dureta, S.A.	4,436	—	—	(5,071)	—	—	—	(635)	—	(635)
Other	11,363	5,358	(5,906)	(10,296)	(135)	(6,299)	5,419	(496)	20,931	20,435
Total 2008	24,185	5,841	(5,906)	(37,547)	(135)	(126,207)	2,736	(137,033)	21,190	(115,843)
Balance at 31.12.08	—	—	—	—	—	—	—	**275,873**	**64,469**	**340,342**
Shariket Miyeh Ras Djinet, SpA	2,233	—	—	—	—	—	556	2,789	—	2,789
Nova Bocana Barcelona, S.A.	4,058	(221)	—	(633)	—	—	—	3,204	—	3,204
Urbs Iudex et Causidicus, S.A.	—	1,042	—	(320)	—	—	—	722	—	722
Torres Porta Fira, S.A.	—	9,350	(9,710)	—	—	—	(12)	(372)	—	(372)
Gestión Integral de Residuos Sólidos, S.A.	—	26	(917)	—	—	—	—	(891)	(396)	(1,287)
Metro de Malaga, S.A.	—	—	—	—	—	(23,171)	—	(23,171)	—	(23,171)
Autovía Necaxa-Tihuatlan, S.A. de C.V.	—	—	—	—	—	(11,403)	—	(11,403)	—	(11,403)
Transportes Ferroviarios de Madrid, S.A.	—	—	—	—	—	(15,923)	—	(15,923)	—	(15,923)
Other	1,865	(8,096)	(5,806)	(1,870)	—	(14,632)	5,711	(22,828)	18,063	(4,765)
Total 2009	8,156	2,101	(16,433)	(2,823)		(65,129)	6,255	(67,873)	17,667	(50,206)
Balance at 31.12.09	—	—	—	—	—	—	—	**208,000**	**82,136**	**290,136**

The most significant change in 2009 relates to the transfer of the concessionaire companies to Global Vía Infraestructuras, S.A. in the amount of EUR 74,531 thousand. In 2008, the most significant change is the removal of the Group company Realia Business, Desarrollo Urbanístico de Sevilla Este, S.L. as a result of being consolidated using the equity method (Note 4).

The detail of the assets, liabilities, revenue and profit or loss for 2009 and 2008 of the associates and joint ventures, in proportion to the ownership interests held therein, is as follows:

	2009	2008
Non-current assets	1,102,497	1,457,910
Current assets	400,987	487,399
Non-current liabilities	650,330	1,179,275
Current liabilities	657,444	521,989
Net turnover	423,094	285,332
Operating results	23,502	29,709
Profit before taxes	3,574	6,351
Result attributed to the parent company	2,101	5,841

12. JOINTLY MANAGED CONTRACTS

The Group companies undertake certain of their business activities through contracts that the FCC Group operates jointly with other non-Group companies, mainly by means of unincorporated joint ventures. These jointly managed contracts were proportionately consolidated, as indicated in Note 2.b) above, “Jointly managed business”.

Following are the main aggregates of the jointly operated contracts included in the various headings in the accompanying consolidated balance sheet and consolidated income statement, in proportion to the percentage of ownership held therein, at 31 December 2009 and 2008:

	2009	2008
Non-current assets	141,342	142,796
Current assets	1,427,091	1,433,582
Non-current liabilities	20,224	23,097
Current liabilities	1,099,080	1,238,601
Profit/loss		
Net turnover	1,592,824	1,708,526
Gross operating profit	138,002	99,891
Net operating profit	116,591	77,168

At 2009 year-end, the property, plant and equipment purchase commitments made directly by the joint ventures amounted to EUR 3,516 thousand (2008: EUR 1,007 thousand), calculated on the basis of the percentage interest held by the Group companies.

The contracts managed through unincorporated joint ventures, joint property entities, silent participation agreements, economic interest groupings and other entities of a similar legal nature require the venturers to share joint and several liability for the business activity carried on.

Guarantees amounting to EUR 847,913 thousand (2008: EUR 863,960 thousand) were provided, mostly to government agencies and private customers, for contracts managed jointly with non-Group third parties, as security for the performance of construction projects and urban cleaning contracts.

13. NON-CURRENT FINANCIAL ASSETS AND OTHER CURRENT FINANCIAL ASSETS

The most significant items under "Non-Current Financial Assets" and "Other Current Financial Assets" in the accompanying consolidated balance sheet are as follows:

a) Non-current financial assets

The breakdown of the non-current financial assets at 31 December 2009 and 2009 is as follows:

	2009	2008
Available-for-sale financial assets	59,518	75,343
Non-current loans	202,452	183,167
Held-to-maturity investments	10,917	15,786
Non-current collection rights, service concession agreements (Notes 3.a) and 10)	94,089	63,347
Other financial assets	37,048	180,225
	404,024	**517,868**

a.1) Available-for-sale financial assets

Breakdown of the balance at 31 December 2009 and 2008:

	Effective ownership %	Fair value
2009		
Ownership interest of 5% or more:		
Equipamientos Urbanos de México, S.A. de C.V.	50.00	12,234
World Trade Center Barcelona, S.A.	16.52	11,422
Vertederos de Residuos, S.A.	16.03	7,050
Consorcio Traza, S.A.	16.60	1,365
M. Capital, S.A.	16.76	1,214
Build2Edifica, S.A.	15.45	901
Sierra de Mías, S.A.	10.00	403
Uncona, S.A.	9.64	605
Shopnet Brokers, S.A.	15.54	—
Other		2,461
Ownership interest less than 5%:		
Xfera Móviles, S.A.	3.44	—
Participaciones del grupo Alpine Bau		17,193
Other		4,670
		59,518
2008		
Ownership interest of 5% or more:		
Equipamientos Urbanos de México, S.A. de C.V.	50.00	13,499

World Trade Center Barcelona, S.A.	16.52	11,422
Vertederos de Residuos, S.A.	16.03	7,050
SCL Terminal Aéreo de Santiago, S.A.	14.77	4,088
Transportes Ferroviarios de Madrid, S.A.	24.38	—
WTC Almeda Park, S.A.	12.50	1,078
Build2Edifica, S.A.	15.45	901
Artscapital Investment, S.A.	10.83	—
Shopnet Brokers, S.A.	15.54	—
Other		3,070
Ownership interest less than 5%:		
Xfera Móviles, S.A.	3.44	13,799
Participaciones del grupo Alpine Bau	–	17,409
Other	–	3,027
		75,343

At 31 December 2009, the Company had also provided guarantees for Xfera Moviles, S.A. totalling EUR 3.995 thousand. Fomento de Construcciones y Contratas, S.A. has a put option on the portfolio of Xfera Moviles, S.A. that is symmetrical to the call option held by Sonera Holding B.V. These rights can only be exercised on the maturity date in 2011, provided that certain terms and conditions are met, including most notably that Xfera Moviles, S.A. generates profit over two consecutive years prior to the aforementioned maturity date.

Additionally, the 50% ownership interest in the share capital of the Eumex Group is recognised as an available-for-sale financial asset since the circumstances that gave rise to the loss of significant influence over this group in 2006 have not changed.

The changes in the available-for-sale financial assets in 2009 and 2008 were as follows:

	Cost	Impairment	Disposals and reductions	Changes in Scope of Consolidation, Translation Differences and Other Changes	Net carrying value	Changes in fair value	Fair value
Balance at 31.12.07	**—**	**—**	**—**	**—**	**85,320**	**(8,862)**	**76,458**
Xfera Móviles, S.A.	5,161	—	—	—	5,161	—	5,161
Vertederos de Residuos, S.A.	—	—	—	—	—	1,283	1,283
Inversiones financieras grupo Alpine Bau	1,686	—	—	79	1,765	—	1,765
Scutvias - Autoestradas Da Beira Interior, S.A.	—	—	(4,098)	—	(4,098)	—	(4,098)
WTC Almeda Park, S.A.	—	—	(750)	—	(750)	—	(750)
Transportes Ferroviarios de Madrid, S.A.	—	—	—	(3,786)	(3,786)	—	(3,786)
Other	647	—	(92)	(1,510)	(955)	265	(690)
Total 2008	*7,494*	—	*(4,940)*	*(5,217)*	*(2,663)*	*1,548*	*(1,115)*
Balance at 31.12.08	—	**—**	—	—	**82,657**	**(7,314)**	**75,343**
Equipamientos Urbanos de México, S.A. de C.V.	—	—	—	—	—	(1,263)	(1,263)
Xfera Móviles, S.A. (Nota 25.f)	4,644	(18,443)	—	—	(13,799)	—	(13,799)
SCL Terminal Aéreo de Santiago, S.A.	—	—	(4,088)	—	(4,088)	—	(4,088)
Consorcio Traza, S.A.	1,365	—	—	—	1,365	—	1,365
Other	438	—	—	1,429	1,867	93	1,960
Total 2009	*6,447*	*(18,443)*	*(4,088)*	*1,429*	*(14,655)*	*(1,170)*	*(15,825)*
Balance at 31.12.09	—	—	—	—	**68,002**	**(8,484)**	**59,518**

a.2) Non-current loans

The non-current loans granted by Group companies to third parties mature as follows:

	2011	2012	2013	2014	2015 and thereafter	Total
Non-trade debtors	14,201	6,560	4,834	4,505	142,354	172,454
Deposits and guarantees	2,870	421	271	550	25,886	29,998
	17,071	**6,981**	**5,105**	**5,055**	**168,240**	**202,452**

The non-trade loans include mainly the amounts granted to government agencies for the financing of infrastructures and refinancing of debt in the water service and urban cleaning businesses, at market interest rates.

The deposits and guarantees relate mainly to those required legally or contractually in the course of the Group companies' activities, such as deposits for electricity connections, construction completion bonds, property lease guarantee deposits, etc.

In 2009 there were no events that raised doubts concerning the recovery of these loans.

a.3) Other financial assets

This heading includes EUR 29,080 thousand in respect of the measurement of the call option and cash flow swap arranged by the Parent in 2008 within the framework of the share option plan agreed with executives and executive directors (see Note 18).

It also includes a trigger call on the convertible bond issued that is explained in Note 17.e).

Also noteworthy was the change compared to 2008 due, on the one hand, to the execution of the put options on the share capital of Corporación Uniland S.A. This transaction was completed with the acquisition of the remaining 8.18% which resulted in a decrease of EUR 100,977 thousand under this heading. On the other hand, the financial asset related to a call option on 17% of the stake in Alpine Holding GmbH, which is explained in Note 20 of this document, was classified as as equity pursuant to the terms of IFRS 3, revised, "Business combinations".

b) Other current financial assets

The breakdown of the balance at 31 December 2009 and 2008 is as follows:

	2009	2008
Held-for-trading financial assets	**1,939**	**1,032**
Equity investment funds	1,939	115
Corporate promissory notes and others		917
Held-to-maturity investments	**21,583**	**17,528**
Promissory notes	5,700	781
Government debt securities	7,557	11,070
Fixed-income investment funds	8,326	5,677
Other loans	**154,075**	**171,186**
Loans to non-Group third parties	69,392	45,891
Loans to associated enterprises	74,502	58,267
Deposits at bank	10,181	67,028
Deposits and guarantees given	**41,499**	**25,123**
Current collection rights, service concession agreements	**11,884**	**7,961**
	230,980	**222,830**

This heading in the accompanying consolidated balance sheet includes current financial investments which, maturing at more than three months in order to cater for certain specific cash situations, are classified as held-for-trading financial assets, held-to-maturity investments assets or other loans based on the initial nature of the investments.

These assets are unrestricted as to their use, except for "Deposits and Guarantees Given", which relate to amounts paid to secure certain contracts which will be recovered once the contracts expire.

The average rate of return obtained in this connection is the market return according to the term of each investment.

14. STOCKS

The breakdown of the inventories at 31 December 2009 and 2008 is as follows:

	2009		2008	
Property assets		468,089		831,878
Raw materials and other supplies		470,588		606,524
Construction	299,213		357,793	
Cement	107,743		175,533	
Versia	33,592		41,113	
Environmental services	29,130		31,289	
Other business	910		796	
Finished products		48,658		55,765
Prepayments		115,947		81,089
		1,103,282		**1,575,256**

The main real estate products refer to land for sale, most of which was acquired in exchange for work completed or scheduled to be done by the subgroup FCC Construcción, which at 31 December 2009 included: land in Tres Cantos (Madrid) for EUR 74,454 thousand, plots in Sant Joan Despi (Barcelona) totalling EUR 55,351 thousand, properties in Badalona (Barcelona) amounting to EUR 46,167 thousand and properties Ensanche de Vallecas (Madrid) totalling EUR 25,206 thousand.

The sum of EUR 119,056 recorded under the heading of real estate products in progress (EUR 86,234 thousand in 2008) refers to property which will be sold to clients EUR 164,244 thousand (EUR 168,461 thousand in 2008). The advances paid by certain clients towards these “real estate products” are guaranteed by insurance contracts or bank bonds, as required by Law 57/68 of 27 July, as amended by Law 38/99 of 5 November.

There were no commitments to purchase any significant property assets at year end.

The raw materials and other procurements include the installations required to execute construction work that have not yet been included in the construction projects, storable construction materials and items, materials for the assembly of street furniture, replacement parts, fuel and other materials required to carry on the business activities.

At 31 December 2009, impairment losses on inventories totalled EUR 12,293 thousand (EUR 9,709 thousand in 2008).

At 31 December 2009, there were no material differences between the carrying amount of the assets recognised and their fair value.

15. TRADE AND OTHER RECEIVABLES

a) Trade debtors for sales and services rendered

This heading in the accompanying consolidated balance sheet includes the present value of the uncollected revenue, valued as indicated in Note 3.r), contributed by the Group’s various lines of business and forming the basis of the profit from operations.

The detail of the balance of accounts receivable from non-Group debtors at 31 December 2009 and 2008 is as follows:

	2009	2008
Progress billings receivable and trade receivables for sales	3,743,453	3,718,404
Amounts to be billed for work performed	802,968	941,885
Retentions	108,550	128,708
Production billed to associates not yet collected	239,689	186,891
Trade debtors for sales and services rendered	4,894,660	4,975,888
Advances received on orders	(1,073,423)	(1,416,773)
Total net balance of trade receivables for sales and services	**3,821,237**	**3,559,115**

The foregoing total is the net balance of trade receivables after considering the adjustments for the risk of doubtful debts amounting to EUR 179,600 thousand (31 December 2008: EUR 170,053 thousand) and after deducting the balance of “Trade Payables – Advances Received on Orders” on the liability side of the accompanying consolidated balance sheet. This item also includes the collected and uncollected prebillings and the advances received for land.

"Progress Billings Receivable and Trade Receivables for Sales" reflects the amount of the completed project and services progress billings receivable at the consolidated balance sheet date.

The difference between the amount of the production recognised from inception of each project and contract in progress, measured as explained in Note 3.r) and the amount billed up to the date of the consolidated financial statements is included under "Amounts to Be Billed for Work Performed".

The Group companies assign trade receivables to banks, without the possibility of recourse against them in the event of non-payment. The balance of accounts receivable was reduced by EUR 351,721 thousand in this connection at 31 December 2009 (31 December 2008: EUR 358,940 thousand). These transactions bear interest at normal market rates. The Group companies continue to manage collection of these receivables. Also, future collection rights arising from construction project contracts awarded under the lump-sum payment method were sold for EUR 204,464 thousand (31 December 2008: EUR 250,885 thousand). This amount was deducted from the balance of "Amounts to Be Billed for Work Performed".

Through the sale and assignment of these collection rights, substantially all the risks and rewards associated with the receivables, as well as control over the receivables, were transferred, since no repurchase agreements have been entered into between the Group companies and the banks that have acquired the assets, and the banks may freely dispose of the acquired assets without the Group companies being able to limit this right in any manner. Consequently, the balances receivable relating to the receivables assigned or sold under the aforementioned conditions were derecognised.

b) Other debtors

The breakdown of "Other Receivables" at 31 December 2009 and 2009 is as follows:

	2009	2008
VAT refundable (Note 22)	159,300	187,900
Other tax receivables (Note 22)	59,559	49,211
Other debtors	197,789	228,409
Advances and loans to personnel	3,835	6,749
Total other receivables	**420,483**	**472,269**

16. CASH AND EQUIVALENT LIQUID ASSETS

The main aim of cash management at the FCC Group is to optimise the cash position by controlling liquidity and endeavouring, through the efficient management of funds, to keep the balance of the Group's bank accounts as low as possible, and, in the event of cash shortfalls, to use financing lines in the most efficient manner for the Group's interests.

The cash of the subsidiaries directly or indirectly wholly-owned by Fomento de Construcciones y Contratas, S.A. is managed on a centralised basis. The liquidity positions of these investees flow towards the head of the Group, which ultimately transfers these positions to Asesoria Financiera y de Gestion, S.A., the Group company wholly owned by Fomento de Construcciones y Contratas, S.A. responsible for achieving a return on any cash surpluses by making investments on the best possible terms, bearing in mind liquidity and safety limits at all times.

The details, by item, of “Cash and Cash Equivalents” are as follows:

	2009	2008
Cash and banks	1,132,128	921,342
Held-for-trading fixed income securities	106,577	210,588
Held-to-maturity fixed income securities	410,694	266,083
Credit facilities	1,697	171
Other	3,366	10,477
	1,654,462	**1,408,661**

The breakdown, by currency, of the cash and cash equivalent position in 2009 and 2008, including current financial assets (see Note 13), is as follows:

	2009	2008
Cash and cash equivalents	1,654,462	1,408,661
Other current financial assets	230,980	222,830
Total	**1,885,442**	**1,631,491**

	2009	2008
Euro	1,547,029	1,312,183
Dollar	29,909	38,824
Pound sterling	126,248	93,938
Czech koruna	32,355	23,844
European currencies (excluding euro,	82,636	116,180
Latin America (diverse currencies)	31,846	28,996
Other	35,419	17,526
Total	**1,885,442**	**1,631,491**

17. EQUITY

The accompanying consolidated statements of changes in equity for the years ended 31 December 2008 and 2007 show the changes in equity attributable to the shareholders of the Parent and to the minority interests in those years.

I. Equity attributable to shareholders of the parent

a) Capital

The share capital of Fomento de Construcciones y Contratas, S.A. consists of 127,303,296 ordinary bearer shares of EUR 1 par value each.

All the shares carry the same rights and have been fully subscribed and paid.

The shares of Fomento de Construcciones y Contratas, S.A. are included in the selective Ibex 35 index and are publicly listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and are traded through the Spanish stock market interconnection system.

The only investment of 10% or more owned directly or indirectly (through subsidiaries) by other companies, according to the information provided pursuant to current legislation, is that held by B-1998, S.L., which has a direct and indirect ownership interest of 53.829% in the share capital.

The aforementioned company, B-1998, S.L., in which Esther Koplowitz Romero de Juseu, Simante, S.L., Larranza XXI, S.L. and Eurocis, S.A. have direct or indirect ownership interests of 83.927%, 5.726%, 5.339% and 5.008%, respectively, has certain commitments to its shareholders which are recorded and published by the Spanish National Securities Market Commission (CNMV) and in the FCC Group's Corporate Governance Report.

Esther Koplowitz Romero de Juseu also directly owns 123,313 FCC shares and indirectly holds 39,172 FCC shares through Dominum Desga, S.L. (4,132 shares) and Ejecucion y Organizacion de Recursos, S.L. (35,040 shares), companies wholly owned by Esther Koplowitz Romero de Juseu.

b) Accumulated earnings and other reserves

The breakdown of "Retained Earnings and Other Reserves" in the accompanying consolidated balance sheet at 31 December 2009 and 2008 is as follows:

	2009	2008
Parent company reserves	1,032,488	886,950
Consolidation reserves	1,665,835	1,824,970
	2,698,323	**2,711,920**

b.1) Parent Company Reserves

This heading relates to the reserves recognised by Fomento de Construcciones y Contratas S.A., the Parent of the Group, arising mainly from retained earnings and, where appropriate, from compliance with the applicable legislation.

The details at 31 December 2009 and 2008 are as follows:

	2009	2008
Share premium account	242,133	242,133
Legal reserve	26,113	26,113
Reserve for retired capital	6,034	6,034
Voluntary reserves	758,208	612,670
	1,032,488	**886,950**

<u>Share premium account</u>

The Consolidated Spanish Companies Law expressly permits the use of the share premium account balance to increase capital and does not establish any specific restrictions as to its use for other purposes.

Legal reserve

Under the Consolidated Spanish Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve cannot be distributed to shareholders except in the event of liquidation.

The legal reserve may be used to increase the capital up to the portion of said legal reserve which exceeds 10% of the capital after the increase.

Except for the aforementioned purpose, until it exceeds 20% of the share capital, this reserve may be used only to set off losses and this may only be done if other available reserves are insufficient for this purpose.

At 31 December 2008, the Parent's legal reserve had reached the stipulated level.

Retired capital reserve

This reserve includes the par value of the treasury shares retired in 2002 and 2008 with a charge to unrestricted reserves, in accordance with Article 167.3 of the Companies Law. The reserve for retired shares is restricted, unless the same requirements as those stipulated for capital reductions are met.

Voluntary reserves

This reserve includes the par value of the treasury shares retired in 2002 and 2008 with a charge to unrestricted reserves, in accordance with Article 167.3 of the Companies Law. The reserve for retired shares is restricted, unless the same requirements as those stipulated for capital reductions are met.

There are no limitations or restrictions as to the use of these reserves, which are recognised on a voluntary basis using the Parent's profit following the distribution of dividends and the appropriations to the legal or other restricted reserves in accordance with current legislation.

b.2) Consolidation reserves

Consolidation Reserves in the accompanying consolidated balance sheet includes the reserves at fully consolidated companies and at companies accounted for using the equity method generated from the date on which the companies were acquired. The details of the amounts included under Consolidation Reserves for each of the most significant companies at 31 December 2009 and 2008, including, where appropriate, their subsidiaries, is as follows:

	2009	2008
Cementos Portland Valderrivas Group	562,529	518,362
Afigesa Group	253,131	261,744
FCC Construcción Group	212,888	298,454
Corporación Financiera Hispánica, S.A.	168,351	160,020
Aqualia Gestión Integral del Agua, S.A.	162,724	137,758
FCC Medio Ambiente, S.A.	122,905	84,932
Alfonso Benítez, S.A.	38,696	33,217
FCC Versia, S.A.	38,389	43,440
Fedemés, S.L.	14,321	13,727
Flightcare, S.L.	8,732	25,654
Other and consolidation adjustments	83,169	247,662

	1,665,835	**1,824,970**

According to IFRS 3, revised, “Business combinations”, starting in 2009 all additional purchases of shares previously controlled by the Group, as in the case of the purchase option on 8.18% of the capital of Corporación Uniland, S.A., the difference between the additional purchase price and the carrying value of the investment, known as goodwill, has been charged to equity in the amount EUR 71,595 thousand. Likewise included in equity is the balancing entry for the put option on 17% of the stake in Alpine Holding GmbH which is explained in Note 20 of this document and which amounts to EUR 68,838 thousand.

c) Treasury stock

This heading refers to the net amount of treasury stock held by the Parent or other Group companies as a result of purchases and sales of treasury stock.

The Board of Directors and the subsidiaries are authorised by the General Meeting of Shareholders of Fomento de Construcciones y Contratas, S.A. for the derivative acquisition of treasury stock within the limits and pursuant o the requirements set forth in article 75 et seq. of the Companies Act.

In 2009 and 2008, the changes that took placed under this heading were as follows:

Balance at 31.12.07	**(325,332)**
Sales under the Stock Option Plan (Note 18)	102,043
Sales	7,655
Applied to capital reduction	165,792
Acquisitions	(69,084)
Balance at 31.12.08	**(118,926)**
Sales under the Stock Option Plan (Note 18)	50,141
Sales	40,378
Acquisitions	(242,475)
Balance at 31.12.09	**(270,882)**

The details of the treasury stock held by the Group at 31 December 2009 and 2008 are as follows:

	2009		2008	
	Number of Shares	Carrying value	Number of Shares	Carrying value
Fomento de Construcciones y Contratas, S.A.	3,182,582	(89,130)	—	—
Asesoría Financiera y de Gestión, S.A.	6,131,961	(181,752)	2,682,260	(118,926)
TOTAL	**9,314,543**	**(270,882)**	**2,682,260**	**(118,926)**

At 31 December 2009, the treasury stock of the parent company held by the parent of by its subsidiaries accounted for 7.32% of the total share capital (2.11% at 31 December 2008).

d) Interim dividend

On 17 December 2009, it was resolved to distribute to the shareholders of Fomento de Construcciones y Contratas, S.A. an interim dividend out of profit for 2009 equal to 71.5% gross of the par value of the shares, i.e. EUR 0.715 per share. The total amount of this dividend, EUR 88,746 thousand, was paid on or after 12 January 2010 on outstanding shares carrying dividend rights.

e) Other equity instruments

Pursuant to IAS 32 “Financial instruments – presentation”, this section reflects the value of the equity components arising from the accounting for the convertible bonds issued by the parent company, in addition to the amounts shown under “Debentures and other negotiable securities” on the enclosed consolidated balance sheet, which together account for the total amount of the bond issue (Note 20).

The most salient features of the convertible debentures issued by Fomento de Construcciones y Contratas, S.A. in October 2009 are as follows:

- The value of the issue is EUR 450,000,000 with a maturity date of 30 October 2014.
- The bonds were issued at par with a par value of EUR 50,000.
- The bonds accrue interest an annual rate of 6.50% payable every six months.
- The price of converting the bonds into company shares is EUR 39,287 per share which means that each bond shall be converted into 1,272.68 ordinary shares.
- The bonds may be converted or redeemed for cash at the request of the bondholder or Fomento de Construcciones y Contratas, S.A. The conditions for exercising the option are set out in the “Bond Issue Agreement” and may included newly issued as well as already existing shares in the parent company’s possession.
- The issue is backed by the Company and is not guaranteed by any third party guarantee.
- The issue is insured by financial entities and the bondholders are qualified international investors.

The General Meeting of Shareholders of Fomento de Construcciones y Contratas, S.A. held on 30 November 2009 to approve the convertibility of the bonds into company shares passed the following resolutions:

I) Pursuant to the terms of article 292 of the Revised Text of the Spanish Companies Act (TRLSA) it is agreed to increase the share company by the amount necessary to cover the conversion of the bonds requested by bondholders, up to the initially-foreseen maximum of twelve million euros but subject to modification as provided for in the “Bond Issue Agreement”.

II) To approve a share buyback programme, the sole purpose of which is to meet the obligation of delivering the shares associated with the bond issue and the capital reduction referred to below.

To reduce the share capital by amortising the shares acquired under the buyback programme mentioned above or existing treasury stock shares, including the treasury stock delivered to the underwriters of the bond issue. At 31 December 2009, the number of shares thus loaned was 4,150,880. To approve a reduction of the Company's capital through the amortisation of own shares for a par value equivalent to the number of new shares of the Company issued to attend to requests for exchange or conversion from holders of the Bonds.

With regard to this bond issue, it is noted that the Group has a call option (trigger call) that enables it to recover the bonds under certain circumstances (Note 13).

f) Value adjustments

The breakdown of “Value Adjustments” at 31 December 2009 and 2008 is as follows:

	2009	2008
Changes in the fair value of financial instruments	(158,255	(180,964)
Differences on exchange	(167,021	(224,733)
	(325,276	**(405,697)**

f.1) Changes in fair value of financial instruments:

This heading includes the changes, net of taxes, in the fair value of available-for-sale financial assets (see Note 13) and of cash flow hedging derivatives (see Note 21).

The details of the adjustments due to changes in the fair value of financial instruments at 31 December 2009 and 2008 are as follows:

	2009		2008	
Available-for-sale financial assets		(4,499)		(2,897)
World Trade Center Barcelona, S.A.	3,363		3,363	
Vertederos de Residuos, S.A.	5,943		5,943	
SCL Terminal Aéreo de Santiago, S.A.	1,165		1,165	
Xfera Móviles, S.A.	(14,900)		(14,900)	
Other	(70)		1,532	
Financial derivatives		(153,756)		(178,067)
Fomento de Construcciones y Contratas, S.A.	(27,715)		(29,129)	
Azincourt Investment, S.L.	(24,019)		(24,952)	
Portland, S.L.	(22,653)		(12,897)	
Realia Business Group	(19,288)		(15,268)	
Cementos Portland Valderrivas Group	(17,236)		(30,403)	
Urbs Iudex et Causidicus, S.A.	(15,650)		(15,330)	
Global Vía Group	(10,454)		(34,384)	
WRG Group	(5,475)		(11,669)	
Other	(11,266)		(4,035)	
		(158,255)		**(180,964)**

f.2) Translation differences

The details of the amounts included under this heading for each of the most significant companies at 31 December 2009 and 2008 are as follows:

	2009		2008	
European Union:				
Waste Recycling Group	(139,394)		(172,825)	
Dragon Alfa Cement Limited	(2,587)		(2,979)	
Other	(4,862)	(146,843)	(4,820)	(180,624)
USA:				
Giant Cement Holding, Inc.	(19,681)		(16,088)	
Cemusa Group	(5,456)		(4,306)	
Other	(1,004)	(26,141)	148	(20,246)
Latin America:				
Global Vía Group	20,466		(15,099)	
Corporación M&S Internacional C.A., S.A.	(4,440)		(3,666)	
Proactiva Group	(4,861)		(2,341)	
Cemusa Grou	1,216		1,384	
Other	(2,132)	10,249	(882)	(20,604)
Egypt				
Egypt Environmental Services, S.A.E.	776		864	
Giza Environmental Services, S.A.E.	1,050	1,826	890	1,754
Other				
Corporación Uniland Group	(3,918)		(4,716)	
Other	(2,194)	(6,112)	(297)	(5,013)
		(167,021)		**(224,733)**

In 2009, the pound sterling recovered partially from the devaluation experienced in 2008.

Net investment abroad in currencies other than the euro represented approximately 45.3% of the FCC Group’s equity (2008: 43.3%).

The details, by geographical market, of this net investment, after translation to euros as described in Note 3.j) are as follows:

	2009	2008
UK	793,482	778,205
USA	324,774	338,207
Latin America	188,154	161,176
Other	114,836	105,724
	1,421,246	**1,383,312**

g) Earnings per share

Earnings per share are calculated by dividing the profit for the year attributable to the Parent by the weighted average number of ordinary shares outstanding during the year. In 2009 the earnings per share amounted to EUR 2.52 (EUR 2.68 in 2008).

With regard to the bond issue mentioned in part c) above, it should be noted that earnings per share could be diluted if the bondholders were to exercise the conversion option under certain conditions. According to IAS 33 "Earnings per share", diluted earnings per share must be calculated by adjusting the weighted average of the number of ordinary shares in circulation under the hypothesis that all bonds have been converted into ordinary shares. Likewise, the earnings attributed to the parent company must be adjusted by adding in the amount of interest, net of tax effects, corresponding to the bonds recognised on the enclosed consolidated income statement. The diluted earnings per share for 2009 amounted to 2.51 euros (2.68 euros per share in 2008). In 2009 there were no options, warrants or contracts that could have had a diluting effect.

II. Minority interests

“Minority Interests” in the accompanying consolidated balance sheet reflects the proportional part of the equity and the profit or loss for the year after tax of the companies in which the Group’s minority shareholders have ownership interests.

The details of the balances of the minority interests relating to the main companies at 31 December 2009 and 2008 are as follows:

	Equity		Profit/loss	Total
	Capital	Reserves		
2009				
Cementos Portland Valderrivas Group	18,583	567,581	22,738	608,902
Alpine Bau Group	23	9,947	2,157	12,127
Other	27,066	1,702	2,885	31,653
	45,672	**579,230**	**27,780**	**652,682**
2008				
Cementos Portland Valderrivas Group	13,638	526,904	63,832	604,374
Alpine Bau Group	23	5,895	8,409	14,327
Other	11,482	16,875	2,189	30,546
	25,143	**549,674**	**(*)74,43(**	**649,247**

(*) As indicated in Note 4.b), at 31 December 2008 the Realia Business Group was consolidated using the equity method which resulted in the disposal of a minority interest, in terms of profit (loss), of EUR 15,579 thousand.

18. SHARE-BASED PAYMENTS

Following the decision taken by the Board of Directors on 29 July 2008, the Group has a remuneration plan in place for its officers and directors linked to the value of the Parent company’s shares whereunder the plan participants receive a cash amount equivalent to the difference between the value of share when the option is exercised and the value of reference established in the plan.

The main features of the plan, which is broken down into two tranches, are as follows:

First tranche

- Start date: 1 October 2008.
- Can be exercised between: 1 October 2011 and 1 October 2013.

- Number of shares: 1,800,000 of which 700,000 correspond to executive directors and senior executives (12 persons) and the remaining 1,100,000 to other executives (43 persons).
- The price of exercising the option is 34.22 euros per share.

Second tranche

- Start date: 6 February 2009.
- Can be exercised between: 6 February 2012 and 5 February 2014.
- Number of shares: 1,500,000 shares, of which 147,500 correspond to executive directors and senior executives (12 persons) and the remaining 1,352,500 to other executives (approximately 225 people).
- The price of exercising the option is 24.71 euros per share.

Under applicable law, the Group estimated the current liquidation value at the end of the plan, recognising the corresponding provisions that is systematically funded with a balancing entry in staff costs spread over the years of the plan. At the end of each reporting period, the current value of the obligation is re-estimated, posting any difference in the previously recognised carrying value to the income statement.

At 31 December 2009, EUR 1,824 thousand (EUR 733 thousand in 2008) (see Note 25.c) were recognised in respect of obligations to employees participating in the share option plan on the basis of the period accrued and the total initial value of the plan, which amounted to EUR 3,568 thousand. (EUR 733 thousand in 2008).

In order to hedge the risk of an increase in the Company's share price within the framework of the share option plan, the Group has arranged for each one of the tranches a call option and a put option as well as an and interest rate/dividend swap with the same exercise price, nominal and maturity as the plan. The shares covered by the hedge were turned over the financial entities, as discussed in Note 17.c).

As far as the effectiveness of the hedge is concerned, only the call option is considered to be a cash flow hedge. Consequently, the change in fair value is carried to equity under the heading of "Adjustments due to change in value" on the consolidated balance sheet while the put option and the interest rate/dividend swap cannot be considering accounting hedges and therefore the changes in fair value are carried to the income statement (Note 21).

The resulting change in the fair value of financial derivatives that are not hedges represents a profit of EUR 8,322 thousand (loss of EUR 16,596 thousand in 2008). See Note 21 of this document for information on the fair value of financial derivatives.

19. CURRENT AND NON-CURRENT PROVISIONS

The composition of provisions at 31 December 2009 and 2008 was as follows:

	2009		2008	
Non-current		**906,535**		**821,429**
Long-term employee benefit obligations	105,188		97,321	
Dismantling, removal and rehabilitation of assets	161,245		178,496	
Environmental actions	216,890		137,427	
Litigation	170,987		173,741	
Contractual and legal guarantees and obligations	81,323		68,040	
Other provisions	170,902		166,404	
Current		**110,773**		**91,918**
Construction contract settlement and project losses	97,810		81,818	

Termination benefits to site personnel	12,963	10,100

The changes under the heading of Provisions in 2009 and 2008 were as follows:

	Provisions -non-current	Provisions -current
Balance at 31.12.07	**871,107**	**82,371**
Environmental expenses for the removal or dismantlement of assets	41,220	
Provisions (reversals)	9,535	14,923
Used	(60,854)	(39)
Changes in the scope of consolidation, translation differences and other changes	(39,579)	(5,337)
Balance at 31.12.08	**821,429**	**91,918**
Environmental expenses for the removal or dismantlement of assets	40,143	
Provisions (reversals)	68,001	15,918
Used	(50,990)	
Changes in the scope of consolidation, translation differences and other changes	27,952	2,937
Balance at 31.12.09	**906,535**	**110,773**

The provisions recognised in 2009 include EUR 17,475 thousand (2008: EUR 14,848 thousand) relating to the adjustment for provision discounting.

“Environmental Expenses for the Removal or Dismantling of Assets” includes the balancing item for the increased asset value relating to the discounted present value of the expenses that will be incurred when operation of the asset ceases.

The provisions stated on the enclosed consolidated balance sheet are considered to cover the Group’s liability for the performance of its business activities.

The timing of the expected outflows of economic benefits at 31 December 2009 arising from the obligations covered by non-current provisions is as follows:

	Within 5 years	More than 5 years	Total
Long-term employee benefit obligations	22,570	82,618	105,188
Dismantling, removal and rehabilitation of assets	106,600	54,645	161,245
Environmental actions	62,501	154,389	216,890
Litigation	60,548	110,439	170,987
Contractual and legal guarantees and obligations	76,263	5,060	81,323
Other provisions	68,722	102,180	170,902
	397,204	**509,331**	**906,535**

Long-term employee benefit obligations

“Non-Current Provisions” in the accompanying consolidated balance sheet includes the provisions covering the Group companies' obligations in respect of pensions and similar obligations such as medical and life insurance, as indicated in Note 23.

Provisions for litigation

Provisions for litigation cover the contingencies of the FCC Group companies acting as defendants in certain proceedings in relation to the liability inherent to the business activities carried on by them. The lawsuits, although numerous, represent scantly material amounts when considered individually and none of them are particularly noteworthy.

Environmental provisions

The FCC Group's environmental policy goes beyond strict compliance with current legislation in the area of environmental improvement and protection to include the establishment of preventative planning and the analysis and minimisation of the environmental impact of the activities carried on by the Group.

FCC Group management considers that the Group companies' contingencies relating to environmental protection and improvement at 31 December 2008 would not have a significant impact on the accompanying consolidated financial statements, which include provisions to cover any probable environmental risks that might arise.

Note 27 to these consolidated financial statements ("Information on the Environment") supplements the information set forth with respect to environmental provisions.

Legal and contractual guarantees and obligations

This heading includes the provisions to cover the expenses arising from contractual and legal obligations of a non-environmental nature.

Provisions for other contingencies and charges

This heading includes the items not classified in the foregoing accounts, comprising most notably the provisions to cover risks arising from international business.

Also included here are the Group's obligations with regard to share-based payments. Note 18, "Transactions with payments based on equity instruments" explains those transactions in further detail.

Provisions for construction contract settlements and project losses

These provisions are recognised for losses budgeted on construction projects in accordance with the measurement bases set forth in Note 3.r) and for the expenses arising from such projects from the date of their completion to the date of their definitive settlement, which are determined systematically as a percentage of the value of production over the term of the project based on experience in the construction business.

Provisions for termination benefits to site personnel

The Group companies recognise provisions for the termination of permanent site personnel in accordance with the Consolidated Workers' Statute for contracts of this type. The impact of these provisions on the consolidated income statement is not material.

20. CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

The FCC Group's general policy is to provide all the Group companies with the financing that is best suited to the normal conduct of their business activities. In this connection, the Group companies are furnished with the credit facilities required to cater for their budgetary plans, which are monitored on a monthly basis. Also, risk is generally spread over various banks and the Group companies currently have credit facilities with more than 160 financial institutions.

Should the financial transaction so require, the Group arranges interest-rate hedging transactions on the basis of the type and structure of each transaction (see Note 21).

In certain types of financing, particularly structured non-recourse borrowings, the arrangement of some kind of interest-rate hedge is obligatory and the Group assesses the best hedging instrument based on the project's cash flow and the term of the debt.

a) Current and non-current debt instruments and other marketable securities

One of the most significant items under this heading refers to the subordinated convertible debentures issued by the parent company on 30 October 2009 in the amount of EUR 450,000 thousand. This issue was intended for international institutional investors and the purpose of the issue was to reinforce the balance sheet equity structure thanks to the subordinated nature of the corporate loans contracted by the parent company and to diversify the Group's financing base by supplementing its bank borrowings.

According to accounting law, in addition to their financial component convertible debentures have another component in that they are recognised as equity as described in Note 17.e), which also describes the conditions for issuing convertible debentures. At 31 December 2009, the carrying balance for this item shown under the heading of "Debentures and other negotiable securities" on the enclosed consolidated balance sheet was EUR 421,213 thousand.

In addition to this transaction, this heading includes those contributed by the Cementos Portland Valderrivas Group through the US company Giant Cement Holding, Inc. relating to an issue of non-convertible bonds amounting to USD 96 million (approximately EUR 62,623 thousand), repayable in a single maturity in 2013 and bearing interest tied to Libor. The Group has arranged an interest rate hedging contract on this debt for a notional amount of USD 96 million and an interest rate of 6.093%.

Also, Severomoravske Vodovody a Kanalizace Ostrava, A.S. (SmVaK) issued non-convertible debentures amounting to CSK 2,000 million (EUR 75,461 thousand). These debentures, which were traded on the Prague Stock Exchange, mature in 2015 and bear nominal interest of 5%. As security for this issue, the Czech company is obliged not to grant additional pledges on its assets to third parties, not to sell assets above a certain cumulative value, and not to become indebted in excess of a certain amount. Furthermore, this company is obliged to maintain a certain debt coverage ratio, for which purpose an interest rate hedge transaction was arranged amounting to CSK 500 million maturing in 2015.

b) Current and non-current bank borrowings

The details at 31 December 2009 and 2008 are as follows:

	Non-current	Current	Total
2009			
Credit facilities and loans	4,998,891	971,507	5,970,398
Project financing loans with recourse	2,300,287	246,711	2,546,998
	7,299,178	**1,218,218**	**8,517,396**
2008			
Credit facilities and loans	4,586,777	1,513,654	6,100,431
Project financing loans with recourse	1,450,850	387,772	1,838,622
	6,037,627	**1,901,426**	**7,939,053**

The main change in the Group's debt was primarily owing the acquisition by the Group of the business of Babcock & Brown Wind Partners in Spain at the end of 2008 which led the Group to arrange a long-term syndicated credit facility for EUR 500,000 thousand which was completely drawn down at 8 January 2009.

The main features of the most significant credit facilities and loans held by the Group are as follows:

- On 29 April 2009, the parent company signed a syndicated loan in the amount of EUR 375,000 thousand with 12 participating financial institutions. Later, on 4 and 27 May, it was extended to EUR 451,000 thousand, in two tranches: a long-term loan in the amount of EUR 225,500 thousand and a long-term credit facility in the amount of EUR 225,500 thousand. The syndicated loan was signed for a three-year term with a single maturity date on 28 April 2012. The interest rate is Euribor plus a differential based on the debt ratio each year shown on the FCC Group's financial statements. At 31 December 2009, the loan had been drawn down in full.

- On 23 October 2009, the parent company signed a long-term loan in the amount of EUR 175,000 thousand with the European Investment Bank (EIB) with a maturity date of 6 November 2012 which may be extended to 2015. The interest rate on the loan is Euribor 3 months plus a fixed differential.

  The loan was granted for the financing and development of environmental investments:

  a) Acquisition of a fleet of 1,900 vehicles equipped with the most highly advance technologies that will be used to provide city sanitation services in 130 municipalities in Spain.
  b) Financing of related investments (acquisition of filling stations, vehicle cleaning equipment and wastewater treatment plants) and
  c) Development of hybrid electric vehicles for intensive use which are more energy efficient and capable of using harmless fuel, thereby reducing the emissions of polluting gases.

- On 9 December 2009, the Alpine Group signed a syndicated credit facility in the amount of EUR 200,000 thousand maturing on 31 October 2014 with the participation of 7 financial institutions. The contract is divided into two tranches:

  a) 50% of one of the tranches is guaranteed by the Republic of Austria pursuant to the Unternehmensliquitärkungsgesetz Law or ULSG passed in August 2009 to boost the liquidity of Austrian companies. Under this law, the Austrian government provides access to liquidity to foster investment and growth through a programme of government guarantees. The interest rate on this tranche is fixed.
  b) The cost of the other tranche is based on the net debt/EBITDA ratio.

The entire limit of this credit facility was received on 5 January 2010.

- On 9 December 2009, Aqualia Gestión Integral del Agua, S.A. (wholly-owned subsidiary of the FCC Group) refinanced a corporate loan taken out in 2006 in the amount of 4,800,000 thousand Czech koruna for the acquisition of Severomoravské Vodovody from Kanalizace Ostrava, A.S. (SmVaK). There are two tranches to the financing: a corporate loan taken by Aqualia Gestión Integral del Agua, S.A and a limited recourse loan signed by the newly created company, Aqualia Czech, S.L., a wholly-owned subsidiary of the FCC Group, which now controls 98.68% of SmVaK. The characteristics of the tranches are as follows:

  a) A corporate multi-currency loan (€ and koruna) in the amount of EUR 71,750 thousand and 967,220 Czech koruna maturing in 2012 and signed with 8 financial institutions.
  b) A limited recourse loan in the amount of 2,000,000,000 Czech koruna maturing in 2015 and signed with 5 financial institutions.

  The stipulated price includes the rate of reference (Euribor or Pribor) plus a fixed margin in the case of the corporate financing and calculated on the debt service coverage ratio (DSCR) in the case of the limited recourse financing.

  Both tranches were drawn down in full at 31 December 2009.

- On 18 December 2009 the FCC Group signed a long term limited recourse credit facility in the amount of EUR 250,000 thousand maturing in 2024 with an interest rate equivalent to the Euribor plus a fixed margin. The Torre Picasso building was put up as collateral to guarantee this loan, in the terms described in Note 8 herein.

  At 31 December 2009, the financing had been drawn down in full.

The details of the Group's loans and credit facilities from previous fiscal years are outlined below:

- Syndicated credit facility totalling EUR 1,225 million arranged by the Parent on 8 May 2008. The facility is divided into two tranches: a long-term loan of EUR 735,000 thousand and a long-term credit facility amounting to EUR 490,000 thousand. The term of the loan is three years (extendable for a further two years), the same period as that projected for the "2008-2010 Strategic Plan". The loan has a single maturity, 8 May 2011, and bears interest at Euribor plus a spread established on the basis of the FCC Group's debt ratio as per the financial statements for each year. At 31 December 2008, the loan had been drawn down in full.

  On 10 July 2008, the Parent and Dedalo Patrimonial S.L. (wholly owned by Fomento de Construcciones y Contratas, S.A.) arranged a long-term credit facility for USD 186,900 thousand with three banks, maturing on 10 October 2013. The purpose of this loan was to finance the acquisition of Hydrocarbon Recovery Services Inc. and International Petroleum Corp. The agreement consists of three tranches:

  a) A long-term loan of USD 40,000 thousand granted to the Parent.
  b) A long-term credit facility of USD 58,900 thousand granted to Dedalo Patrimonial S.L.
  c) A long-term loan of USD 88,000 thousand granted to Dedalo Patrimonial S.L.

  The established price comprises the reference rate (Libor) plus a spread based on the variation in the consolidated net debt/consolidated EBITDA ratio. At 31 December 2008, the facility had been drawn down in full.

- On 25 November 2008, Fomento Internacional FOCSA (wholly owned by the Parent) arranged a long-term syndicated credit facility for EUR 500,000 thousand maturing in 2025. Another 12 companies participated in the transaction, the purpose of which is to finance the acquisition of the business in Spain of Babcock & Brown Wind Partners. The interest rate is Euribor plus a spread calculated on the basis of the variation in the net financial debt/EBITDA ratio. At 31 December 2009, a balance of EUR 465,640 thousand was outstanding. The agreement consists of two tranches: A senior debt tranche of EUR 455,000 thousand and a subordinated debt tranche of EUR 45,000 thousand already held by the acquiree.

On 23 December 2008, Sky Sierresita Cortijo Viejo 1 and Sky Sierresita Cortijo Viejo 2 (wholly owned by the FCC Group) arranged a long-term syndicated loan for a combined amount of EUR 117,000 thousand, maturing in 2026. Another four companies participated in the transaction, the purpose of which is to finance the acquisition of two PV farms with a total of 20 MW in Espejo (Cordoba). The interest rate is Euribor plus a spread calculated on the basis of the variation in the net financial debt/EBITDA ratio. At 31 December 2009, a balance of EUR 111,896 thousand was outstanding.

Syndicated loan arranged on 25 January 2007. This loan replaced the bridge loan of EUR 1,030,000 thousand arranged in 2006 as part of the structured recourse financing for the acquisition of the UK company Waste Recycling Group Ltd and its corporate group. The loan is structured in two tranches: the first for an initial amount of EUR 819,700 thousand and the second for GBP 200,000 thousand. Both tranches mature in December 2013, with half-yearly settlements of 4.615% of the total initial amount of the loan and a final maturity of 40.005%. The interest rate applicable to the tranche denominated in euros is Euribor plus a spread based on the variation in the net financial debt/EBITDA ratio, which initially stands at 0.375%. The spread established for the euro tranche is also applicable to the tranche denominated in pounds sterling. Various financial derivatives associated with the syndicated loan have been arranged. Three banks participated in this loan. At 31 December 2008, the loan had been drawn down in full.

- Long-term syndicated financing facility of EUR 800,000 thousand arranged by the Parent with three banks in 2007 and maturing on 19 July 2012 with the possibility of an extension until 2014. At 31 December 2009, the facility had been drawn down in full. The agreement consists of two tranches: a long-term loan of EUR 280,000 thousand with a partial repayment of 50% one year prior to maturity and a long-term credit facility amounting to EUR 520,000 thousand.

  The established price comprises the reference rate (Euribor) plus a spread based on the variation in the consolidated net debt/consolidated EBITDA ratio, which initially stands at 0.325%.

- In February 2006, Cementos Portland Valderrivas signed long-term syndicated loan in the amount of EUR 150,000 thousand maturing in February 2011 to finance the public offer to purchase 100% of Cementos Lemona. At 31 December 2009 it had been drawn down in full.

- In August 2006, Cementos Portland Valderrivas signed a long-term syndicated loan for EUR 780,000 thousand to partially finance the purchase of Corporación Uniland through Grupo Portland S.L. At 31 December 2009, the outstanding balance was EUR 524,775 thousand. This loan matures every six months starting on 15 January 2007 with a final maturity date of 2012. The interest rate is tied to the Euribor plus a margin calculated on the change in ratio of net financial debt to Ebitda.

- Following is a detail of the amounts associated with projects financed through “Limited Recourse Project Financing Loans”:

	2009	2008
Waste Recycling Group	800,418	761,852
Cementos Portland Valderrivas Group (Uniland Project)	726,216	658,930
Olivento Group	465,641	

Other	554,723	417,840
	2,546,998	**1,838,622**

The detail of the bank borrowings, by currency and amounts drawn down at 31 December 2009 and 2008, is as follows:

	Euros	US dollar	Pound sterling	Czech Koruna	Brazilian real	Other	Total
2009							
Credit facilities and loans	5,390,247	327,876	152,869	31,610	10,994	56,802	5,970,398
Project financing loans with recourse	1,651,409		800,419	78,103		17,067	2,546,998
	7,041,656	**327,876**	**953,288**	**109,713**	**10,994**	**73,869**	**8,517,396**
2008							
Credit facilities and loans	5,254,877	323,202	219,525	199,073	20,944	82,810	6,100,431
Project financing loans with recourse	1,068,299		761,852			8,471	1,838,622
	6,323,176	**323,202**	**981,377**	**199,073**	**20,944**	**91,281**	**7,939,053**

The credit facilities and loans denominated in US dollars are being used mainly to finance the assets of the Cementos Portland Group, M&S Concesiones S.A. and the Versia Group in the United States; those arranged in pounds sterling relate to the financing of the assets of the WRG Group (Waste Recycling Group Ltd) in the United Kingdom; and those arranged in Czech koruna are being used to finance the operations of SmVaK (Severomoravske Vodovody a Kanalizace Ostrava, A.S.) and the assets of the Alpine Bau Group in the Czech Republic.

The credit facilities and loans denominated in Brazilian reales and other currencies are being used to finance the assets of Cemusa in Brazil, the positions of the Alpine Bau Group and A.S.A. in currencies other than the euro in Eastern Europe and the operations of the Uniland Group in Tunisia.

With regard to the Group's financing, it should be noted that certain ratios must be met concerning coverage of financial expenses and levels of net debt in relation to EBITDA. The ratios established were being met at year-end.

c) Other non-current financial liabilities

	2009	2008
Non-current		
Lease liabilities	100,463	88,724
Borrowings – non-Group third parties	174,013	351,530
Liabilities relating to financial derivatives	210,217	209,046
Deposits and bonds received	29,072	27,674
Other	17,936	14,788
	531,701	**691,762**

Under the heading of "Borrowings – non-Group third parties" on the table above, the sum of EUR 120,962 thousand refers to a put option executed by FCC Construcción, S.A., which on 29 October 2009 proceeded to revise the agreements initially signed with a minority shareholder, Alpine Holding GmbH:

The conditions of the agreement are as follows:

a) Under the initial agreement, FCC Construccion, S.A. has granted a minority shareholder of Alpine Holding GmbH a put option exercisable in 2009 on 52% of its ownership interest and in 2011 on the portion not previously exercised and on the remainder of its total ownership interest (20.73%). The exercise price is based on the performance of EBITDA, profit before tax and net financial debt in the financial statements for 2008, if the option is exercised in 2009, or in those for 2010 if it is exercised in 2011.

b) A supplemental agreement establishing two put options on 7% of the ownership interest which may be exercised at a rate of 3.5% in 2011 and 2012 of 7% in 2012. The price of this option is EUR 37,970 thousand plus 5% interest starting in November 2009.

c) An addendum to the initial agreement which stipulates the sale in 2011 of the interest not sold as of that date, from 13.5% to 17%, the price of which will be based on the gross operating profit and before-tax profits shown on the 2010 financial statements. Alternatively, if not sold in 2011, all shares in the company's possession as of that date will be sold in 2013, using the 2012 financial statements to set the price.

The minority shareholder exercised part of the put option in 2009 on 3.73% of the interest which was valued at EUR 20,230, with 17% of the option still remaining.

This heading includes the payment of EUR 171,070 thousand for the put option on 8.18% of the shares of Corporacion Uniland, S.A. whose shareholders are entitled to exercise the option over a maximum period of five years (2006-2011). This option was exercised in its entirety in the months of January (5.05%) and June (3.13%). See note 17.b).

Under the heading of "Liabilities arising from financial derivatives" described in Note 21, "Derivative financial instruments", the amount of EUR 32,007 thousand (EUR 27,368 thousand in 2008) refers to the market value of the put option on the treasury stock associated with the Stock Option Plan for officers and directors, as mentioned in Note 18, as well as the financial hedging instruments composed primarily of interest rate swaps.

d) Other current financial liabilities

	2009	2008
Current		
Lease liabilities	71,124	68,496
Interim dividend payable	99,017	113,096
Payable to non-current asset suppliers and notes payable	48,323	76,129
Payable to associates	17,798	21,633
Liabilities relating to financial derivatives	14,542	3,300
Deposits and bonds received	11,643	13,150
Other	6,312	26,915
	268,759	**322,719**

This balance sheet item includes various debt items, most notably that relating to the payment of the 2009 interim dividend, of which EUR 88,746 thousand correspond to the Parent.

e) Repayment schedule

The repayment schedule for the bank borrowings, debt instruments and other marketable securities and other non-current financial liabilities is as follows:

	2011	2012	2013	2014	2015 and thereafter	Total
2009						
Debentures and other marketable securities			66,521	421,213	74,977	562,711
Non-current bank borrowings	2,196,292	2,563,078	1,299,050	160,672	1,080,086	7,299,178
Other financial liabilities	161,652	62,123	195,800	21,916	90,210	531,701
	2,357,944	**2,625,201**	**1,561,371**	**603,801**	**1,245,273**	**8,393,590**

21. DERIVATIVE FINANCIAL INSTRUMENTS

Generally speaking, the financial derivatives contracted by the FCC Group are treated, from an accounting perspective, as provided for in the rules governing accounting hedges, as explained in Note 3.o) herein.

The main financial risk against which the FCC Group used derivative instruments to protect itself is risk associated with the floating interest rates on financing used by Group companies. At 31 December 2009, the FCC Group had arranged interest rate hedging transactions totalling EUR 5,109,731 thousand (31 December 2008: EUR 4,422,159 thousand), mainly in the form of IRSs in which the Group companies pay fixed interest rates and receive floating interest rates.

The details of the cash flow hedges and the fair value thereof is as follows:

	Type of derivative	Type of hedge	% hedged	Notional 31.12.08	Notional 31.12.09	Value at 31.12.08	Value at 31.12.09	Maturity
Fully consolidated companies								
Fomento de Construcciones y Contratas, S.A.	IRS	FE	100%	171,218	162,842	(13,927)	(13,102)	30/12/2013
	IRS	FE	2%	17,231	15,385	(715)	(943)	30/12/2013
	IRS	FE	20%	144,310	128,849	(6,942)	(8,629)	30/12/2013
	IRS	FE	31%	219,695	196,159	(11,230)	(13,645)	30/12/2013
	IRS	FE	17%	122,771	109,618	(5,833)	(7,285)	30/12/2013
	BASIS SWAP	FE		100,000	20,011	(584)	(13)	30/06/2010
	BASIS SWAP	FE		100,000	—	(540)	—	30/12/2009
	BASIS SWAP	FE		4,007	100,000	(22)	(65)	30/06/2010
	BASIS SWAP	FE		100,000	100,000	(776)	(62)	30/06/2010
	BASIS SWAP	FE		—	100,000	—	(63)	30/06/2010
	BASIS SWAP	FE		200,000	**130,000**	**(1,044)**	**(84)**	30/06/2010
Azincourt Investment, S.L.	IRS	FE	15%	97,656	100,606	(9,192)	(8,849)	31/12/2013
	IRS	FE	15%	97,656	100,606	(9,192)	(8,849)	31/12/2013
	IRS	FE	15%	97,656	100,606	(9,192)	(8,849)	31/12/2013
	IRS	FE	14%	88,348	88,298	(8,068)	(7,766)	31/12/2013
Severomoravské Vodovody a Kanalizace Ostrava A.S. (SmVaK)	IRS	VR	25%	18,700	18,900	700	589	16/11/2015

WRG –RE3	IRS	FE		32,087	—	(451)	—	30/09/2009
	IRS	FE		6,505	—	—	—	30/09/2009
	IRS	FE	82%	34,204	36,684	(3,892)	(2,620)	30/09/2029
Kent	IRS	FE	37%	51,014	52,823	(6,870)	(5,370)	31/03/2027
	IRS	FE	16%	21,863	**22,638**	**(2,944)**	**(2,302)**	31/03/2027
	IRS	FE	27%	36,438	37,731	(4,907)	(3,836)	31/03/2027
WRG – WREXHAM	IRS	FE	100%	21,683	27,239	—	—	31/03/2010
	IRS	FE		—	—	(5,115)	(3,007)	30/09/2032
	IRS	FE		3,410	—	(10)	—	10/02/2009
Depurplan 11, S.A.	IRS	FE	65%	9,099	8,735	(759)	(873)	01/12/2025
Ecodeal - Gestao Integral de Residuos Industriais, S.A.	IRS	FE	80%	13,600	12,640	542	(849)	15/12/2017
Autovía Conquense, S.A.	IRS	FE	100%	7,667	56,000	(3,473)	(4,458)	30/06/2024
	IRS	FE	100%	3,833	28,000	(1,736)	(2,229)	28/06/2024
Olivento	IRS	FE	7%	—	33,774	—	(451)	31/12/2024
	IRS	FE	9%	—	41,691	—	(556)	31/12/2024
	IRS	FE	16%	—	72,941	—	(984)	31/12/2024
	IRS	FE	6%	—	29,025	—	(392)	31/12/2024
	IRS	FE	7%	—	33,774	—	(456)	31/12/2024
	IRS	FE	9%	—	39,166	—	(528)	31/12/2024
	IRS	FE	6%	—	27,160	—	(362)	31/12/2024
	IRS	FE	7%	—	33,774	—	(456)	31/12/2024
	IRS	FE	9%	—	39,166	—	(523)	31/12/2024
ALPINE	Currency forward	FE		11,274	2,318	(1,823)	(857)	18/01/2010
	Currency forward	FE		11,218	2,014	(2,073)	(923)	13/01/2010
	Currency forward	FE		11,901	5,431	(2,740)	(1,238)	04/01/2010
	Currency forward	FE		11,849	8,473	(2,382)	(1,507)	18/01/2010
	COLLAR	FE		5,000	—	(1,335)	—	20/10/2009
	Currency forward	FE		27,201	12,083	(2,673)	(1,525)	19/01/2010
Concesionaria Túnel de Coatzcoalcos, S.A. de C.V.	IRS	FE	100%	19,014	31,634	(945)	(1,617)	10/06/2014
Cementos Portland Valderrivas, S.A.	IRS	FE	100%	150,000	150,000	(2,663)	(5,601)	22/02/2011
	IRS	FE	100%	482,182	409,855	(5,445)	(16,696)	15/07/2011
	IRS	FE	100%	—	16,667	—	(238)	15/07/2012
	IRS	FE	100%	—	16,667	—	(238)	15/07/2012
	IRS	FE	100%	—	16,667	—	(238)	15/07/2012
	BASIS SWAP	FE		—	50,000	(13,162)	(205)	15/01/2010
	BASIS SWAP	FE		—	150,000	(2,955)	(406)	25/03/2010
	BASIS SWAP	FE		—	409,855	(11,043)	(1,676)	15/01/2010
Portland, S.L.	IRS	FE	12%	93,200	89,148	(2,111)	(5,241)	15/07/2012
	IRS	FE	7%	50,185	48,003	(1,172)	(2,849)	15/07/2012
	IRS	FE	12%	93,200	89,148	(2,111)	(5,241)	15/07/2012
	IRS	FE	7%	50,185	48,003	(1,172)	(2,849)	15/07/2012
	IRS	FE	12%	93,200	89,148	(2,111)	(5,241)	15/07/2012
	IRS	FE	7%	50,185	48,003	(1,172)	(2,849)	15/07/2012
	IRS	FE	6%	46,600	44,574	(1,055)	(2,621)	15/07/2012
	IRS	FE	3%	25,092	24,002	(586)	(1,424)	15/07/2012
	IRS	FE	6%	46,600	44,574	(1,055)	(2,621)	15/07/2012
	IRS	FE	3%	25,092	24,002	(586)	(1,424)	15/07/2012
Giant Cement Holding, Inc	IRS	FE	100%	67,150	66,609	(8,705)	(6,713)	22/05/2013
	IRS	FE	26%	42,046	36,494	(4,061)	(2,891)	27/10/2014
	IRS	FE	26%	42,046	36,494	(4,061)	(2,891)	27/10/2014

Uniland Cementera, S.A.	COLLAR	FE		3,005	—	—	—	22/07/2009
Cementos Lemona, S.A.	IRS	FE	50%	5,600	4,000	(170)	(172)	01/06/2012
	IRS	FE	50%	5,775	4,125	(199)	(184)	14/06/2012
	IRS	FE	50%	2,813	2,063	(83)	(98)	20/07/2012
Total fully consolidated companies				**3,292,264**	**4,084,895**	**(185,821)**	**(186,141)**	
Companies carried using the equity method								
Tramvia Metropolità, S.A.	IRS	FE	56%	9,451	9,115	(1,680)	(1,824)	31/10/2023
	IRS	FE	24%	4,050	3,906	(720)	(781)	31/10/2023
Tramvia Metropolità del Besós, S.A.	IRS	FE	64%	11,446	11,613	(1,399)	(1,580)	30/06/2023
	IRS	FE	16%	2,861	2,903	(350)	(395)	30/06/2023
Cedinsa Eix del Llobregat, S.A.	IRS	FE	70%	52,335	41,451	(1,280)	(1,135)	01/05/2033
Urbs Iudex et Causidicus, S.A.	IRS	FE	100%	80,044	78,042	(26,306)	(26,763)	30/12/2033
Cedinsa d'Aro, S.A.	CAP	FE	100%	4,080	5,440	16	—	04/01/2010
	IRS	FE	100%	8,449	8,449	(714)	(719)	03/01/2033
Nova Bocana Barcelona, S.A.	IRS	FE	17%	3,660	5,523	(481)	(545)	30/06/2025
	IRS	FE	33%	7,320	11,047	(963)	(1,088)	30/06/2025
Suministro de Aguas de Querétano, S.A. de C.V.	CAP	FE	100%	18,570	26,337	30	18	20/01/2011
Betearte, S.A.U.	IRS	FE	33%	1,923	1,923	(165)	(242)	06/02/2018
Atlántica de Graneles y Moliendas, S.A.	IRS	FE	25%	1,094	656	6	(10)	02/06/2011
	IRS	FE	25%	1,094	656	6	(10)	02/06/2011
	IRS	FE	25%	1,094	656	6	(10)	02/06/2011
	IRS	FE	25%	1,094	656	6	(10)	02/06/2011
Realia Patrimonio, S.L.U.	IRS	FE	2%	7,369	8,096	(581)	(728)	30/06/2014
	IRS	FE	2%	7,369	8,096	(577)	(724)	30/06/2014
	IRS	FE	4%	14,738	16,193	(1,069)	(1,372)	30/06/2014
	IRS	FE	4%	14,738	16,193	(1,200)	(1,490)	30/06/2014
	IRS	FE	4%	14,738	16,193	(1,200)	(1,490)	30/06/2014
	IRS	FE	4%	14,738	16,193	(1,154)	(1,449)	30/06/2014
	IRS	FE	2%	7,369	8,096	(600)	(745)	30/06/2014
	IRS	FE	2%	7,369	8,096	(581)	(728)	30/06/2014
	IRS	FE	4%	14,738	16,193	(1,069)	(1,372)	30/06/2014
	IRS	FE	4%	14,738	16,193	(1,200)	(1,490)	30/06/2014
	IRS	FE	4%	14,738	16,193	(1,200)	(1,490)	30/06/2014
	IRS	FE	4%	14,738	16,193	(1,154)	(1,449)	30/06/2014
	IRS	FE	2%	7,369	8,096	(600)	(745)	30/06/2014
	IRS	FE	2%	7,369	8,096	(581)	(728)	30/06/2014
	IRS	FE	2%	7,369	8,096	(581)	(728)	30/06/2014
	IRS	FE	2%	7,369	8,096	(577)	(724)	30/06/2014
Societe d'Investissements Inmobiliers Cotee de Paris	IRS	FE	5%	7,731	8,026	(588)	(721)	30/06/2014
	IRS	FE	5%	7,731	8,026	(569)	(705)	30/06/2014
	IRS	FE	10%	15,462	16,052	(1,175)	(1,442)	30/06/2014
	IRS	FE	10%	15,462	16,052	(1,048)	(1,329)	30/06/2014
	IRS	FE	10%	15,462	16,052	(1,048)	(1,329)	30/06/2014
	IRS	FE	10%	15,462	16,052	(1,175)	(1,442)	30/06/2014
	IRS	FE	5%	7,731	8,026	(588)	(721)	30/06/2014
	IRS	FE	5%	7,731	8,026	(569)	(705)	30/06/2014
Hermanos Revilla, S.A.	IRS	FE	50%	3,898	1,114	(75)	(41)	16/01/2012

Ruta de los Pantanos, S.A.	IRS	FE	42%	1,860	12,163	(826)	(1,521)	02/01/2018
Autopista Central Galega Sociedad Concesionaria Española, S.A. Unipersonal	IRS	FE	44%	25,895	25,899	(1,194)	(2,176)	31/07/2013
	IRS	FE	26%	15,537	15,539	(716)	(1,306)	31/07/2013
Hospital del Sureste, S.A.	IRS	FE	52%	10,299	9,910	(184)	(181)	31/12/2032
	IRS	FE	84%	5,003	—	(217)	—	31/12/2032
Túnel d'Envalira, S.A. Concesionaria del Principat d'Andorra	COLLAR	FE	61%	7,191	7,134	103	(451)	20/07/2022
Tranvía de Parla, S.A.	IRS	FE	70%	24,713	20,654	(1,895)	(1,869)	30/12/2022
Concesiones de Madrid, S.A.	IRS	FE	46%	35,305	34,450	(1,319)	(2,109)	06/12/2027
Terminal Polivalente de Castellón, S.A.	IRS	FE	39%	—	5,196	—	(489)	15/01/2018
	IRS	FE	19%	—	2,598	—	(244)	15/01/2018
	IRS	FE		6,742	—	48	—	28/07/2009
Autovía del Camino, S.A.	SWAP INFLACIÓN	FE	18%	6,533	3,316	8,560	5,206	15/12/2027
	IRS	FE	100%	55,762	27,863	(9,147)	(4,475)	15/12/2027
	IRS	FE	62%	34,365	17,155	(4,937)	(2,604)	15/12/2024
	IRS	FE	42%	2,278	1,139	(797)	(86)	16/12/2030
Autopista de la Costa Cálida Concesionaria Española de Autopistas, S.A.	IRS	FE	25%	40,219	20,109	(827)	(992)	15/12/2012
	IRS	FE	25%	40,219	20,109	(827)	(992)	15/12/2012
Madrid 407 Sociedad Concesionaria, S.A.	IRS	FE	70%	23,184	11,592	(2,663)	(1,365)	10/07/2033
Ibisan, S.A.	IRS	FE	70%	29,257	14,302	(1,001)	(601)	30/12/2027
N6 (Concession) Limited	IRS	FE	25%	11,335	5,964	(508)	(342)	30/06/2013
	IRS	FE	19%	4,101	4,297	(569)	(326)	30/06/2034
	IRS	FE	25%	741	371	(45)	(29)	30/06/2034
	IRS	FE	25%	3,445	1,763	(35)	(27)	04/01/2010
	IRS	FE	27%	2,585	1,323	(25)	(20)	04/01/2010
	IRS	FE	20%	8,504	4,474	(368)	(254)	28/06/2013
	IRS	FE	27%	3,077	3,223	(401)	(233)	30/06/2034
	IRS	FE	27%	556	278	(31)	(21)	30/06/2034
	IRS	FE	27%	3,368	1,764	(14)	(24)	04/01/2010
	IRS	FE	20%	11,340	5,966	(491)	(338)	28/06/2013
	IRS	FE	27%	4,103	4,298	(534)	(310)	30/06/2034
	IRS	FE	27%	756	378	(41)	(27)	30/06/2034
	IRS	FE	25%	3,447	1,764	(33)	(27)	04/01/2010
	IRS	FE	19%	11,340	5,966	(491)	(338)	28/06/2013
	IRS	FE	25%	4,103	4,298	(534)	(310)	30/06/2034
	IRS	FE	25%	742	378	(42)	(28)	30/06/2034
Portsur Castellón, S.A.	IRS	FE	100%	8,933	4,466	(824)	(461)	31/10/2031
M50 (Concession) Limited	IRS	FE	22%	6,376	5,110	(2,161)	(900)	28/03/2040
	IRS	FE	22%	6,376	5,110	(2,284)	(962)	28/03/2040
	IRS	FE	22%	6,376	5,110	(2,287)	(961)	28/03/2040
	IRS	FE	22%	6,376	5,110	(2,284)	(961)	28/03/2040
	IRS	FE	25%	2,798	1,469	(93)	(43)	27/10/2010
	IRS	FE	25%	2,798	1,469	(93)	(43)	27/10/2010
	IRS	FE	25%	2,798	1,469	(93)	(43)	27/10/2010
	IRS	FE	25%	2,798	1,469	(93)	(43)	27/10/2010

Autopistas del Sol, S.A.	IRS	FE	71%	72,729	30,778	(14,472)	(2,691)	30/11/2023

Concesionaria Hospital Son Dureta, S.A.	IRS	FE	90%	6,341	11,038	(3,663)	(2,321)	25/07/2029
	IRS	FE	90%	6,341	11,038	(3,581)	(2,304)	25/07/2029
Autovía Necaxa - Tihuatlan, S.A. de C.V.	IRS	FE	34%	15,862	14,500	(1,243)	(786)	06/12/2027
	IRS	FE	33%	15,396	14,074	(1,206)	(763)	06/12/2027
	IRS	FE	33%	15,396	14,074	(1,206)	(763)	06/12/2027
Scutvias-Autoestradas da Beira Interior, S.A.	IRS	FE	70%	8,669	13,221	(1,169)	(2,750)	04/10/2018
	IRS	FE	27%	3,334	8,264	(450)	(1,718)	04/10/2018
	IRS	FE	27%	—	8,264	—	(1,718)	04/10/2018
	IRS	FE	11%	—	3,305	—	(689)	04/10/2018
Aeropuerto de Castellón	IRS	FE	6%	5,518	5,712	(294)	(442)	30/09/2019
Transportes Ferroviarios de Madrid, S.A.	IRS	FE	—	14,684	—	—	—	16/03/2009
Auto-Estradas XXI – Subconcessionaria Transmontana, S.A.	IRS	FE	1%	—	6,646	—	(693)	31/12/2029
	IRS	FE	0%	—	2,420	—	(252)	31/12/2029
	IRS	FE	0%	—	4,289	—	(447)	31/12/2029
	IRS	FE	1%	—	6,646	—	(693)	31/12/2029
	IRS	FE	1%	-	6,646	—	(693)	31/12/2029
	IRS	FE	1%	—	6,320	—	(659)	31/12/2029
	IRS	FE	1%	—	3,600	—	(375)	31/12/2029
CIRALSA Sociedad Anónima Concesionaria del Estado	IRS	FE	3%	—	7,083	—	(132)	30/12/2024
	IRS	FE	3%	—	7,083	—	(132)	30/12/2024
	IRS	FE	4%	—	7,083	—	(133)	30/12/2024
Compañía Concesionaria del Túnel de Sóller, S.A.	IRS	FE	40%	—	3,112	—	(66)	30/06/2018
	IRS	FE	40%	—	3,112	—	(67)	30/06/2018
Total companies carried using the equity method				**1,129,895**	**1,024,836**	**(114,244)**	**(105,594)**	

The detail, by maturity, of the notional amount of the hedging transactions arranged at 31 December 2009 is as follows:

	Notional Maturity				
	2010	**2011**	**2012**	**2013**	**2014 and subsequent years**
Fully consolidated companies	1,376,787	676,774	677,454	809,522	544,358
Companies carried using the equity method	33,207	51,716	85,831	134,221	719,861

The following table shows the financial derivatives contracted for hedging purposes by the company but which are not considered hedges for accounting purposes:

	Type of derivative	Type of hedge	% hedged	Notional 31.12.08	Notional 31.12.09	Value at 31.12.08	Value at 31.12.09
Fully consolidated companies							
Recuperaciones Madrileñas del Papel, S.A.	IRS	ESP	122	—	(1)	—	30/09/2009
.A.S.A. Abfall Service Zistersdorf GmbH	COLLAR	ESP	40,667	50,667	(3,280)	(5,726)	28/03/2024
Lemona Industrial, S.A. Unipersonal	IRS	ESP	225	—	1	—	27/07/2009
Tecami Ofitas, SA.	IRS	ESP	330	—	1	—	27/07/2009
Total fully consolidated companies			**41,344**	**50,667**	**(3,279)**	**(5,726)**	
Companies carried using the equity method							
Zabalgarbi, S.A.	COLLAR	ESP	4,500	4,500	(46)	(58)	26/01/2010
	BARRIER SWAP	ESP	3,000	3,000	(209)	(342)	26/01/2014
			3,000	—	—	—	26/01/2009
	COLLAR	ESP	3,000	3,000	(61)	(86)	26/01/2010
	BARRIER SWAP	ESP	4,500	4,500	(416)	(562)	27/01/2014
	BARRIER SWAP	ESP	3,000	3,000	(22)	(50)	26/01/2010
	BARRIER SWAP	ESP	3,000	3,000	(15)	(48)	26/01/2010
Wilanow Realia sp. z.o.o.	Cross Currency Swap	ESP	1,192	—	98	—	06/03/2009
	Cross Currency Swap	ESP	3,688	—	285	—	14/12/2009
Ruta de los Pantanos, S.A.	IRS	ESP	7,849	—	(165)	—	27/07/2009
Total equity method			**36,729**	**21,000**	**(551)**	**(1,146)**	

The detail, by maturity, of the notional amount covered by the derivatives that do not meet the requirements to be considered hedging instruments:

	Notional Maturity				
	2010	**2011**	**2012**	**2013**	**2014 and thereafter**
Fully consolidated companies	3,556	3,556	3,556	3,556	36,443
Companies carried using the equity method	13,500				7,500

The following table refers to the fair value of the PUT treasury stock sale instruments associated with the stock option plan for officers and directors mentioned in Note 18:

Type of derivative	Classification	Amount contracted	Maturity	Impact on 2009 profit (loss)	Fair value 2008		Fair value 2009	
					Assets	Liabilities	Assets	Liabilities
First tranche								
CALL	Hedge	61,596	30/09/2013	—	3,011	—	6,983	—
PUT	Speculative	61,596	30/09/2013	5,379	—	27,368	—	21,989
Swap	Speculative	61,596	30/09/2013	1,227	4,398	—	5,625	—
				6,606	**7,409**	**27,368**	**12,608**	**21,989**
Second tranche								
CALL	Hedge	37,065	10/02/2014	—	—	—	9,939	—
PUT	Speculative	37,065	10/02/2014	982	—	—	—	10,018
Swap	Speculative	37,065	1002/2014	734	—	—	6,533	—
				1,716	—	—	**16,472**	**10,018**

22. TAXES

This Note describes the headings in the accompanying consolidated balance sheet and consolidated income statement relating to the tax obligations of each of the Group companies, such as deferred tax assets and liabilities, tax receivables and payables and the income tax expense.

Under authorisation 18/89, the FCC Group files consolidated income tax returns with all the other Group companies that meet the requirements established by tax legislation.

Fomento de Construcciones y Contratas, S.A., the subsidiaries composing the FCC Group and the joint ventures have all the years not yet statute-barred open for review by the tax authorities for the taxes applicable to them. The criteria that the tax authorities might adopt in relation to the years open for review could give rise to contingent tax liabilities which cannot be objectively quantified. In relation to the years which have been reviewed, in certain cases the criteria applied by the tax authorities gave rise to tax assessments, which are currently being appealed against by the related Group companies. However, the Parent’s directors consider that the resulting liabilities, relating both to the years open for review and to the assessments issued, will not significantly affect the Group’s equity.

a) Deferred tax assets and liabilities

The deferred tax assets arise mainly as a result of the differences between the depreciation and amortisation charges and impairment losses that will become deductible from the income tax base in future years. In general, each year the Group companies take the tax credits provided for under tax legislation and, therefore, the deferred tax assets do not include any material tax credit carryforwards.

The tax losses of the subsidiaries were generally offset by deducting from the income tax the investment valuation allowances recognised by the Group companies owning the holding, or by deducting these losses from the consolidated tax base in the case of subsidiaries that file consolidated tax returns. However, certain companies recognised deferred tax assets relating to tax losses amounting to EUR 36,628 thousand, since they considered that there are no doubts as to their recoverability (31 December 2008: EUR 31,654 thousand).

Deferred tax liabilities arose mainly as a result of:

- The differences between the tax base and the carrying amount resulting from the recognition of assets at fair value in connection with the corporate acquisitions in the FCC Group's various business segments, as indicated in Note 3.b) and 4. In general, these liabilities do not represent future cash outflows since they reverse at the same rate as that of the depreciation taken on the revalued assets.

- The depreciation for tax purposes of leased assets and of certain items of property, plant and equipment qualifying for accelerated depreciation for tax purposes, including most notably EUR 9,795 thousand (31 December 2007: EUR 9,973 thousand) relating to 30% of the depreciation taken early on the Torre Picasso building, which qualifies for the tax benefits provided for in Royal Decree-Law 2/1985.

- The profit of joint ventures that will be included in the income tax base for the following year.

- The depreciation for tax purposes of leased assets and of certain items of property, plant and equipment qualifying for accelerated depreciation for tax purpose and the release of amortisation in 2009 which made it possible to completely amortise certain investments as long as certain requirements were met.

- The tax deductibility of the goodwill arising on the acquisition of non-resident companies (up to a limit of one-twentieth of the total) since, in accordance with IFRS 3 Business Combinations, goodwill is not amortisable for accounting purposes.

In 2008 "Retained Earnings and Other Reserves" includes a decrease of EUR 16,118 thousand (increase of EUR 108,682 thousand at 31 December 2008) arising from the tax effect of translation differences and the adjustment of the fair value of financial instruments, with a balancing entry in the related deferred taxes.

Additionally, part c) below ("Income Tax Expense") shows the changes in the other deferred taxes which include the tax deductible portion of the goodwill that arose on the acquisition of foreign companies and which reduced the income tax payable in 2009 by EUR 17,609 thousand (31 December 2008: EUR 17,136 thousand).

Following is a detail of the expected reversal dates of the deferred tax assets and liabilities:

	2010	2011	2012	2013	2014 and thereafter	Total
Assets	34,377	31,881	18,029	9,315	505,576	**599,178**
Liabilities	120,153	52,141	43,362	41,446	959,808	**1,216,910**

b) Taxes

The detail at 31 December 2009 and 2008 of the current assets and liabilities included under "Tax Receivables" and "Tax Payables", respectively, is as follows:

Current assets

	2009	2008
VAT refundable (Note 15)	159,300	187,900
Current tax	57,833	51,005
Other tax items (Note 15)	59,559	49,211
	276,692	**288,116**

Current liabilities

	2009	2008
Vat payable (*)	259,482	279,152
Current tax	19,316	31,388
Other tax items (*)	314,220	277,016
	593,018	**587,556**

(*) Included under "Other payables"

c) Income tax expense

The income tax expense incurred in 2009 amounts to EUR 114,916 thousand (2008: EUR 99,960 thousand), as shown in the accompanying consolidated income statement. Following is the reconciliation of the expense to the tax charge payable:

	2009			2008		
Consolidated before-tax accounting profit for the year			**449,895**			**492,850**
	Increases	**Decreases**		**Increases**	**Decreases**	
Adjustments and eliminations	28,486	—	28,486	—	(17,559)	(17,559)
Permanent differences	35,644	(45,382)	(9,738)	32,682	(41,719)	(9,037)
Adjusted consolidated accounting profit			**468,643**			**466,254**
Temporary differences						
-Arising in the year	240,863	(485,420)	(244,557)	207,046	(390,373)	(183,327)
-Arising in prior years carryforwards	182,480	(149,663)	32,817	342,033	(189,649)	152,384
Consolidated taxable base)			**256,903**			**435,311**

	2009	2008
Adjusted consolidated accounting profit	468,643	466,254
Income tax charge	143,565	143,984
Tax credits and tax relief	(22,453)	(15,338)
Adjustments due to change in tax rate	—	(25,285)
Other adjustments	(6,196)	(3,401)
Income tax expense	**114,916**	**99,960**

23. PENSION PLANS AND SIMILAR OBLIGATIONS

In general, the Spanish Group companies have not established any pension plans to supplement the Social Security pension benefits. However, pursuant to the Consolidated Pension Fund and Plan Law, in the specific cases in which similar obligations exist, the companies externalise their pension and other similar obligations to employees.

In addition, following authorisation by the Executive Committee, in the past an insurance policy was arranged and the premium paid to cover the payment of benefits relating to death, permanent occupational disability, retirement bonuses and pensions and other situations for, among other employees, certain executive directors and executives. In particular, the contingencies giving rise to benefits are those which entail the extinguishment of the employment relationship for any of the following reasons:

a) Unilateral decision of the Company.
b) Dissolution or disappearance of the Parent for whatever cause, including merger or spin-off.
c) Death or permanent disability.
d) Other causes of physical or legal incapacity.
e) Substantial change in professional terms and conditions.
f) Resignation of the executive on reaching 60 years of age, at the request of the executive and with the consent of the Company.
g) Resignation of the executive on reaching 65 years of age, by unilateral decision of the executive.

The accompanying consolidated income statement does not include premium payments in relation to this insurance policy (in 2008 the sum of EUR 571,000 was paid) but does include premium rebates in the amount of EUR 6,418 thousand (EUR 3,972 thousand in 2008. At 31 December 2009, the fair value of the premiums contributed covered all the actuarial obligations assumed. In 2009, beneficiaries received EUR 5,942 thousand from the insurance company (EUR 5,952 thousand in 2008).

The liability side of the accompanying consolidated balance sheet for 2009 includes the present value, totalling EUR 3,082 thousand (2008: EUR 3,132 thousand) of the amounts payable in relation to the Spanish Group companies' post-employment benefit obligations to former executives. Also, remuneration amounting to EUR 221 thousand in both 2009 and 2008 was paid with a charge to this provision.

Certain of the Group's foreign subsidiaries have undertaken to supplement the retirement benefits and other similar obligations accruing to their employees. The accrued obligations and any assets assigned thereto were measured by independent actuaries using generally accepted actuarial methods and techniques. Where appropriate, the obligations were recognised in the accompanying consolidated balance sheet under “Non-Current Provisions - Pensions and Similar Obligations”, as established by IFRSs (see Note 19).

The benefits referred to in the preceding paragraph are as follows:

- The cement company Giant Cement Holding Inc., resident in the USA, is obliged to supplement its employees’ retirement pension benefits. The valuation of the plan assets and the accrued obligations was performed by independent actuaries. The projected unit credit method was used for this purpose, with an average actuarial discount rate of 5.70% (2008: 6.75%). At 31 December 2009, the fair value of the plan assets amounted to USD 53,280 thousand (2008: USD 49,456 thousand), and the actuarial value of the accrued obligations amounted to USD 65,151 thousand (2008: USD 57,612 thousand).

  Also, Giant Cement Holding, Inc. has undertaken to continue to provide healthcare and life insurance for certain employees after termination of their employment, the cost of which in 2009 was USD 41,871 thousand (USD 43,299 thousand in 2008).

  The accrued obligations payable are included in the accompanying consolidated balance sheet under “Non-Current Provisions”.

  At 31 December 2009, the actuarial deficit for pension and healthcare insurance obligations to employees amounted to USD 10,970 thousand (2008: USD 16,708 thousand) net of taxes, which are not provided for in the consolidated financial statements of the Group since, as permitted under IAS 19 Employee Benefits, the Group opted to defer recognition of actuarial gains and losses, which are being systematically recognised in the income statement over the remaining years of the employees’ working life in the case of pension benefit obligations, and over the remaining life expectancy of the employees in the case of healthcare insurance obligations.

- The accompanying consolidated balance sheet at 31 December 2008 includes the employee benefit obligations of the Waste Recycling Group companies, resident in the UK. These obligations are represented by certain assets assigned to the plans funding the benefits, the fair value of which amounted to EUR 31,661 thousand (31 December 2008: EUR 23,672 thousand), and the actuarial value of the accrued obligations amounted to EUR 36,195 thousand (31 December 2008: EUR 25,615 thousand). The net difference, representing a liability of EUR 4,534 thousand (31 December 2008: EUR 1,943 thousand), was recognised under “Provisions for Pensions and Similar Obligations” in the accompanying consolidated balance sheet. “(Charge to)/Reversal of Operating Allowances” in the accompanying consolidated income statement includes a cost of EUR 1,007 thousand (31 December 2008: EUR 381 thousand) relating to the net difference between the service cost and the return on the plan assets. The average actuarial rate applied was 5.7%. (5.6% en 2008).

- At 31 December 2009, the Alpine Bau Group companies contributed EUR 48,599 thousand (31 December 2008: EUR 44,311 thousand) relating to the actuarial value of their accrued pension and termination benefit obligations. The amount of these obligations is recognised under “Provisions for Pensions and Similar Obligations” in the accompanying consolidated balance sheet. A cost of EUR 7,154 thousand is included in the accompanying consolidated income statement in respect of the aforementioned items (31 December 2008: EUR 4,688 thousand)

- Lastly, Flightcare Italia, SpA also contributed EUR 12,170 thousand (31 December 2008: EUR 12,440 thousand) to “Provisions for Pensions and Similar Obligations” in the accompanying consolidated balance sheet at 31 December 2009. This amount relates to the actuarial value of the accrued obligations, to which no assets have been assigned. "(Charge to)/Reversal of Operating Allowances" in the accompanying consolidated income statement includes a cost of EUR 1,370 thousand (31 December 2008: EUR 461 thousand) relating to the net difference between the service cost and the discounted present value. The average actuarial rate applied was 4.14%.

The details of the changes in the year in the obligations and assets associated with the pension plan are as follows:

2009 Financial Statements

Actual evolution of the present value of the obligation

	Giant	Waste Recycling Group	Alpine	Flightcare
Opening balance of obligations	**72,295**	**25,615**	**56,263**	**11,748**
Current service cost	2,359	594	7,172	
Borrowing costs	2,613	1,707	2,491	482
Contributions by participants		193		888
Actuarial gains/losses	3,580	5,945	424	317
Changes due to exchange rate	(2,439)	2,754		
Benefits paid in 2009	(4,114)	(897)	(7,744)	(1,639)
Past service cost		284	2,089	
Closing balance of obligations	**74,294**	**36,195**	**60,695**	**11,796**

Actual evolution of the fair value of plan assets

	Giant	Waste Recycling Group	Alpine	Flightcare
Opening balance of plan assets	**35,534**	**23,672**	**11,952**	
Expected return on assets	5,639	1,577	382	
Actuarial gains/losses		3,131		
Changes due to exchange rate	(1,201)	2,613	350	
Employer contributions		1,373	2,126	
Participant contributions		192		
Benefits paid	(2,985)	(897)	(1,915)	
Closing balance of plan assets	**36,987**	**31,661**	**12,895**	

Reconciliation of the actual evolution of the obligation, less the plan assets with the balance effectively recognised on the balance sheet

	Giant	Waste Recycling Group	Alpine	Flightcare
Net balance of obligations less plan assets at year-end	**37,307**	**4,534**	**47,800**	**11,796**
Actuarial gains/losses not recognised in the balance sheet (within the 10% limit)			822	374
Actuarial gains/losses not recognised in the balance sheet to be recognised in subsequent years	(17,261)			
Past service cost not recognised on the balance sheet (paragraph 58.b, IAS 19)			(23)	
Net balance (asset-liability) recognised at year-end	**20,046**	**4,534**	**48,599**	**12,170**

2008 Financial Statements

Actual evolution of the present value of the obligation

	Giant	Waste Recycling Group	Alpine	Flightcare
Opening balance of obligations	**70,383**	**27,399**	**54,245**	**14,209**
Current service cost	1,260	387	7,895	—
Borrowing costs	4,433	1,534	2,114	461
Contributions by participants	—	185	—	262
Actuarial gains/losses	(3,187)	(4,948)	(4,582)	(174)
Changes due to exchange rate	4,159	1,617	890	—
Benefits paid in 2009	(4,753)	(718)	(4,299)	(2,477)
Past service cost	—	159	—	—
Reductions	—	—	—	(533)
Closing balance of obligations	**72,295**	**25,615**	**56,263**	**11,748**

Actual evolution of the fair value of plan assets

	Giant	Waste Recycling Group	Alpine	Flightcare
Opening balance of plan assets	**42,079**	**26,884**	**8,072**	—
Expected return on assets	(5,358)	1,792	404	—
Actuarial gains/losses	—	(7,038)	(175)	—
Changes due to exchange rate	1,968	—	726	—
Employer contributions	1,598	1,131	4,234	—
Participant contributions	—	185	—	—
Benefits paid	(4,753)	718	(1,309)	—
Closing balance of plan assets	**35,534**	**23,672**	**11,952**	—

Reconciliation of the actual evolution of the obligation, less the plan assets with the balance effectively recognised on the balance sheet

	Giant	Waste Recycling Group	Alpine	Flightcare
Net balance of obligations less plan assets at year-end	**36,761**	**1,943**	**44,311**	**11,748**
Actuarial gains/losses not recognised in the balance sheet (within the 10% limit)	—	—	—	692
Actuarial gains/losses not recognised in the balance sheet to be recognised in subsequent years	(19,412)	—	—	—
Net balance (asset-liability) recognised at year-end	**17,349**	**1,943**	**44,311**	**12,440**

24. GUARANTEE COMMITMENTS TO THIRD PARTIES AND OTHER CONTINGENT LIABILITIES

At 31 December 2009, the Group had provided EUR 5,927,309 thousand of guarantees to third parties, mostly consisting of completion bonds provided to government agencies and private-sector customers as security for the performance of construction projects and urban cleaning contracts (31 December 2008: EUR 4,991,968 thousand).

Fomento de Construcciones y Contratas, S.A. and the Group's subsidiaries are acting as defendants in certain lawsuits in relation to the liability inherent to the various business activities carried on by the Group in the performance of the contracts awarded, for which the related provisions have been recognised (see Note 19). The lawsuits, although numerous, represent scantly material amounts when considered individually and none of them are particularly noteworthy. Accordingly, on the basis of past experience and the existing provisions, the resulting liabilities would not have a significant effect on the Group's equity.

In relation to the Group companies' interests in businesses managed jointly through unincorporated joint ventures, joint property entities, silent participation agreements, economic interest groupings and other entities of a similar legal nature, the venturers share joint and several liability with respect to the activity carried on (see Note 12).

25. INCOME AND EXPENSES

a) Operating revenues

The Group classifies operating income under "Revenue", except for that arising from work on non-current assets, operating grants, income from the sale of real estate assets and the expenses chargeable to tenants are recorded as "Other Operating Income" on the enclosed consolidated income statement.

Note 26, "Segment Reporting", shows the contribution of the business lines to consolidated revenue.

The details of "Other Operating Income" in 2009 and 2008 are as follows:

	2009	2008
Income from sundry services	205,726	212,524
CO_2 emission rights	35,278	16,251
Insurance indemnities	19,922	13,806
Real estate business charges	7,185	28,397
Operating grants	21,591	6,911
Other income	14,642	12,446
Excess provisions	53,183	59,440
Income from the sale of real estate assets		25,344
	357,527	**375,119**

b) Raw materials and consumables

The details of the balance under "Raw materials and consumables" at 31 December 2009 and 2008 were as follows:

	2009	2008
Work performed by subcontractors and other companies	3,941,190	4,183,987
Purchases and procurements	2,181,971	2,724,380
Other external expenses	2,961	78,874
	6,126,122	**6,987,241**

c) Staff costs

The details of "Staff Costs" in 2009 and 2008 is as follows:

	2009	2008
Wages and salaries	2,584,745	2,556,951
Social security	648,387	634,935
Other staff costs	63,390	68,880
	3,296,522	**3,260,766**

The balance under "Staff costs" at 31 December 2009 included EUR 1,824 thousand (EUR 733 thousand at 31 December 2008) relative to the Stock Option Plan (Note 18).

The average number of employees working for the Group, by professional category, in 2009 and 2008 was as follows:

	2009	2008
Managers and university graduates	4,410	4,357
Other qualified line personnel	7,367	7,154
Clerical and similar staff	10,403	11,054
Other salaried employees	71,486	71,298
	93,666	**93,863**

The average number of employees at the Group, by professional category, in 2009 and 2008 was as follows:

	2009	2008
Male	73,834	73,856
Female	19,832	20,007
	93,666	**93,863**

d) Finance income and expense

The detail of the finance income in 2009 and 2008, based on the assets giving rise thereto, is as follows:

	2009	2008
Held-for-trading financial assets	3,043	49
Available-for-sale financial assets	2,878	4,546
Held-to-maturity investments	5,808	5,380
Currant and non-current loans	17,373	43,003
“Lump sum payment” projects	8,518	5,769
Cash and cash equivalents	28,576	47,109
	66,196	**105,856**

The details of finance costs in 2009 and 2008 are as follows:

	2009	2008
Credit facilities and loans	208,737	424,367
Limited recourse project financing loans	94,010	100,587
Payable under finance leases	7,882	5,650
Payable to third parties	19,412	18,967
Assignment of accounts receivable under “lump sum payment” projects	9,041	27,648
Other finance costs	18,187	13,035
	357,269	**590,254**

e) Gains (losses) on changes in fair value of financial instruments

The detail of the balance of “Change in Fair Value of Financial Instruments” is as follows:

	2009	2008
Held-for-trading financial assets		52
Available-for-sale financial assets		3,980
Held-to-maturity investments		(3)
Derivatives	5,189	(19,602)
	5,189	**(15,573)**

The most noteworthy transaction was the settlement of the equity swap associated with the Share Option Plan for the fair value of the swap at the time of cancellation, i.e. EUR 8,322 thousand (see Note 18) (loss of EUR 16,596 thousand in 2008).

f) Impairment and gains or losses on disposals of financial instruments

The composition of the balances under “Impairment and gains or losses on disposals of financial instruments” in 2009 and 2008 was as follows:

	2009	2008
Gain on the sale of FCC Global Insurance General Services, S.A. (Note 4.b)	44,299	
Gains on contributions to Global Vía Infraestructuras, S.A. (Note 4.b)	17,283	14,699
Sale of investment in SIIC Paris		15,647
Current held-for-trading securities	(3,560)	3,114
Other	13,173	(635)
Impairment	(27,866)	(2,658)
	43,329	**30,167**

In 2009, thirteen concessions were contributed to Global Via Infraestructura, S.A. (see Note 4), giving rise to gains for the Group of EUR 17,283 thousand (EUR 14,699 thousand in 2008). The most noteworthy of the concessions in 2009 included Autovía del Camino, S.A., with gains of EUR 6,363 thousand and Transportes Ferroviales de Madrid, S.A., with gains of EUR 5,007 thousand.

Under the heading of impairment Xfera Móviles, S.A. lost EUR 18,443 thousand.

26. SEGMENT REPORTING

a) Business segments

The business segments presented coincide with the business areas, as described in Note 1. The segment information shown in the following tables was prepared in accordance with the management criteria established internally by Group management, which coincide with the accounting policies adopted to prepare and present the Group's consolidated financial statements.

The "Energy" activities which became operational in 2008 were included as a business segment in 2009.

The income and expenses contributed by the Realia Business Group in 2008 relate to the period until 30 December, when control was lost (Note 4).

The "Other Businesses" column includes the financial activity arising from the Group's centralised cash management, the operation of the Torre Picasso building and the companies that do not belong to any of the aforementioned Group activities.

Income statement by segment

In particular, the information shown in the following tables includes the following items as the segment result for 2009 and 2008:

- All operating income and expenses of the subsidiaries and joint ventures relating to the business carried on by the segment.

- Interest income and expenses arising from segment assets and liabilities, dividends and gains and losses on sales of the financial assets of the segment.

- The stake in the profits (losses) of companies carried by the equity method.

- The income tax expense relating to the transactions performed by each segment.

- The "Other Businesses" column includes, in addition to the aforementioned items, the eliminations due to financial or other transactions between Group segments.

- The contribution of each area to the equity attributable to the shareholders of Fomento de Construcciones y Contratas, S.A. is shown under "Contribution to FCC Group Profit".

	Total	Services		Construction	Cement	Energy	Other Business
		The Environment	Versia				
2009							
Net turnover	12,699,629	3,601,697	820,012	7,201,220	1,035,393	81,948	(40,641)
Gross operating profit	1,460,615	610,145	74,590	406,102	289,044	65,835	14,899
Percentage of turnover	11.50%	16.94%	9.10%	5.64%	27.92%	80.34%	(36.66%)
Fixed asset depreciation	(737,639)	(322,863)	(80,487)	(121,199)	(162,969)	(42,636)	(7,485)
Other operating profit	8,108	10,124	(658)	(3,857)	2,494	—	5
Operating profit	731,084	297,406	(6,555)	281,046	128,569	23,199	7,419
Parentage of turnover	5.76%	8.26%	(0.80%)	3.90%	12.42%	28.31%	(18.25%)
Finance income and expense	(291,073)	(155,713)	(16,983)	(37,489)	(73,036)	(29,797)	21,945
Other financial income(expense)	15,977	(10,846)	479	64,081	(8,593)	(7)	(29,137)
Results of companies carried using the equity method	(6,093)	17,335	2,178	(2,725)	6,929	513	(30,323)
Before-tax profits from continuing operations	**449,895**	**148,182**	**(20,881)**	**304,913**	**53,869**	**(6,092)**	**(30,096)**
Corporate income tax	(114,916)	(31,488)	5,389	(77,673)	(13,984)	2,615	225
Consolidated profit for the year	**334,979**	**116,694**	**(15,492)**	**227,240**	**39,885**	**(3,477)**	**(29,871)**
Minority interests	(27,780)	(2,452)	(24)	(2,414)	(15,843)	(152)	(6,895)
Profit attributable to the parent	**307,199**	**114,242**	**(15,516)**	**224,826**	**24,042**	**(3,629)**	**(36,766)**
Contribution to FCC Group profit	**307,199**	**114,242**	**(15,516)**	**224,826**	**17,147**	**(3,629)**	**(29,871)**

	Total	Servicios		Construcción	Cement	Real Estate	Other Business
		The Environment	Versia				
2008							
Net turnover	14,019,500	3,636,473	897,416	7,744,537	1,425,060	402,298	(86,284)
Gross operating profit	1,762,317	605,779	96,451	462,824	417,312	131,050	48,901
Percentage of turnover	12.57%	16.66%	10.75%	5.98%	29.28%	32.58%	(56.67%)
Fixed asset depreciation	(745,674)	(319,439)	(79,216)	(133,858)	(172,629)	(34,049)	(6,483)
Other operating profit	(70,333)	12,081	(23,304)	(3,775)	(9,080)	(46,251)	(4)
Operating profit	946,310	298,421	(6,069)	325,191	235,603	50,750	42,414
Parentage of turnover	6.75%	8.21%	(0.68%)	4.20%	16.53%	12.62%	(49.16%)
Finance income and expense	(484,398)	(232,020)	(9,550)	(69,975)	(72,202)	(106,444)	5,793
Other financial income(expense)	15,776	2,818	(1,764)	18,464	(873)	18,620	(21,489)
Results of companies carried using the equity method	15,162	21,289	958	(16,252)	12,621	(3,454)	—
Before-tax profits from continuing operations	**492,850**	**90,508**	**(16,425)**	**257,428**	**175,149**	**(40,528)**	**26,718**
Corporate income tax	(99,960)	19,895	4,494	(87,036)	(41,034)	11,935	(8,214)
Consolidated profit for the year	**392,890**	**110,403**	**(11,931)**	**170,392**	**134,115**	**(28,593)**	**18,504**
Minority interests	(58,851)	(3,084)	42	(7,557)	(32,351)	4,643	(20,544)
Profit attributable to the parent	**334,039**	**107,319**	**(11,889)**	**162,835**	**101,764**	**(23,950)**	**(2,040)**
Contribution to FCC Group profit	**334,039**	**107,319**	**(11,889)**	**162,835**	**70,284**	**(13,014)**	**18,504**

With regard to “Other Businesses” in the table above, the following items are particularly worthy of note in 2009 and 2008:

Net turnover

	2009	2008
Torre Picasso	26,127	26,173
Elimination of inter-segment transactions	(77,446)	(122,726)
Other	10,678	10,269
	(40,641)	**(86,284)**

Contribution to FCC Group profit (net of tax)

	2009	2008
Results of Realia Business carried by the equity method (Note 4)	(16,445)	—
Results of Global Vía Group carried by the equity method (*)	(13,522)	—
Gain on the sale of FCC Global Insurance General Services, S.A.	36,325	—
Intra-group profit on the transfer of the portfolio of Global Vía Infraestructuras, S.A. (*)	(53,376)	—
Torre Picasso (Note 8)	13,202	11,160
Financial management and other	3,945	7,344
	(29,871)	**18,504**

(*) In 2008, the results of the Global Vía Group were included under “Construction”. In 2009, the company FCC Construcción, S.A. transferred its shares of Global Vía Infraestructuras, S.A. to Fomento de Construcciones y Contratas, S.A.

Balance sheet by segments

	Total Group	Servicios: The Environment	Servicios: Versia	Construction	Cement	Energy	Other Business
2009							
ASSETS							
Non-current assets	**12,832,839**	**5,368,193**	**637,967**	**1,708,916**	**2,998,148**	**1,014,423**	**1,105,192**
Intangible fixed assets	4,462,312	1,971,672	275,836	496,442	1,105,580	545,903	66,879
Property, plant and equipment	5,957,478	2,729,658	281,703	741,526	1,752,765	463,939	(12,113)
Investment properties	264,093	7,332	—	18,563	—	—	238,198
Investments carried using the equity method	1,145,754	191,364	25,785	193,731	40,991	914	692,969
Non-current financial assets	404,024	262,582	20,745	78,397	7,299	51	34,950
Deferred tax assets	599,178	205,585	33,898	180,257	91,513	3,616	84,309
Current assets	**8,427,874**	**1,920,778**	**331,924**	**5,282,017**	**869,534**	**56,602**	**(32,981)**
Non-current assets held for sale	—	—	—	—	879	—	(879)
Inventories	1,103,282	38,436	35,363	887,191	141,141	146	1,005
Trade and other accounts receivable	5,372,976	1,478,758	247,486	3,395,067	255,609	20,930	(24,874)
Other current financial assets	230,980	109,426	24,095	100,382	17,183	4,013	(24,119)
Other current assets	66,174	23,317	3,321	34,668	4,311	266	291
Cash and cash equivalents	1,654,462	270,841	21,659	864,709	450,411	31,247	15,595
Total assets	**21,260,713**	**7,288,971**	**969,891**	**6,990,933**	**3,867,682**	**1,071,025**	**1,072,211**
LIABILITIES							
Equity	**3,136,517**	**540,738**	**125,377**	**576,679**	**1,455,645**	**(6,425)**	**444,503**
Non-current liabilities	**10,619,979**	**2,438,120**	**212,118**	**847,187**	**2,014,559**	**677,653**	**4,430,342**
Grants	85,692	18,236	396	63,953	3,107	—	—
Provisions -non-current	906,535	445,962	59,597	186,339	49,547	11,844	153,246
Non-current financial liabilities	8,393,590	1,432,132	109,563	469,548	1,666,832	556,287	4,159,228
Deferred tax liabilities	1,216,910	524,546	42,562	127,347	295,065	109,522	117,868
Other non-current liabilities	17,252	17,244	—	—	8	—	—
Current liabilities	**7,504,217**	**4,310,113**	**632,396**	**5,567,067**	**397,478**	**399,797**	**(3,802,634)**
Provisions -current	110,773	8,216	1,387	101,123	47	—	—
Current financial liabilities	1,487,563	953,865	263,233	1,039,082	238,956	384,537	(1,392,110)
Trade and other accounts payable	5,896,831	1,109,084	216,182	4,422,243	156,054	15,260	(21,992)
Other current liabilities	9,050	2,025	13	4,619	2,421	—	(28)
Intra-group transactions	—	2,236,923	151,581	—	—	—	(2,388,504)
Total liabilities	**21,260,713**	**7,288,971**	**969,891**	**6,990,933**	**3,867,682**	**1,071,025**	**1,072,211**

	Total Group	Services		Construction	Cement	Other Business
		The Environment	Versia			
2008						
A S S E T S						
Non-current assets	**11,829,356**	**5,082,440**	**661,704**	**2,046,913**	**3,342,333**	**695,966**
Intangible fixed assets	3,886,429	1,974,452	301,228	406,583	1,107,433	96,733
Property, plant and equipment	5,491,693	2,520,374	288,419	726,613	1,859,848	96,439
Investment properties	263,919	—	—	23,253	—	240,666
Investments carried using the equity method	1,116,605	168,088	25,473	583,699	170,270	169,075
Non-current financial assets	517,868	227,230	21,730	129,663	113,834	25,411
Deferred tax assets	552,842	192,296	24,854	177,102	90,948	67,642
Current assets	**8,768,005**	**1,948,095**	**357,360**	**5,636,532**	**832,235**	**(6,217)**
Non-current assets held for sale	7,367	—	—	—	7,367	—
Inventories	1,575,256	49,571	44,609	1,260,675	219,606	795
Trade and other accounts receivable	5,499,162	1,467,117	263,198	3,463,130	305,533	184
Other current financial assets	222,830	191,051	26,016	57,882	13,438	(65,557)
Other current assets	54,729	18,546	2,222	29,501	3,938	522
Cash and cash equivalents	1,408,661	221,810	21,315	825,344	282,353	57,839
Total assets	**20,597,361**	**7,030,535**	**1,019,064**	**7,683,445**	**4,174,568**	**689,749**
L I A B I L I T I E S						
Equity	**3,197,953**	**496,543**	**140,757**	**537,265**	**1,368,528**	**654,860**
Non-current liabilities	**8,758,123**	**2,215,697**	**266,389**	**784,325**	**2,340,415**	**3,151,297**
Grants	63,576	14,534	405	44,554	4,083	—
Provisions -non-current	821,429	390,016	55,469	176,593	49,449	149,902
Non-current financial liabilities	6,872,318	1,284,572	181,110	478,094	1,985,286	2,943,256
Deferred tax liabilities	1,000,004	525,779	29,405	85,084	301,597	58,139
Other non-current liabilities	796	796	—	—	—	—
Current liabilities	**8,641,285**	**4,318,295**	**611,918**	**6,361,855**	**465,625**	**(3,116,408)**
Provisions -current	91,918	4,550	552	86,816	—	—
Current financial liabilities	2,224,890	1,119,153	242,653	1,219,263	279,109	(635,288)
Trade and other accounts payable	6,308,398	1,041,577	216,992	5,045,808	184,592	(180,571)
Other current liabilities	16,079	1,632	7	9,968	1,924	2,548
Intra-group transactions	—	2,151,383	151,714	—	—	(2,303,097)
Total liabilities	**20,597,361**	**7,030,535**	**1,019,064**	**7,683,445**	**4,174,568**	**689,749**

Cash flows by segment

	Total Group	Services: The Environment	Services: Versia	Construction	Cement	Energy	Real Estate	Other business
2009								
From operating activities	1,577,614	682,714	113,80	146,519	360,262	71,690	—	202,623
From investing activities	(1,015,432)	(406,287)	(42,659	243,130	(91,609)	(207,966)	—	(510,041)
From financing activities	(306,946)	(219,427)	(71,495	(349,443)	(98,253)	159,994	—	271,678
Cash flows for the year	**255,236**	**57,000**	**(348**	**40,206**	**170,400**	**23,718**	**—**	**(35,740)**
2008								
From operating activities	1,102,437	359,061	83,52	(20,083)	359,661	—	(42,653)	362,927
From investing activities	(1,634,850)	(625,420)	(42,925	(163,256)	(295,704)	—	(105,415)	(402,130)
From financing activities	457,325	238,539	(91,355	313,215	1,352	—	121,428	(125,854)
Cash flows for the year	**(75,088)**	**(27,820)**	**(50,756**	**129,876**	**65,309**	—	**(26,640)**	**(165,057)**

b) Activities and investments by geographical area

Approximately 44% of the Group's business is conducted abroad (2008: 42%).

The breakdown, by market, of the revenue earned abroad by the Group companies in 2009 and 2008 is as follows:

	Total	Servicios: The Environment	Servicios: Versia	Construction	Cement	Real Estate
2009						
European Union	4,509,742	1,111,079	209,700	3,132,215	56,748	—
USA	296,612	84,446	28,053	46,267	137,846	—
Latin America	150,456	5,440	21,936	122,461	619	—
Other	668,747	54,387	697	513,667	99,996	—
	5,625,557	**1,255,352**	**260,386**	**3,814,610**	**295,209**	**—**
2008						
European Union	4,618,503	1,153,745	205,079	3,132,081	58,012	69,586
USA	358,010	98,891	29,415	36,197	193,507	—
Latin America	137,170	1,621	19,015	116,534	—	—
Other	699,385	39,384	28,038	543,575	88,388	—
	5,813,068	**1,293,641**	**281,547**	**3,828,387**	**339,907**	**69,586**

The detail, by geographical area, of the Group's assets and liabilities and the cost of the investments made in property, plant and equipment and intangible assets in 2009 and 2008 is as follows:

	Balance Group	Spain	U.K.	Other EU countries	USA	Latin America	Other
2009							
A S S E T S							
Non-current assets	**12,832,839**	**7,543,135**	**2,391,344**	**1,833,094**	**748,903**	**197,821**	**118,542**
Intangible fixed assets	4,462,312	2,954,658	697,921	593,078	135,836	80,819	—
Property, plant and equipment	5,957,478	2,648,187	1,480,482	1,128,873	549,555	46,361	104,020
Investment properties	264,093	245,530	—	18,563	—	—	—
Investments carried under the equity method	1,145,754	1,018,951	11,566	40,593	—	63,830	10,814
Non-current financial assets	404,024	305,836	55,942	31,252	6,467	3,230	1,297
Deferred tax assets	599,178	369,973	145,433	20,735	57,045	3,581	2,411
Current assets	**8,427,874**	**5,804,538**	**159,710**	**2,119,493**	**107,357**	**180,133**	**56,643**
Inventories	1,103,282	829,181	1,541	150,894	45,853	54,113	21,700
Trade and other accounts receivable	5,372,976	3,670,607	87,976	1,464,780	50,208	88,272	11,133
Other current financial assets	230,980	189,376	18,367	19,964	1,417	1,666	190
Other current assets	66,174	19,379	7,559	34,549	1,648	2,875	164
Cash and cash equivalents	1,654,462	1,095,995	44,267	449,306	8,231	33,207	23,456
Total assets	**21,260,713**	**13,347,673**	**2,551,054**	**3,952,587**	**856,260**	**377,954**	**175,185**
L I A B I L I T I E S							
Non-current liabilities	**10,619,979**	**7,786,373**	**1,343,564**	**895,281**	**440,985**	**117,430**	**36,346**
Grants	85,692	19,779	—	1,777	—	63,953	183
Provisions -non-current	906,535	435,561	258,575	184,774	25,958	1,118	549
Non-current financial liabilities	8,393,590	6,580,400	794,197	607,820	349,521	43,505	18,147
Deferred tax liabilities	1,216,910	752,033	274,787	100,910	65,498	8,854	14,828
Other non-current liabilities	17,252	(1,400)	16,005	—	8	—	2,639
Current liabilities	**7,504,217**	**5,200,775**	**414,008**	**1,702,560**	**90,501**	**72,370**	**24,003**
Provisions -current	110,773	61,099	148	47,584	407	1,535	—
Current financial liabilities	1,487,563	1,008,100	200,665	203,219	44,493	20,421	10,665
Trade and other payables	5,896,831	4,128,714	213,195	1,448,218	42,952	50,414	13,338
Other current liabilities	9,050	2,862	—	3,539	2,649	—	—
Difference assets – liabilities	**3,136,517**	**360,525**	**793,482**	**1,354,746**	**324,774**	**188,154**	**114,836**
Total liabilities	**21,260,713**	**13,347,673**	**2,551,054**	**3,952,587**	**856,260**	**377,954**	**175,185**
Tangible and intangible asset investments and real estate investments	**736,291**	**419,736**	**77,445**	**174,524**	**47,740**	**13,131**	**3,715**

	Total Group	Spain	U.K.	Other EU countries	USA	Latin America	Other
2008							
ASSETS							
Non-current assets	**11,829,356**	**6,665,877**	**2,263,571**	**1,804,321**	**772,953**	**194,582**	**128,052**
Intangible fixed assets	3,886,429	2,413,917	647,286	601,941	169,778	53,507	—
Property, plant and equipment	5,491,693	2,283,274	1,401,094	1,089,688	549,369	55,119	113,149
Investment properties	263,919	240,666	—	23,253	—	—	—
Investments carried under the equity method	1,116,605	993,123	8,407	33,714	—	72,201	9,160
Non-current financial assets	517,868	413,858	46,825	37,363	7,479	11,321	1,022
Deferred tax assets	552,842	321,039	159,959	18,362	46,327	2,434	4,721
Current assets	**8,768,005**	**6,253,978**	**147,338**	**2,018,348**	**131,511**	**167,795**	**49,035**
Non-current assets held for sale	7,367	7,367	—	—	—	—	—
Inventories	1,575,256	1,293,754	1,098	154,195	62,800	38,581	24,828
Trade and other accounts receivable	5,499,162	3,771,864	93,798	1,485,900	45,457	91,444	10,699
Other current financial assets	222,830	190,290	13,907	15,350	1,489	1,785	9
Other current assets	54,729	17,432	3,125	28,967	1,333	2,799	1,073
Cash and cash equivalents	1,408,661	973,271	35,410	333,936	20,432	33,186	12,426
Total assets	**20,597,361**	**12,919,855**	**2,410,909**	**3,822,669**	**904,464**	**362,377**	**177,087**
LIABILITIES							
Non-current liabilities	**8,758,123**	**6,091,931**	**1,252,919**	**818,447**	**469,113**	**82,529**	**43,184**
Grants	63,576	17,242	—	1,559	—	44,553	222
Provisions -non-current	821,429	409,486	211,373	174,379	25,578	—	613
Non-current financial liabilities	6,872,318	5,105,198	788,690	539,350	382,347	30,571	26,162
Deferred tax liabilities	1,000,004	559,209	252,856	103,159	61,188	7,405	16,187
Other non-current liabilities	796	796	—	—	—	—	—
Current liabilities	**8,641,285**	**6,104,945**	**379,785**	**1,912,560**	**97,144**	**118,672**	**28,179**
Provisions -current	91,918	49,707	32	40,455	190	1,534	—
Current financial liabilities	2,224,890	1,412,691	221,524	496,459	44,230	36,780	13,206
Trade and other accounts payable	6,308,398	4,637,024	158,229	1,365,148	52,666	80,358	14,973
Other current liabilities	16,079	5,523	—	10,498	58	—	—
Difference assets – liabilities	**3,197,953**	**722,979**	**778,205**	**1,091,662**	**338,207**	**161,176**	**105,724**
Total liabilities	**20,597,361**	**12,919,855**	**2,410,909**	**3,822,669**	**904,464**	**362,377**	**177,087**
Tangible and intangible asset investments and real estate investments	**1,092,301**	**583,480**	**87,027**	**274,576**	**123,249**	**23,191**	**778**

c) Personnel

The average number of employees in 2009 and 2008, by business area, was as follows:

	2009	2008
Services		
The Environment	49,558	49,034
Versia	11,251	11,712
Construction	28,637	28,254
Cement	3,832	4,244
Real estate	—	227
Other business	388	392
	93,666	**93,863**

27. ENVIRONMENTAL INFORMATION

At the meeting held on 2 June 2009, the Board of Directors of FCC approved the FCC Group's Environmental Policy which responds to the objectives of the 2009-2010 Corporate Responsibility Master Plan and reinforces the FCC Group's commitment to social responsibility as part of FCC's overall strategy in related to environmental services.

The FCC Group conducts its business in keeping with its commitment to corporate responsibility, to compliance with all applicable legal requirements, to its respect for interest groups and its desire to generate wealth and wellbeing.

Aware of just how important environmental preservation and the responsible use of available resources are to the FCC Group and in keeping with the desire to render its services in a way which is respectful of the environment, the FCC Group has established the following standards, applicable to the entire organisation, which serve as the cornerstone of its contribution to sustainable development.

Continuing improvement

Promoting environmental excellence by establishing objectives for continuously improving performance, minimising the negative impact of the processes, products and services of the FCC Group and maximising the positive impact.

Control and monitoring

Establishing systems for managing environmental indicators for the operational control of processes that provide the knowledge needed for the purposes of monitoring, evaluating, decision making and communication of the environmental performance of the FCC Group and the fulfilment of the commitments assumed.

Climate change and pollution prevention

Directing the fight against climate change by implementing processes with lower greenhouse effect gas emissions and by fostering emery efficiency and promoting renewable energies.

Preventing pollution and protecting the environment through effective management and the responsible use of natural resources and by minimising the impact of the emissions, dumping and waste generated and handled in connection with the FCC Group's business activities.

Observing the environment and innovation

Identifying the risks and opportunities inherent to the activities associated with a changing natural environmental in order to promote innovation and the application of new technologies and to generate synergies among the different activities carried out by the FCC Group.

Life cycle of products and services

Intensifying environmental considerations when planning the activities, acquisition of materials and equipment and relationships with suppliers and contractors.

The necessary participation of all

Promoting an awareness and application of environmental principles among employees and other interest groups.

Sharing the experience with best practices with the different social agents to foster alternative solutions that contribute to the achievement of a sustainable environment.

The implementation of quality management and environmental management systems and follow-up audits are illustrative of the measures taken by the FCC Group in this area. With regard to environmental risk management, the Group has implemented environmental management systems certified under ISO 14001 standards in the various business areas, which focus on:

a) Compliance with the applicable regulations and achievement of environmental objectives that go beyond external requirements.
b) Decrease in environmental impact through adequate planning.
c) Ongoing analysis of risks and possible improvements.

The basic risk prevention tool is the environmental plan which must be prepared by each operating unit and which consists of:

a) Identification of environmental issues and of applicable legislation.
b) Impact evaluation criteria.
c) Measures to be adopted.
d) A system for measuring the objectives achieved.

By their very nature, the activities of the Environmental Services business line are geared towards environmental protection and conservation, not only through the production activity itself (waste collection, operation and control of landfills, sewer cleaning, treatment and elimination of industrial waste, wastewater treatment, etc.), but also as a result of performing these activities using production techniques and systems designed to reduce environmental impact, on occasions surpassing the requirements stipulated in the regulations governing this area.

The performance of production activities in the Environmental Services area requires the use of specialised structures, plant and machinery that are efficient in terms of environmental protection and conservation. At 31 December 2009, the acquisition cost of the non-current assets assigned to production in the Services area, net of depreciation and amortisation, totalled EUR 4,701,329 thousand (31 December 2007: EUR 4,494,825 thousand). The environmental provisions, mainly for landfill sealing and shutdown expenses, totalled EUR 348,089 thousand (31 December 2008: EUR 292,429 thousand).

The Group's cement companies have non-current assets designed to filter atmospheric gas emissions, honour their commitments relating to the environmental restoration of depleted quarries and apply technologies that contribute to environmentally-efficient process management.

At year-end the Cementos Portland Valderrivas Group had non-current assets relating to environmental conservation and protection amounting to EUR 191,314 thousand (net of depreciation and amortisation) (2008: EUR 205,446 thousand), with accumulated amortisation of EUR 79,708 thousand (EUR 71,573 thousand in 2008).

The Group's cement business receive, free of charge, CO_2 emission rights under the corresponding national allocation plans. In 2009 and 2008, the emission rights received were equivalent to 7,763,000 tonnes per annum, 7,729,000 tonnes of which referred to the National Allocation Plan (NAP) for Spain for the period 2008-2012 for the companies Cementos Portland Valderrivas, S.A., Cementos Alfa, S.A., Lemona Industrial, S.A. and Uniland Cementera, S.A. and 34,000 tonnes pending final allocation to Cementos Portland Valderrivas, S.A.

On 27 November 2007, the National Allocation Plan (NAP) approved in Spain for 2008-2012 was published in the Official State Gazette. The Cementos Portland Valderrivas Group received for no consideration emission rights equivalent to 7,729 thousand tonnes per annum relating to Cementos Portland Valderrivas, S.A., Cementos Alfa, S.A., Lemona Industrial, S.A. and Uniland Cementera, S.A.

On 17 June 2008, the aforementioned companies reached an agreement with various banks to swap, during the period 2008-2012, a total of 410 thousand tonnes per year of emission rights received under the National Allocation Plan (known as EUAs) for rights acquired due to investments in projects in developing countries (known as CERs). The banks guaranteed a premium per tonne exchanged. The Group recognised the proportional part of the premium guaranteed for 2008, EUR 1,274 thousand, under "Other Operating Income" in the consolidated income statement for the year ended 31 December 2008. These agreements were cancelled in October 2008 and February 2009, which resulted in compensation of EUR 2,786 thousand in 2009 and EUR 6,631 thousand in 2008, recorded under the same caption as above.

In 2008 the Cement Group also sold EUR 3,127 thousand tonnes of emission rights at market price to various entities (982 thousand in 2008) giving rise to gain of EUR 35,278 thousand (16,251 thousand in 2008) which were recognised under "Other Operating Income" in the consolidated income statement for 2009 (see Note 25.a).

In October 2008 the Cementos Portland Valderrivas Group executed various spot forward contracts for greenhouse gas emission rights, which involved selling 3,000 thousand rights to a bank for a total price of EUR 60,805 thousand and undertaking to repurchase the rights in 2010 and 2012 for a pre-established higher price. This agreement was considered to be a financing transaction.

The Construction division adopts environmental practices which make it possible to respect the environment in the performance of construction projects, and minimises its environmental impact through the following measures: reduction of atmospheric dust emissions; noise and vibration control; control of water discharges, with special emphasis on the treatment of effluents generated by construction projects; maximum reduction of waste generation; safeguarding of the biological diversity of animals and plants; protection of urban surroundings due to the occupation, pollution or loss of land, and the development of specific training programs for line personnel involved in the environmental decision-making process. It has also implemented an "Environmental Behaviour Code" which establishes the environmental conservation and protection requirements for subcontractors and suppliers

The Energy area strives for energy efficiency through the use of technologies which focus on the generation and use of renewable energies as vital mechanisms for the reduction of CO_2 emission and the fight against climate change.

It is not believed that there are any significant contingencies in relation to the protection and enhancement of the environment at 31 December 2009 which could have a significant impact on the enclosed financial statements.

For further information on the matters discussed in this Note, please refer to the Group's Corporate Social Responsibility report which is published annually on FCC's website, www.fcc.es, among other channels.

28. FINANCIAL RISK MANAGEMENT POLICIES

The concept of financial risk refers to the changes in the financial facilities and instruments arranged by the Group as a result of political, market and other factors and the repercussion thereof on the financial statements.

The FCC Group's risk management philosophy is consistent with its business strategy and seeks to achieve maximum efficiency and solvency at all times. To this end, strict financial risk management and control criteria have been established, consisting of identifying, measuring, analysing and controlling the risks incurred in the Group's operations, and the risk policy has been integrated into the Group organisation in the appropriate manner.

In line with this risk policy, the FCC Group arranges hedges initially to hedge the underlying transaction and not for speculative purposes.

In view of the Group's activities and the transactions through which it carries on its business, it is currently exposed to the following financial risks:

Capital risk management

The Group manages its capital to ensure that the Group companies will be able to continue to operate as profitable businesses while maximising the return for shareholders through an optimum debt-to-equity balance.

The strategy of the Group as a whole continues to focus on geographical diversification with the acquisition of assets in Europe, North America and Central America.

The cost of capital and the associated risks of each investment project are analysed by the Operational Areas and the Finance Division and are subsequently approved or rejected by the corresponding committee or by the Board of Directors. Other functional areas of the Group may also provide reports if so required.

Aside from the habitual investment analysis objectives (yields, return period, risk assumed, strategic market assessment), one of the objectives of this investment analysis is to maintain the net debt/EBITDA ratio at a reasonable level and within the range negotiated with banks.

The Financial Director, responsible for the management of financial risks, periodically reviews the capital structure, as well as the debt-equity ratio and compliance with the financing covenants.

Interest rate risk

In order to ensure a position that is in the FCC Group's best interest, an interest-rate risk management policy is actively implemented. The fluctuations and volatility of the money markets give rise to interest rate changes that entail variations in the finance charges related to the Group's debt.

Given the nature of the Group's activities, closely linked to inflation, its financial policy consists of ensuring that both its current financial assets, which to a large extent provide natural hedging for its current financial liabilities, and the Group's debt are partially tied to floating interest rates.

Even so, the FCC Group performed interest rate hedging transactions in 2009, ending the year with various hedging instruments of varying maturities on 46.4% of the Group's total net debt, including project financing hedges.

Complying with the policy of classifying original instruments as hedges, the FCC Group has arranged interest rate hedges, mainly swaps (IRSs) in which the Group companies pay a fixed rate and receive a floating rate.

Exchange rate risk

Complying with the policy of classifying original instruments as hedges, the FCC Group has arranged interest rate hedges, mainly swaps (IRSs) in which the Group companies pay a fixed rate and receive a floating rate.

A noteworthy consequence of the FCC Group's positioning in international markets is the exposure resulting from net positions in foreign currencies against the euro or in one foreign currency against another when the investment and financing of an activity cannot be made in the same currency.

The FCC Group's general policy is to mitigate, as far as possible, the adverse effect on its financial statements of exposure to foreign currencies, with regard to both transactional and purely equity related changes. The FCC Group therefore manages the effect that foreign currency risk can have on the balance sheet and the income statement.

The Group actively manages its foreign currency risk by arranging financial transactions in the same currency as that in which the related asset is denominated, i.e. efforts are made, at all times, to obtain in local currency the financing required for the local activity of the company in the country of origin of the investment, with a view to creating a natural hedge or a matching of the cash flows to the financing. However, there are occasions when, due to the weakness of the currency of the country of origin of the investment, this is not possible because long-term financing cannot be obtained in that currency. In this case, financing will be obtained either in the currency of the consolidated group or in the most closely correlated foreign currency.

Foreign currency risk is expressed as the portion of the Group's equity denominated in currencies other than the euro, as indicated in Note 17, part f) "Equity", the most noteworthy currency being the pound sterling.

Solvency risk

At 31 December 2009, the FCC Group's net financial debt amounted to EUR 7.655.157 as shown in the following table:

	2009	2008
Bank loans and overdrafts	8,688,982	8,096,273
Debt instruments and other marketable securities	563,297	143,674
Other interest-bearing financial debt	288,320	284,599
Current financial assets	(230,980)	(222,830)
Cash and cash equivalents	(1,654,462)	(1,408,661)
Net financial debt	**7,655,157**	**6,893,055**
Net limited recourse debt	**(2,881,637)**	**(1,572,979)**
Net recourse debt	**4,773,520**	**5,320,076**

The most relevant ratio for the purposes of measuring solvency and debt repayment capacity is net debt/EBITDA. The Group's ratios are reasonable and fulfil the conditions negotiated with banks.

Liquidity risk

The FCC Group is present in various markets in order to facilitate the obtainment of financing and to mitigate liquidity risk.

Despite the adverse situation that affected the financial markets throughout the year, the FCC Group has remained extremely well positioned and has anticipated any potential adversity by paying close attention to the evolution of the factors that may help to resolve liquidity difficulties in the future and to the various sources of financing and their characteristics.

The detail of the credit lines granted at consolidated level at 31 December 2009, taking into account only current and non-current bank borrowings and excluding the items accounted for as non-recourse borrowings, amounts payable under finance leases and accrued interest payable, is as follows:

	Amount granted	Available balance	Used balance
Consolidated	8,085,986	2,135,262	5,950,724

Concentration risk

This risk arises from the concentration of financing transactions with common features such as:

- Sources of financing: the FCC Group obtains financing from over 160 Spanish and international banks.

- Markets/geographical area (Spanish, foreign): the FCC Group operates in a wide variety of Spanish and international markets and 81% of the Group's debt is concentrated in euros and 19% in various currencies in several international markets.

- Products: the FCC Group arranges a broad spectrum of financial products, including loans, credit facilities, debt instruments, syndicated transactions and discounting facilities.

- Currency: the FCC Group finances its operations in a wide variety of currencies. Although there is a significant concentration of investments in euros, US dollars and pounds sterling, investments tend to be financed in the local currency provided this is possible in the country of origin.

Sensitivity test

With regard to the sensitivity test of derivatives and net debt, the table below shows the amounts obtained, in thousands of euros, in relation to the active derivatives at the end of the year with an impact on equity and the income statement, once the percentage of interest is applied.

	Full consolidation		Equity method	
	-100 basis points	+100 basis points	-100 basis points	+100 basis points
Impact on equity (hedging derivatives)	(70,705)	64,491	(63,314)	45,992
Impact on the income statement (derivatives that do not qualify for hedge accounting)	(2,857)	2,394	(230)	213

It should also be noted that a 100-basis point increase and decrease in the interest rates on the net debt, after excluding any hedged debt, would give rise to a cost of EUR 49,200 thousand or income of EUR 49,200 thousand, respectively, in profit before tax in the FCC Group's income statement.

29. INFORMATION ON RELATED PARTY TRANSACTIONS

a) Transactions with significant shareholders of the Parent

The detail of the significant transactions involving a transfer of resources or obligations between Group companies and significant shareholders is as follows:

Shareholder	Group Company	Type of transaction	Type of relationship	Amount
B1998, S.L.	**FCC Medio Ambiente, S.A.**	**Contractual**	**Cleaning services**	**5,459**

b) Transactions with Company directors and officers

The bylaw-stipulated emoluments earned by the directors of Fomento de Construcciones y Contratas, S.A. payable to them by the Company or by any of the Group companies, joint ventures or associates totalled EUR 2,209 thousand in 2009 (EUR 3,041 thousand in 2008.

The detail of the fixed and variable remuneration earned by the executive directors of Fomento de Construcciones y Contratas, S.A. in 2009 and 2008 and payable to them by the Company or by any of the Group companies, joint ventures or associates is as follows:

	2009	2008
Fixed	**4,075**	**4,189**
Variable	**1,866**	**289**
	5,941	**4,478**

The senior executives listed below, who are not members of the Board of Directors, earned total remuneration of EUR 6.686 thousand in 2009 (2008: EUR 5,859 thousand).

2009	
José Luís de la Torre Sánchez	Chairman of FCC Servicios
Miguel Hernanz Sanjuan	Director of Internal Audit
Dieter Kiefer	Chairman and CEO of Cementos Portland Valderrivas
José Mayor Oreja	Chairman of FCC Construcción, S.A.
Víctor Pastor Fernández	Director of Finance
Antonio Gómez Ciria	Director of Administration and Information Technology
Gerard Ries	Deputy Director of Strategy and International Corporate Development
Eduardo González Gómez	Director of Energy and Sustainability
José Manuel Velasco Guardado	Director of Communications and Corporate Responsibility
Francisco Martín Monteagudo	Director of Human Resources
2008	
José Luís de la Torre Sánchez	Chairman of FCC Servicios
Antonio Gómez Ciria	Director of Internal Audit
José Ignacio Martínez-Ynzenga Cánovas del Castillo	Chairman of Cementos Portland Valderrivas
Dieter Kiefer	Chairman of Cementos Portland Valderrivas
José Mayor Oreja	Chairman of FCC Construcción, S.A.
Víctor Pastor Fernández	Director of Finance
José Luís Vasco Hernando	Director of Administration
Gerard Ries	Deputy Director of Strategy and International Corporate Development
Eduardo González Gómez	Director of Energy
José Ramón Ruiz Carrero	Deputy Director of Cost Optimisation

The payments made by the Group in relation to the insurance policy taken out for, among others, certain executive directors and executives of the Company or the Group are disclosed in Note 23.

Except as indicated in Note 23, no other remuneration, advances, loans or guarantees were granted to the Board members.

Set forth below are the required disclosures in relation to the ownership interests held by the directors of Fomento de Construcciones y Contratas, S.A. in the share capital of non-FCC Group companies; the activities (if any) performed by them, as independent professionals or as employees, that are identical, similar or complementary to the activity that constitutes the company object of the FCC Group; and the transactions (if any) conducted by them or by persons acting on their behalf, with the Company or with any company in the same Group that are not part of the Company's normal business activities or are not conducted on an arm's length basis:

- The directors of Fomento de Construcciones y Contratas, S.A. have declared that they do not engage in any activity, as independent professionals or as employees, that is identical, similar or complementary to the activity that constitutes the Company's object.

- The Board members of the Company do not hold any ownership interests in the share capital of any companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the company object of Fomento de Construcciones y Contratas, S.A.

- In 2008 the other directors of Fomento de Construcciones y Contratas, S.A., or persons acting on their behalf, did not perform, with the Company or with any company in the same Group, any transactions that were not part of the Company's normal business activities or were not conducted on an arm's length basis.

The detail of the directors who hold positions at companies in which Fomento de Construcciones y Contratas, S.A. holds a direct or indirect ownership interest is as follows:

Director name or business name	Name of Group Company	Position
CARTERA DEVA, S.A.	CEMENTOS PORTLAND VALDERRIVAS, S.A.	DIRECTOR
EAC INVERSIONES CORPORATIVAS, S.L.	CEMENTOS PORTLAND VALDERRIVAS, S.A.	DIRECTOR
EAC INVERSIONES CORPORATIVAS, S.L.	FCC CONSTRUCCIÓN, S.A.	DIRECTOR
FERNANDO FALCÓ FERNÁNDEZ DE CÓRDOVA	FCC CONSTRUCCIÓN, S.A.	DIRECTOR
FERNANDO FALCÓ FERNÁNDEZ DE CÓRDOVA	GIANT CEMENT HOLDING INC.	DIRECTOR
FERNANDO FALCÓ FERNÁNDEZ DE CÓRDOVA	WASTE RECYCLING GROUP LIMITED	DIRECTOR
RAFAEL MONTES SÁNCHEZ	FCC CONSTRUCCIÓN, S.A.	DIRECTOR
RAFAEL MONTES SÁNCHEZ	CEMENTOS PORTLAND VALDERRIVAS, S.A.	DIRECTOR
JUAN CASTELLS MASANA	WASTE RECYCLING GROUP LIMITED	DIRECTOR
JUAN CASTELLS MASANA	CEMENTOS PORTLAND VALDERRIVAS, S.A.	DIRECTOR
ROBERT PEUGEOT	FCC CONSTRUCCIÓN, S.A.	DIRECTOR
ROBERT PEUGEOT	ALPINE HOLDING GMBH	SUPERVISORY BOARD
ROBERT PEUGEOT	WASTE RECYCLING GROUP LIMITED	DIRECTOR
BALDOMERO FALCONES JAQUOTOT	FCC ENERGÍA, S.A.	CHAIRMAN
FELIPE B. GARCÍA PÉREZ	FCC ENERGÍA, S.A.	SECRETARY

These directors hold positions or discharge functions and/or hold ownership interests of less than 0.01% in all cases in other FCC Group companies in which Fomento de Construcciones y Contratas, S.A. directly or indirectly holds a majority of the voting power.

Following is a detail of the significant transactions giving rise to a transfer of resources or obligations between Group companies and their executives or directors:

Name or company name of the director or officer	Name of the Group company or entity	Type of transaction	Type of relationship	Amount
Dominum Desga, S.A.	Servicios Especiales de Limpieza, S.A.	Contractual	Rendering of services	9,744

c) Transactions between Group companies or entities

Numerous transactions take place between the Group companies as part of the Group's normal business activities which, if they are significant, are eliminated in the preparation of the consolidated financial statements

The revenue recognised in the accompanying consolidated income statement includes EUR

323,159 thousand (EUR 256,837 thousand in 2008) relating to Group company billings to associates.

The Group's consolidated financial statements also include purchases from associates amounting to EUR 18,315 thousand (EUR 13,967 thousand in 2008).

d) Mechanisms established to detect, determine and resolve possible conflicts of interests between the Parent and/or its Group and its directors, executives or significant shareholders.

The FCC Group has established precise mechanisms to detect, determine and resolve possible conflicts of interests between the Group companies and their directors, executives and significant shareholders, as indicated in Article 25 of the Board's Regulations.

30. FEES PAID TO AUDITORS

The 2009 and 2008 fees for financial audit services and for other professional services provided to the various Group companies and joint ventures composing the FCC Group by the principal auditor and by other auditors participating in the audit of the various Group companies, and by entities related to them, both in Spain and abroad, are shown in the following table:

	2009		2008	
Fees for auditing services		**6,508**		**6,781**
Principal auditor	3,826		4,023	
Other auditors	2,682		2,758	
Fees for other services		**8,035**		**5,489**
Principal auditor	846		572	
Other auditors	7,189		4,917	
		14,543		**12,270**