Report from the Vice-Chairman and CEO

From a group...

...with excess debt...

...battered by the crisis...

Phase I:

New management team. Restructuring and writedowns. Financial stabilisation

Phase II:

Phase II: Operating profitability

Phase III:

Growth in core businesses

... to a healthy group, focused on its core business, which is global, profitable and has a sustainable strategy

Identification of problems

Excess debt

The construction and cement businesses in Spain were heavily affected by the financial crisis

Construction expanded internationally but lacked funds and returns

The management model had lost touch with the businesses

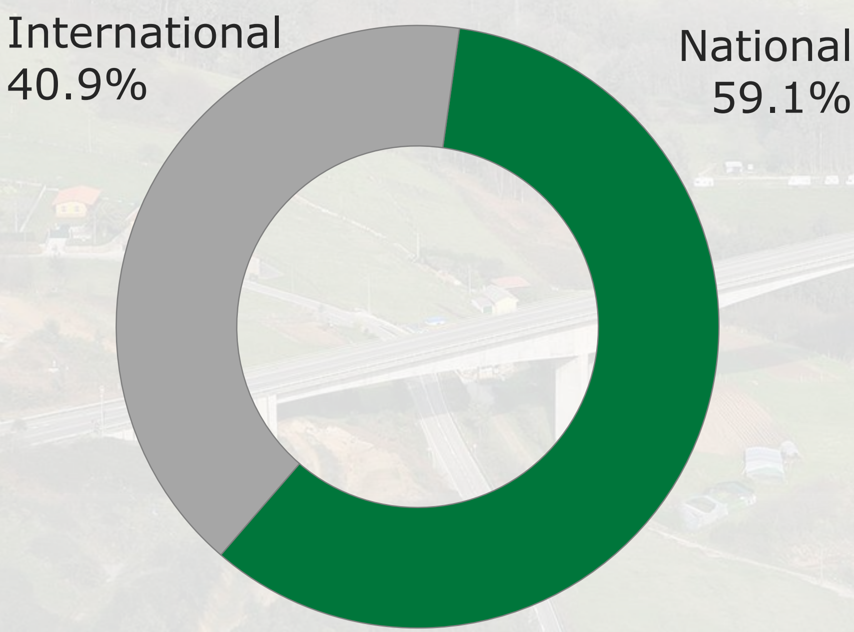
Oversized structure

Identification of problems

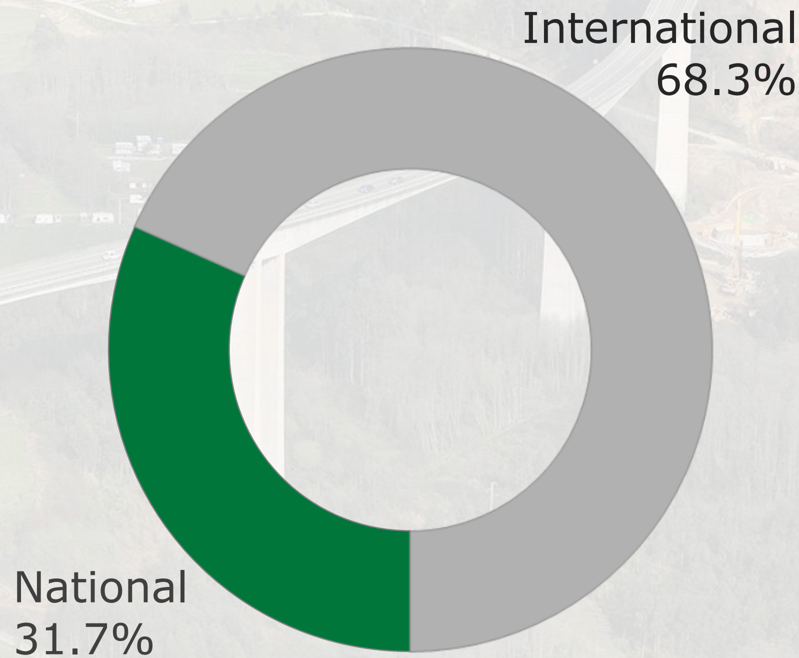
Imbalanced geographic diversification

Revenue breakdown by region*

Services
(Environmental Services and Water)



Construction

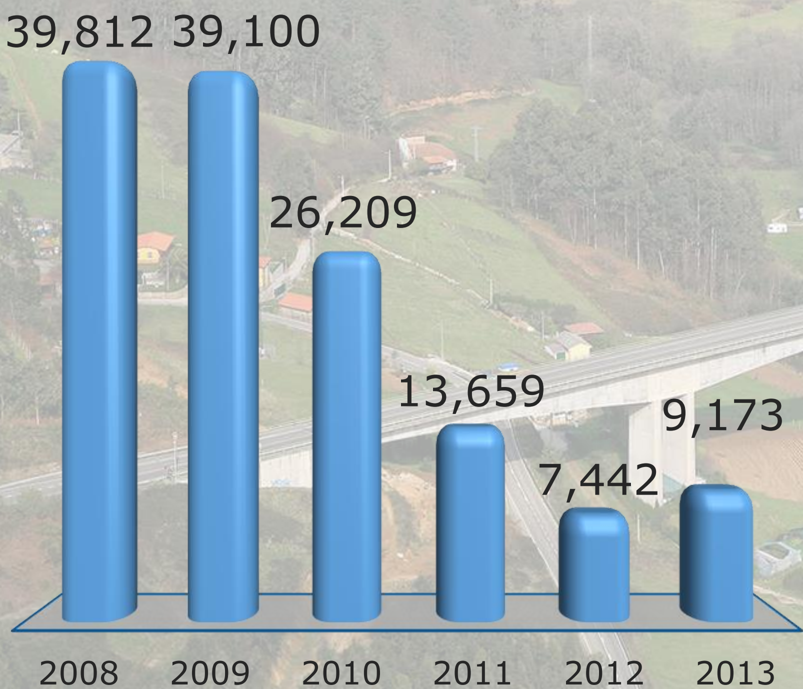


*Data at 2012 year-end, prior to deconsolidating Alpine

Crisis in construction and cement in Spain

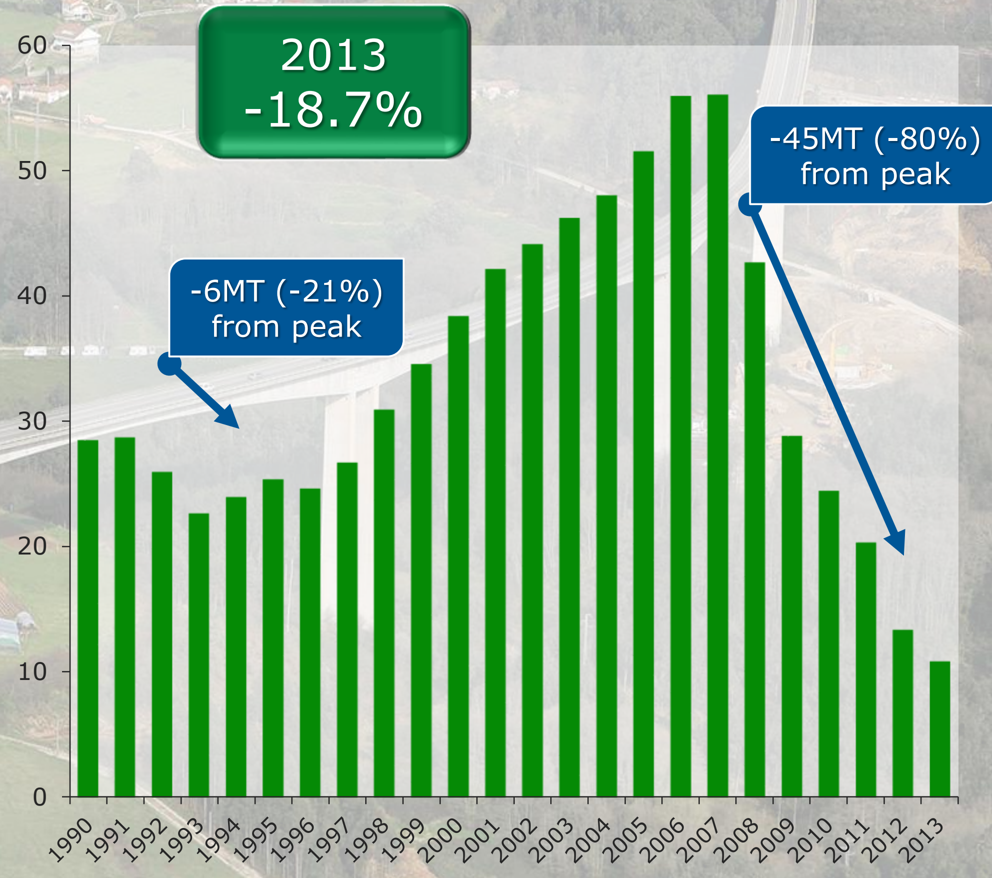
FCC Servicios Ciudadanos

Decline in public works tenders (€mn)



*Source: SEOPAN

Cement consumption



*Source: OFICEMEN

FCC Servicios Ciudadanos

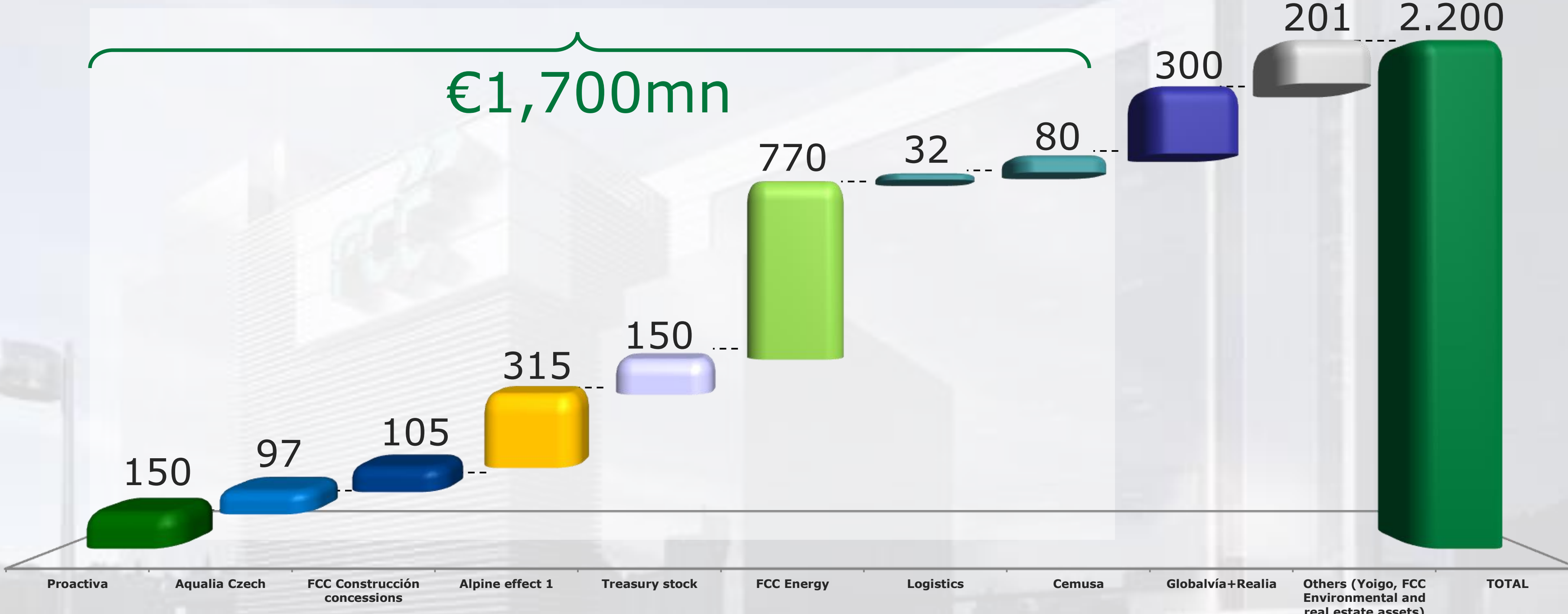
Strategic Plan: objectives and performance

Objective 1: Reduce debt (€mn)

Net interest-bearing debt

Objective 1: Reduce debt

Divestments (€mn)



1 Reduction in initial debt envisaged at Alpine by executing the Strategic Plan.
Does not include additional debt (€375mn) due to deconsolidation after liquidation.

EXECUTED | MANDATED

More than 77% of the objective attained

Objective 2: Restructure FCC Construcción

FCC Servicios Ciudadanos

New executive line-up

Adjust resources in Spain

Reorganise international projects (selective focus on greater margins)

Financial formulae which enable us to bid for large tenders and concessions

Objective 3: Adjustments in Cementos Portland Valderrivas

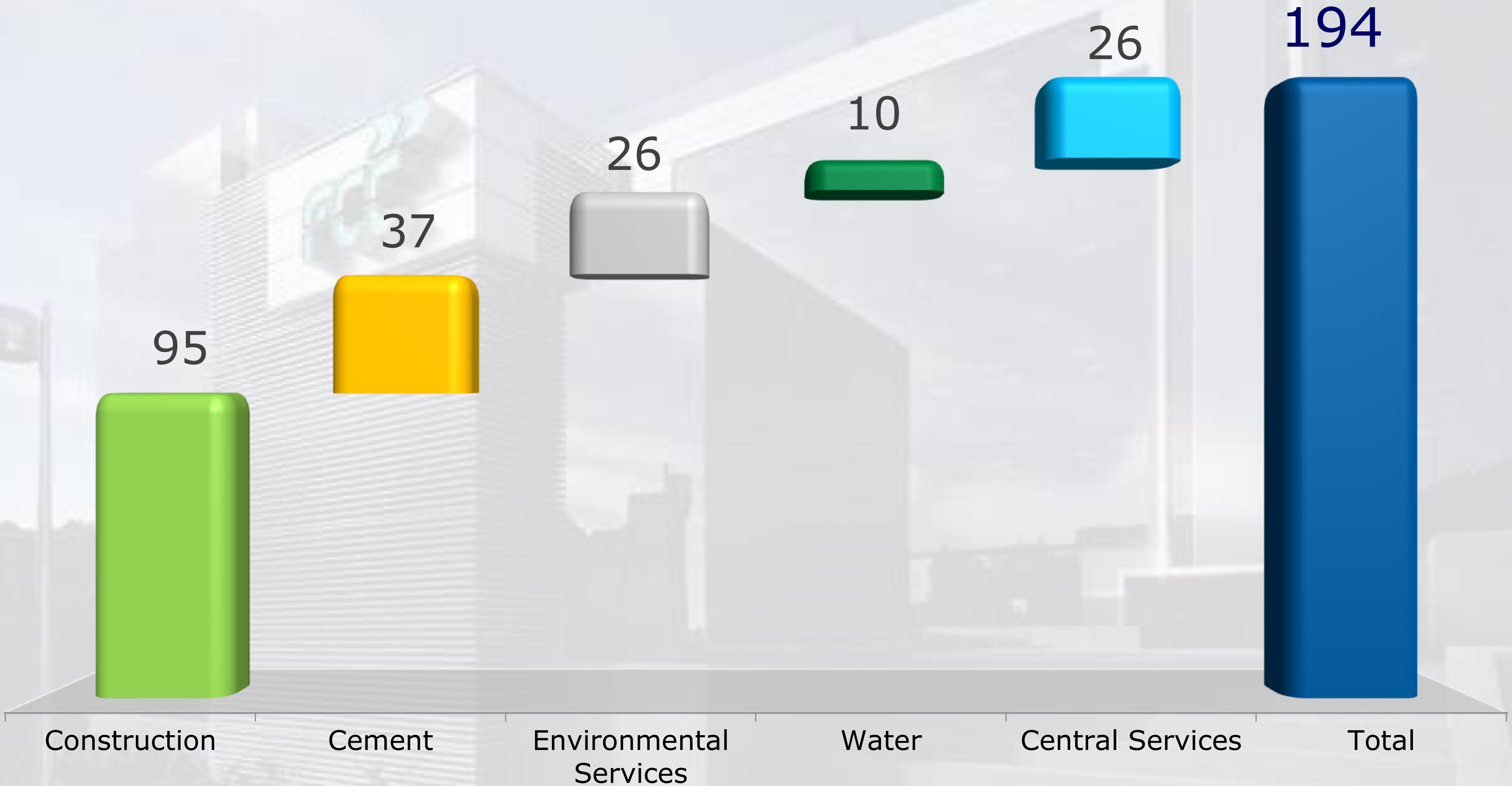
Recover EBITDA by adjusting costs and shedding unprofitable businesses

Divestments

Good performance by international businesses (USA and Tunisia)

Objective 4: Reduce structural costs

Efficiency programme (€mn)



80% of the efficiency plan implemented

Objective 5: Growth in Environmental Services and Water

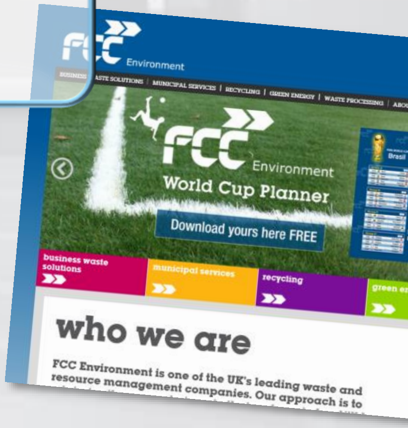
Refocus FCC Environment

From a landfill business to an end-to-end waste management business

Refinance the Azincourt debt: £381mn

Financial partners in tenders

A company that is alert M&A opportunities in the UK's environment industry



Objective 5: Growth in Environmental Services and Water

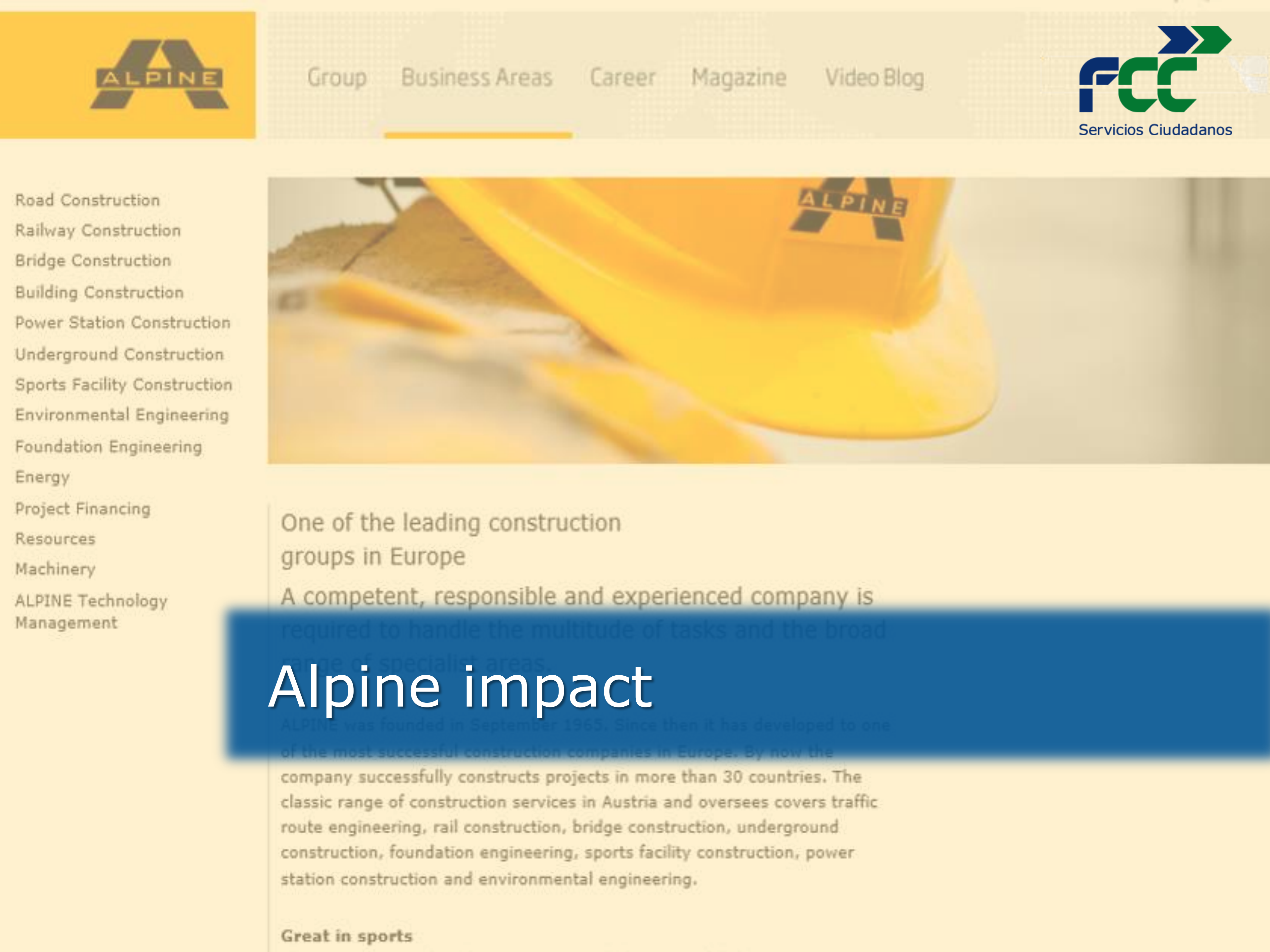
Reinforce leading position of the Environmental Services business in Spain and ASA (waste management in Central Europe)

Maintain FCC Aqualia's leading position in Spain and international expansion

Objective 6: Globalise managers

- A decentralised management model
- Selection of personnel with an international profile
- Rejuvenate the workforce
- A culture based on accountability

Alpine impact



Alpine's insolvency filing. June 2013

Losses of €372mn in 2013

Deconsolidation of assets and liabilities
Debt reduction: €741mn

The Group maintains its objectives

EBITDA
€1,100mn

Cash flow
€850mn

Debt
<4x EBITDA

FCC share performance

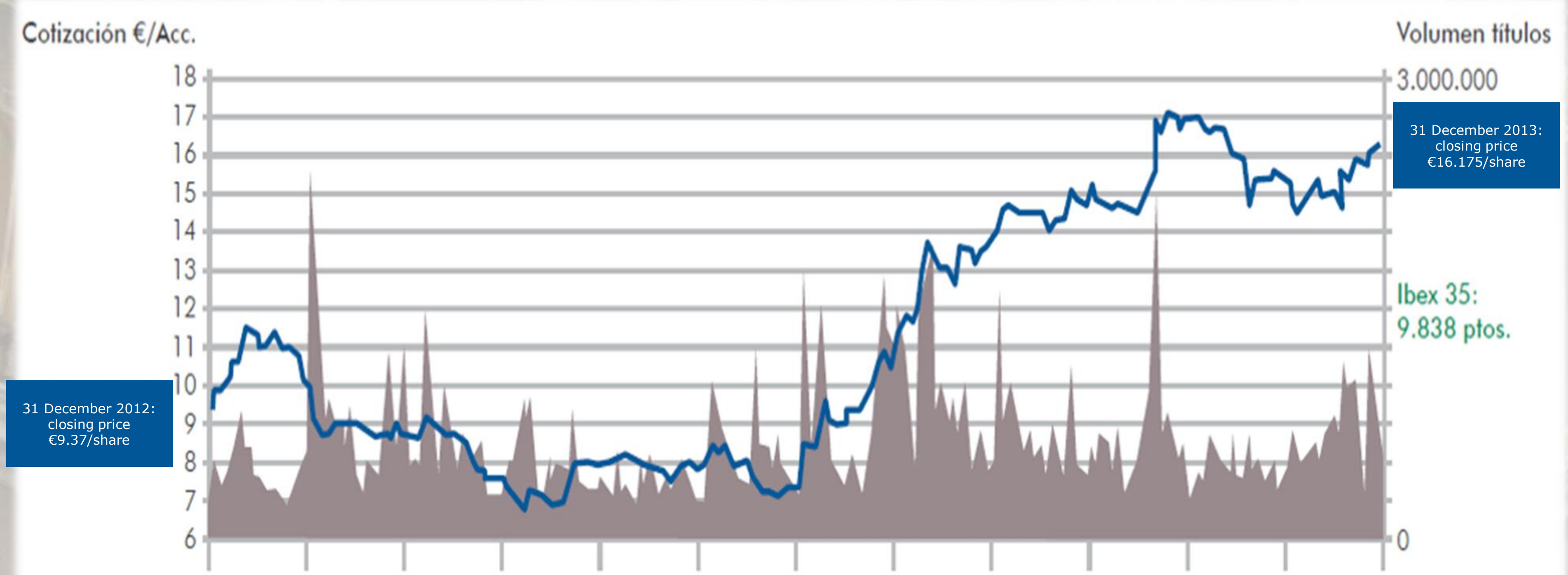
FCC Servicios Ciudadanos

Share performance.2013

FCC: 72.6%

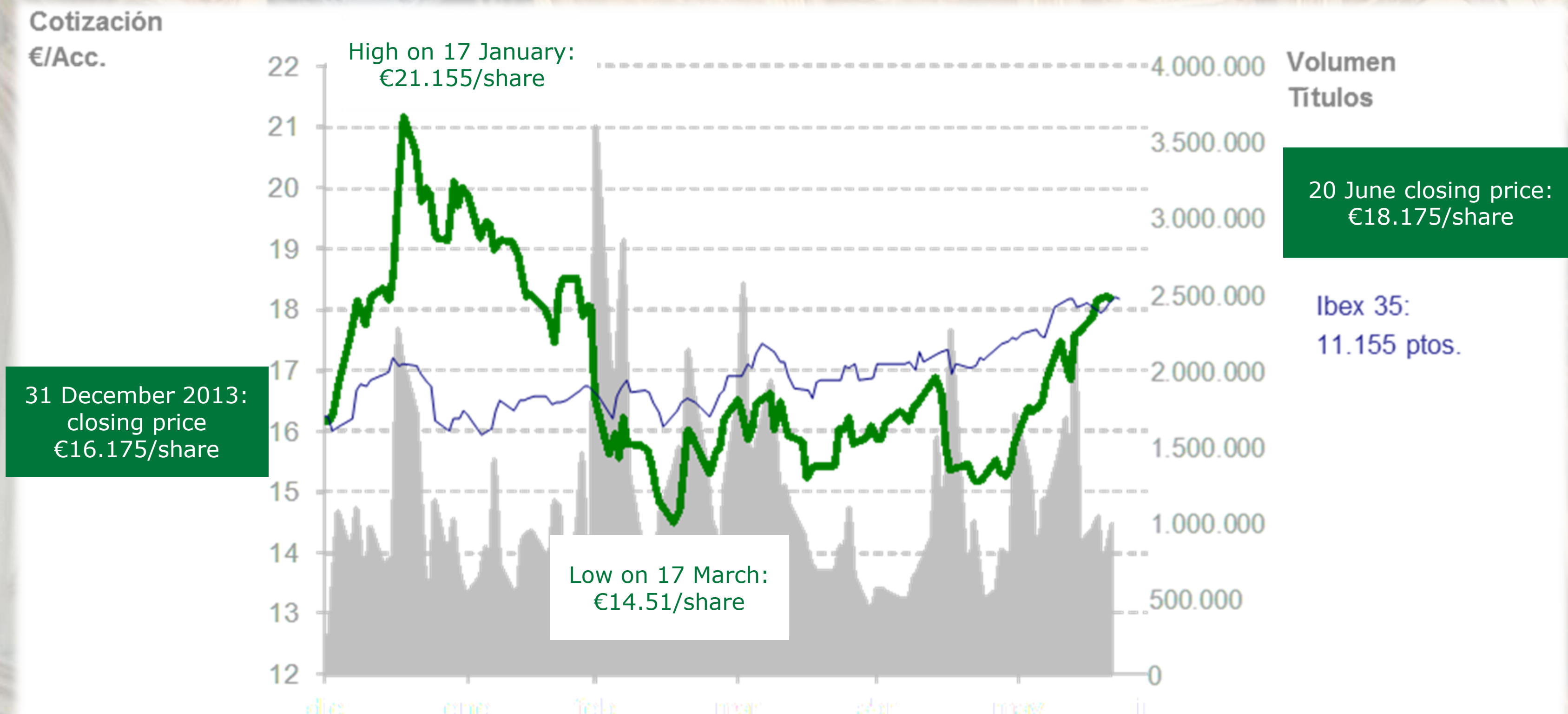
IBEX 35: 21.4%

Sector: 35.5%



	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	2013
% Var. FCC	6,3%	-10,2%	-16,8%	5,8%	-0,6%	-8,4%	45,1%	29,6%	9,1%	15,6%	-8,4%	4,0%	**72,6%**
% Var. Ibex 35	2,4%	-1,6%	-3,8%	6,3%	-1,2%	-6,7%	8,6%	-1,7%	10,8%	7,9%	-0,7%	0,8%	**21,4%**
% Var. Sector	1,8%	0,1%	-0,8%	6,5%	3,8%	-4,9%	7,1%	0,7%	9,1%	7,4%	-2,4%	1,3%	**35,5%**

Share performance. 2014



	JAN	FEB	MAR	APR	MAY	20 JUN	2014
%Var. FCC	**22,9%**	**-16,9%**	**0,2%**	**-4,1%**	**-0,5%**	**15,1%**	**12,4%**
% Var. Ibex 35	0,0%	2,0%	2,2%	1,1%	3,2%	3,3%	12,5%
% Var. Sector	5,7%	5,5%	5,5%	2,6%	1,6%	4,7%	27,7%

The stock market is playing "wait-and-see"

Arrival of large international investors

FINANCIAL TIMES

Last updated: October 22, 2013 11:11 pm

Bill Gates bets on Spain's recovery with FCC investment

By Miles Johnson in Madrid

Microsoft co-founder Bill Gates has made a big bet on the recovery of Spain's construction sector by becoming the second-largest shareholder in FCC, a Spanish builder hit hard by the collapse of a decade-long property bubble five years ago.

Shares in FCC, whose main shareholder is the heiress and philanthropist Esther Koplowitz, rose almost 10 per cent on Tuesday to €17.20 after the company said it had sold 6 per cent of its treasury shares to funds connected to Mr Gates for €113.5m.

Spain's g
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Madrid
next yea

More

Bill Gates' funds acquired

5.7% of FCC

International funds bought

3.8% of FCC from B 1998

The three phases of the new management era

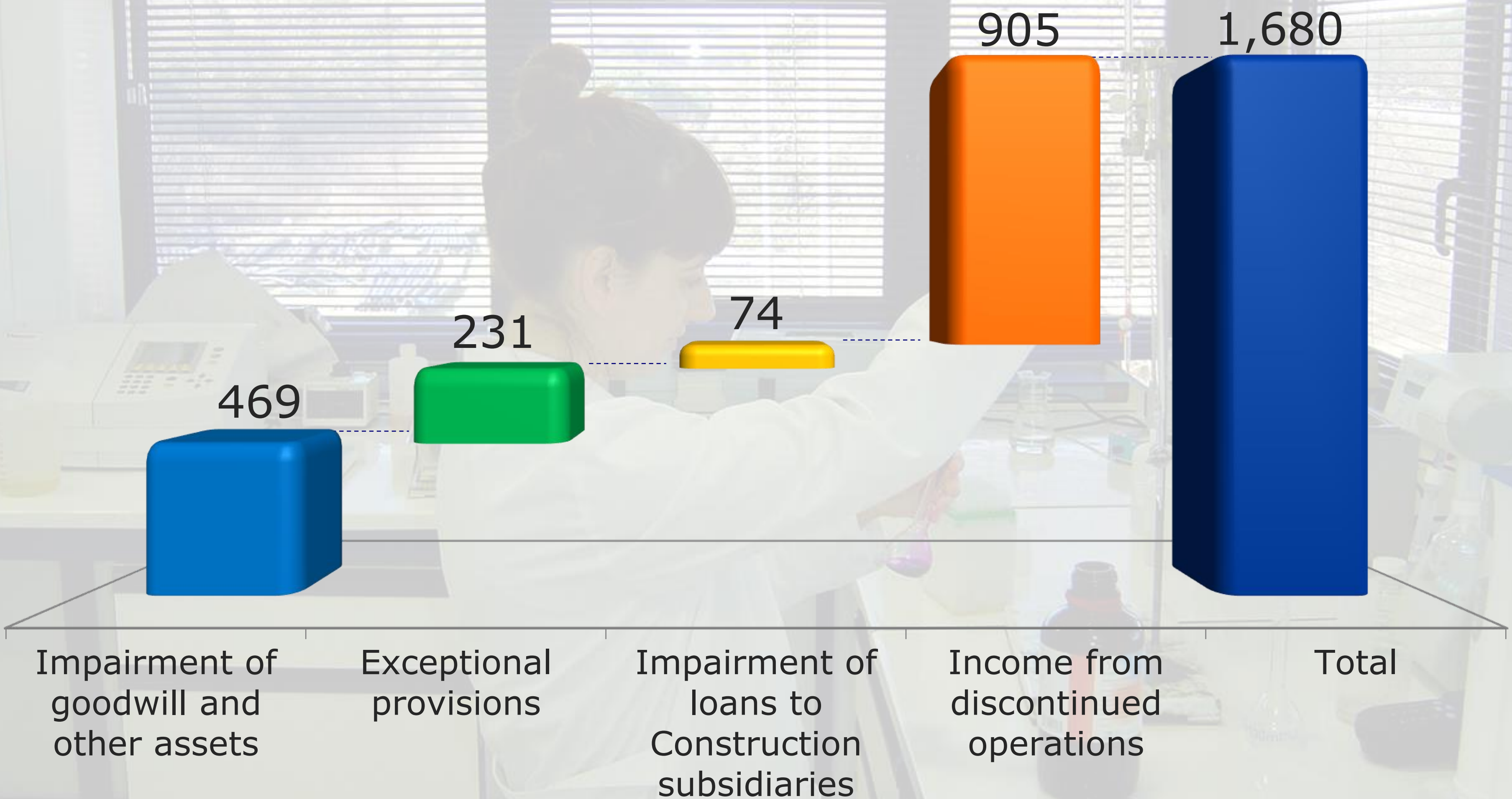
Phase I:
Restructuring and extraordinary writedowns

2013 Earnings

	2013 (€mn)	Chg./2012
Revenues	6,726	-9.5%
EBITDA	719	-12.2%
EBITDA margin	10%	-0.3 p.p.
Net attributable income	-1,506[1]	n.s.
Net debt	5,975	-15.7%
Backlog	32,865	+6.4%

[1] Includes exceptional impairments and provisions, together with losses from discontinued operations, amounting to €1,680mn

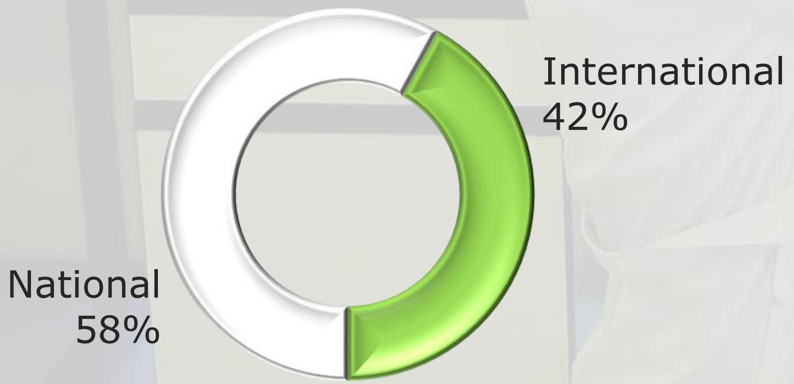
Restructuring and writedowns (€mn)



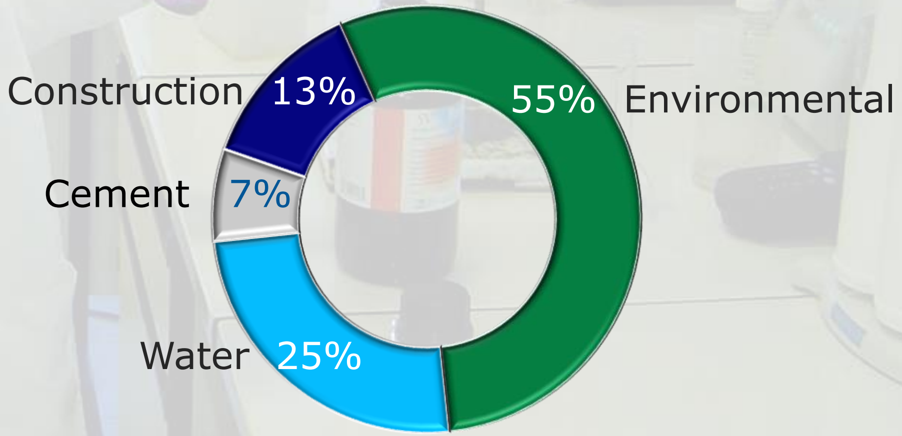
Operating performance

	2013 revenues (€mn)	Chg. 2012 (%)	2013 EBITDA (€mn)	Chg. 2012 (%)
Environmental Services	2,770	-2.0	425	-14.5
Water	930	+3.2	191	+1.5
Construction	2,589	-11.8	98	+10.5
Cement	540	-17.3	50	-27.9
Central Services and adjustments	-104	-193.7	-46	+84.9
Total	6,726	-9.5	719	-12.2

Revenue breakdown by region



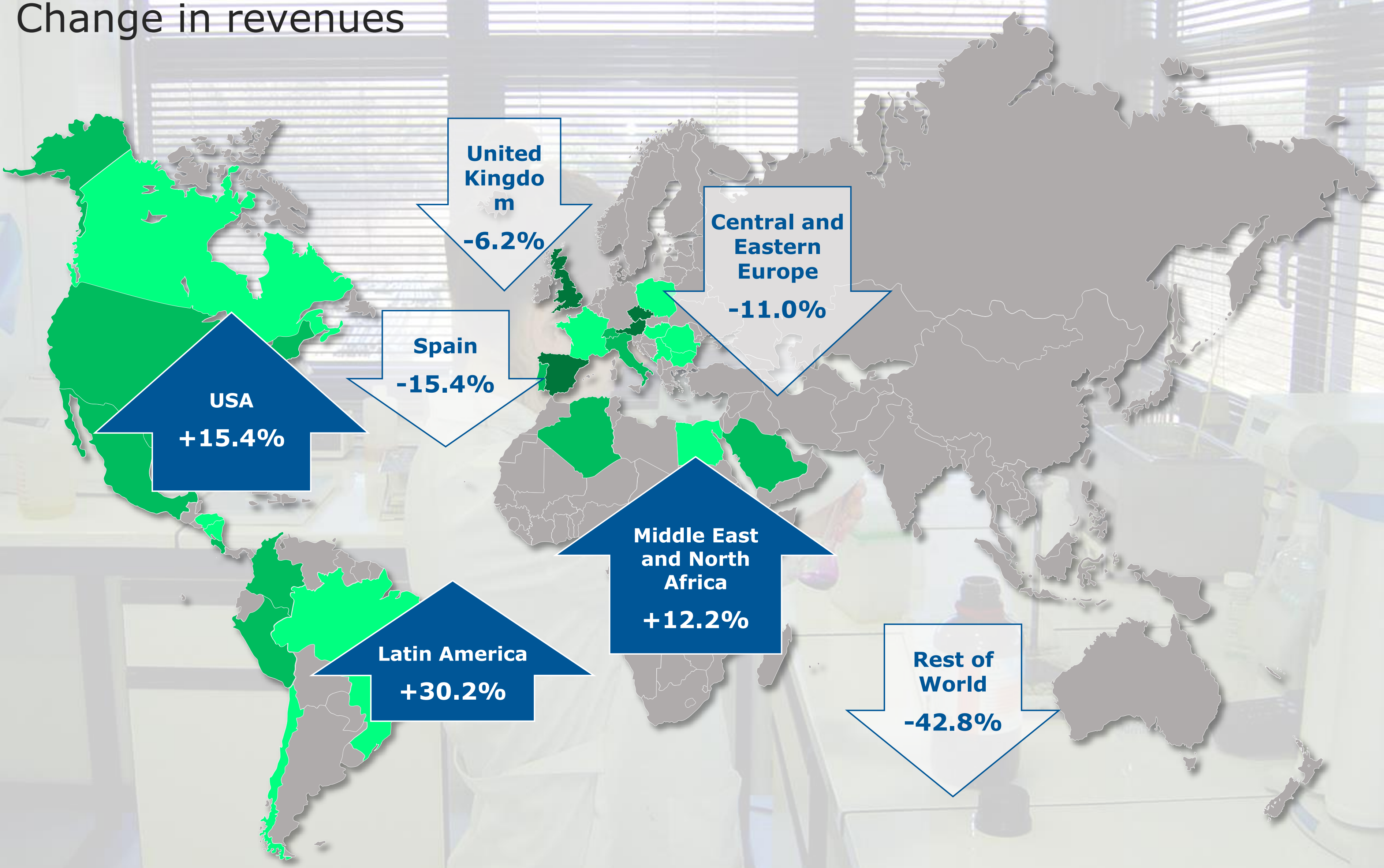
EBITDA by business area



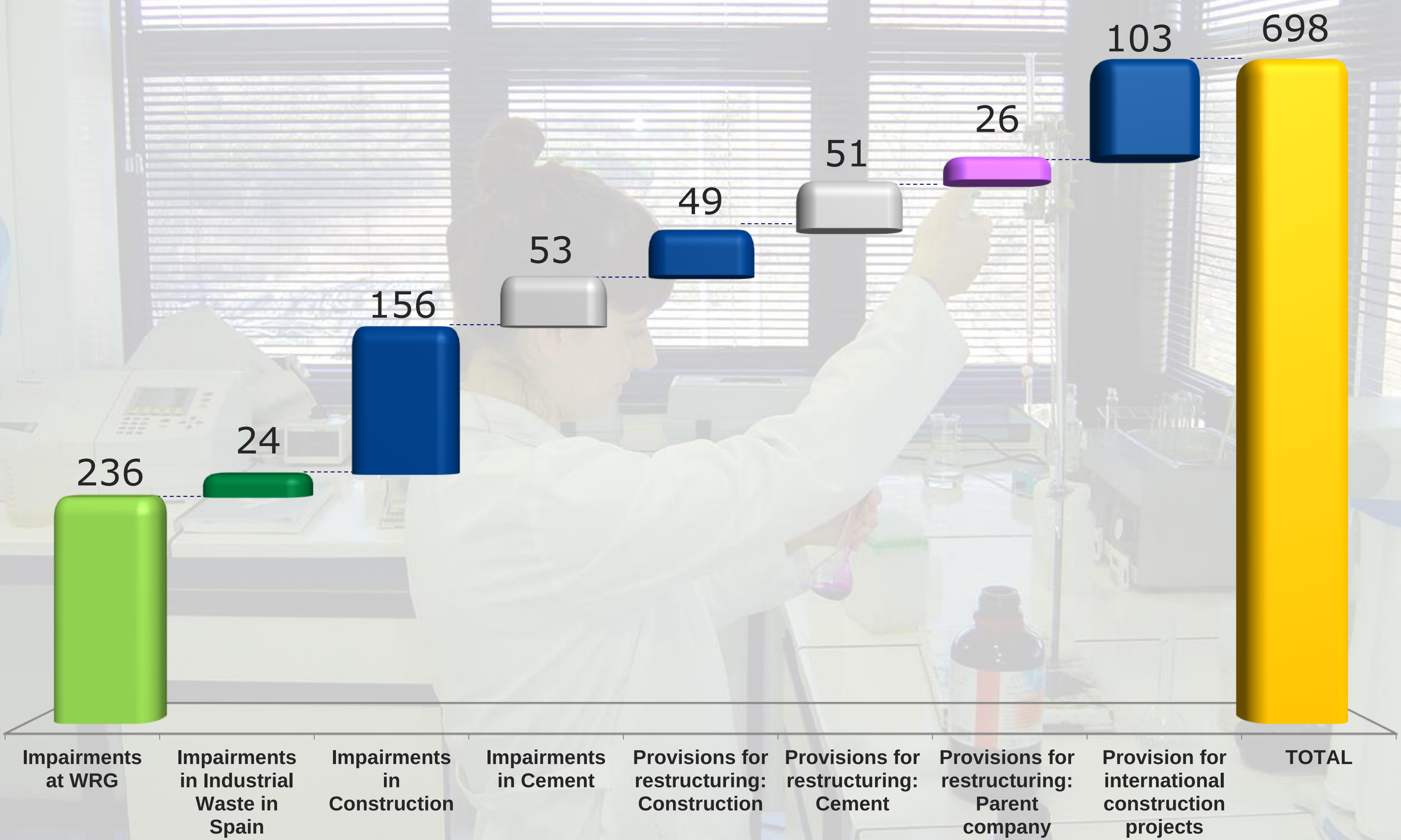
Operations worldwide

Servicios Ciudadanos

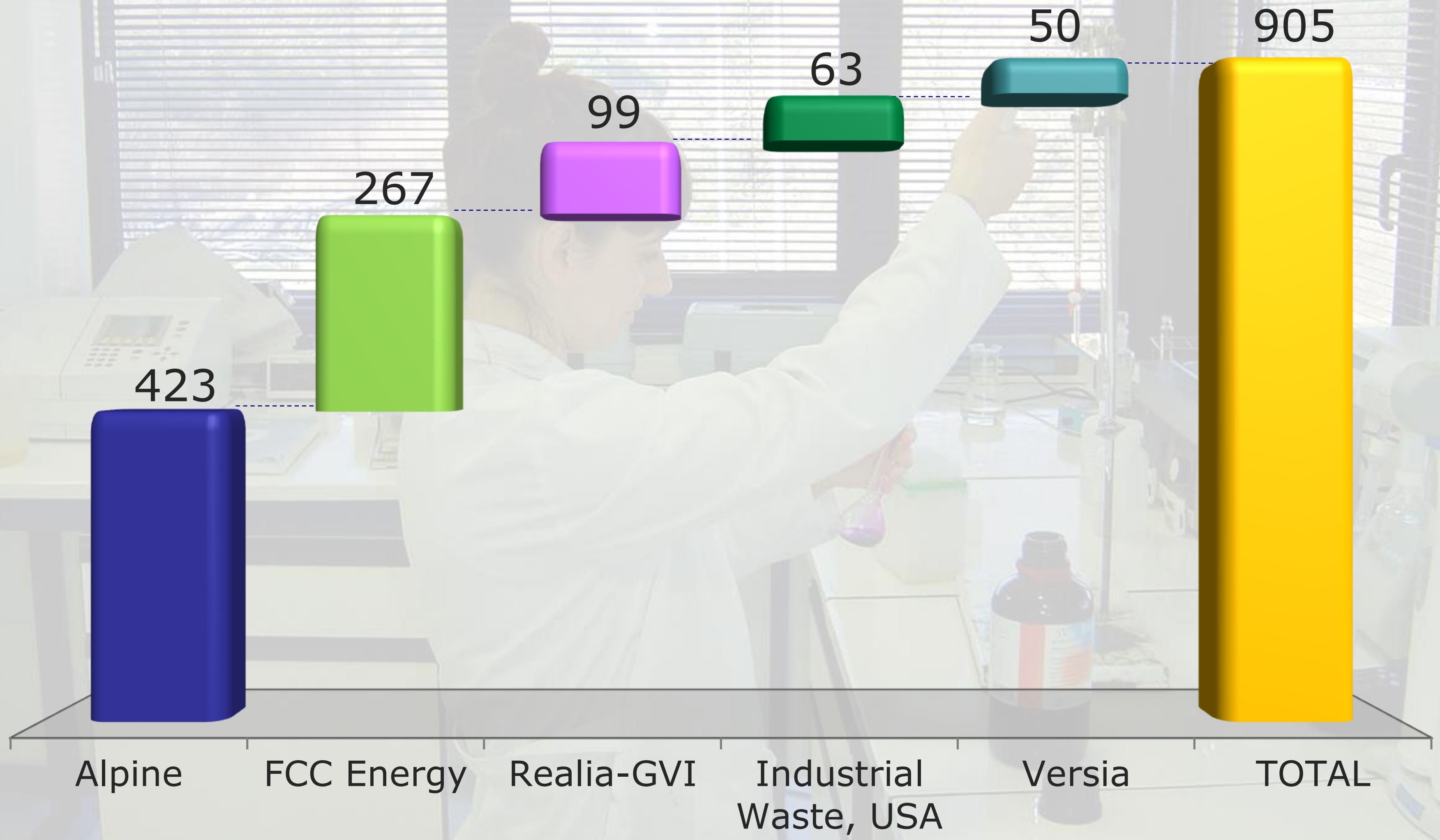
Change in revenues



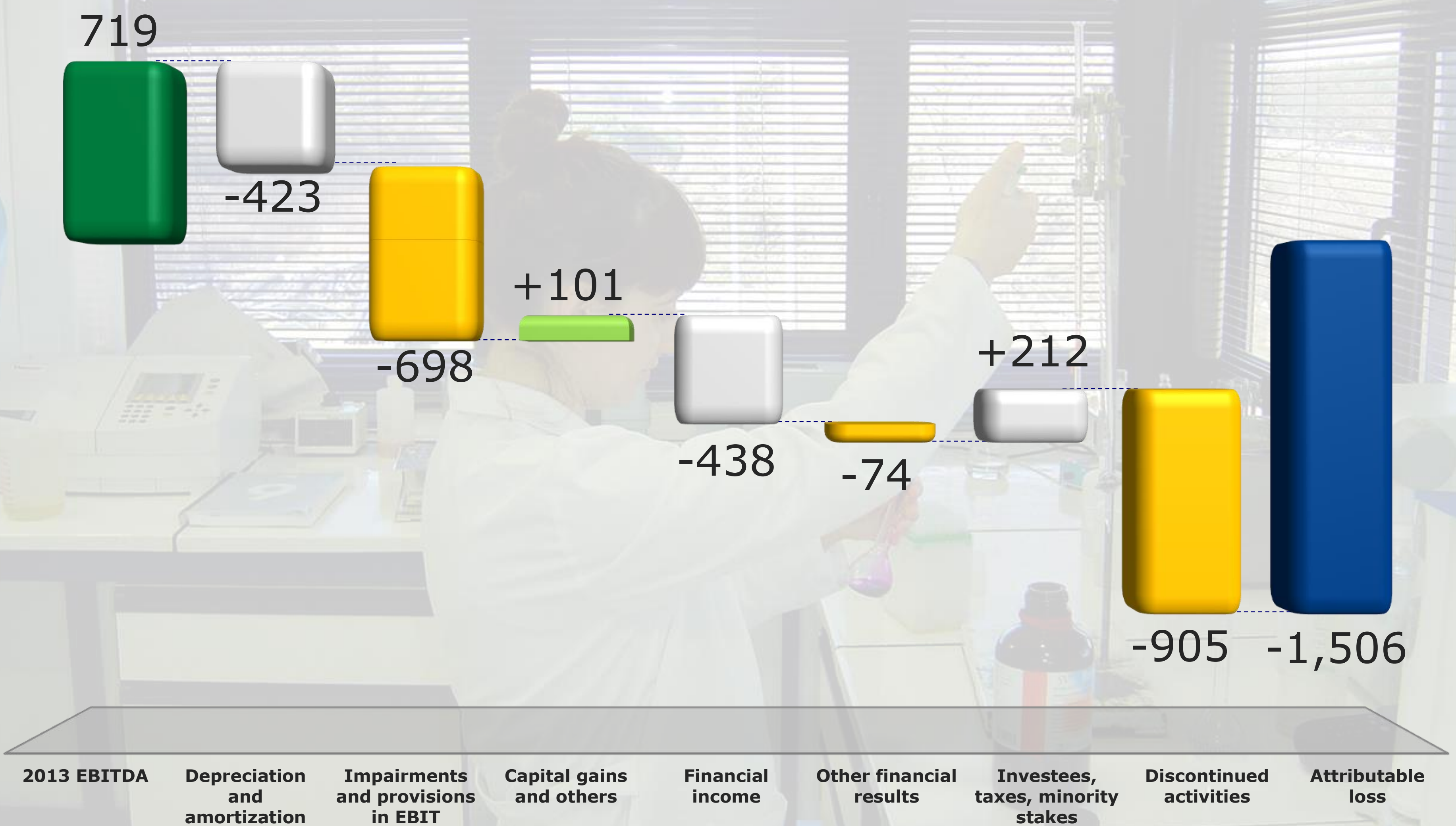
Impairments and provisions in EBIT (€mn)



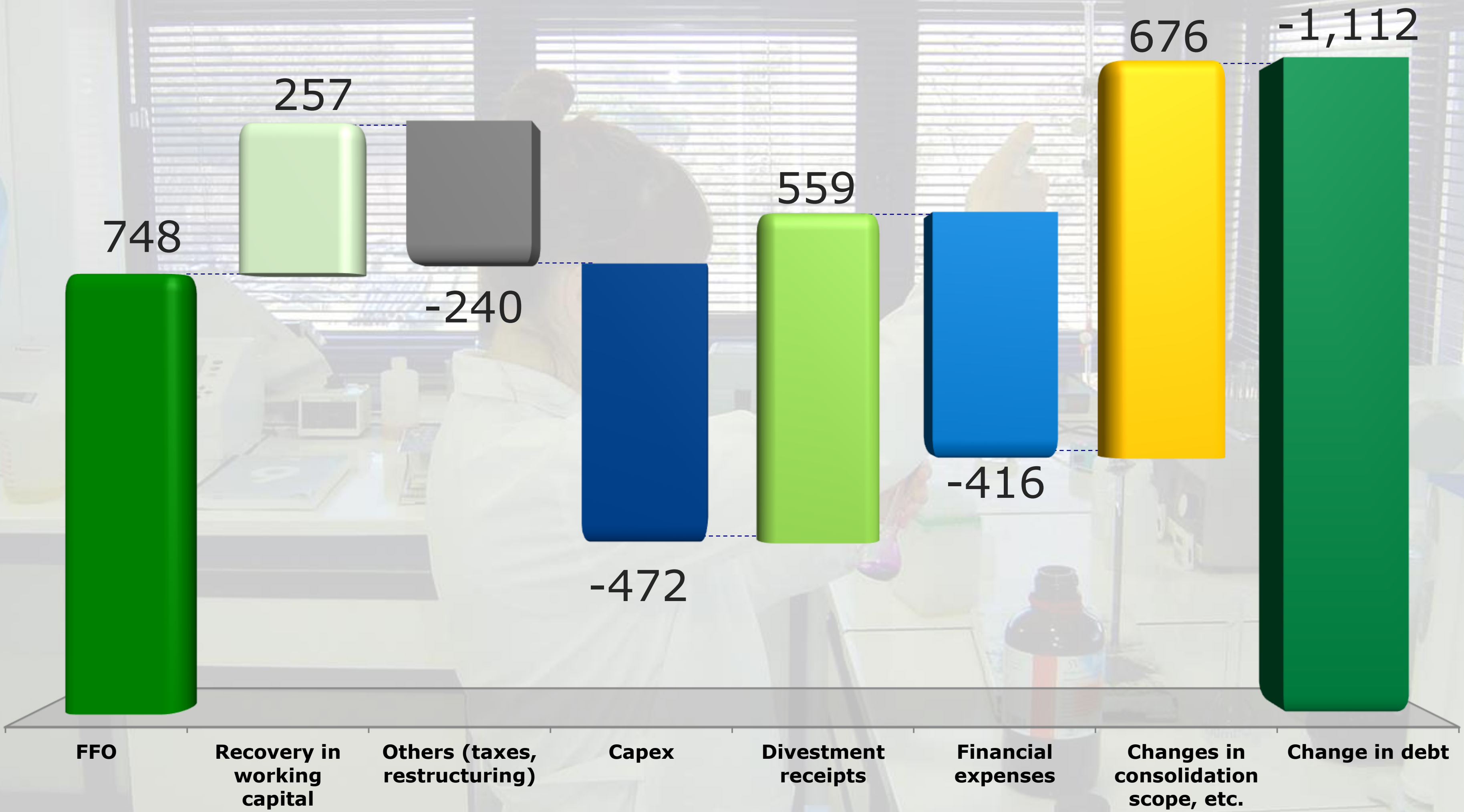
Income from discontinued operations (€mn)



Net profit (€mn)

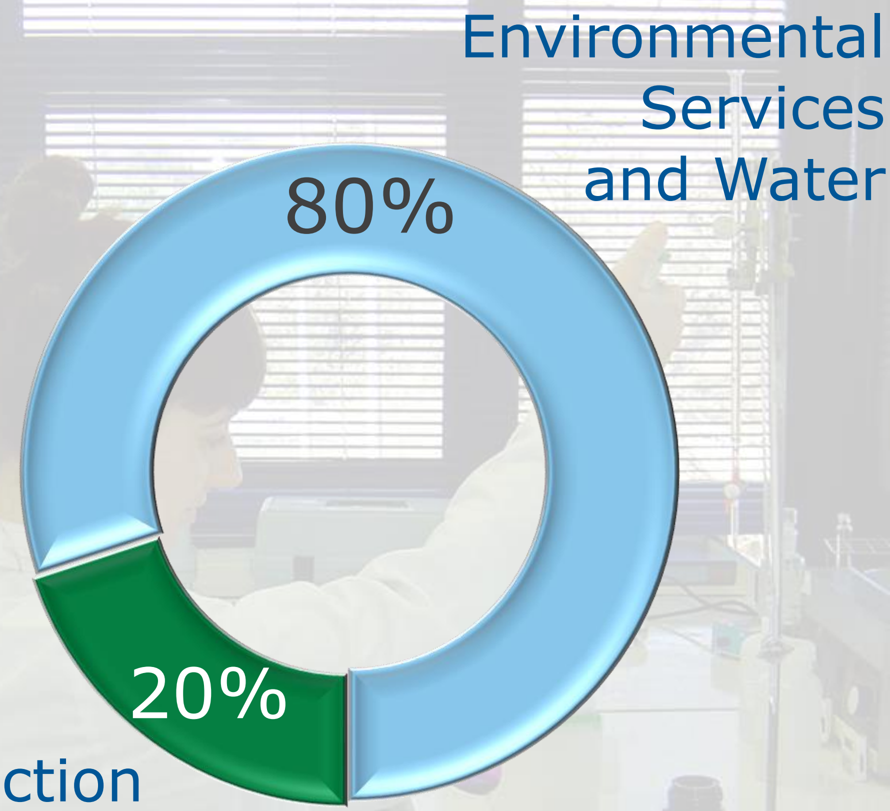


Change in debt (€mn)



2013 Backlog

€32,865mn



Capacity to generate business

Long-term relationships

Backlog at 31 December 2013

New contracts in other countries

FCC inicia las obras del metro de Riad que generarán 15.000 empleos

04.04.2014 | Europa Press | 0

FCC ha comenzado a ejecutar las obras del metro de Riad, un proyecto que se adjudicó el pasado año a través de un consorcio y que dará trabajo a más de 15.000 personas de quince nacionalidades distintas.

Jaime Freyre, presidente del consorcio que lidera FCC (derecha) en el inicio de las obras del metro de Riad

El arranque de las obras, de la que constituye la mayor obra lograda por una compañía española en el exterior, tiene además lugar con dos meses de antelación respecto al calendario previsto.

La compañía controlada por Esther Koplowitz se hizo en julio del pasado año con el contrato de obras de construcción de tres líneas del metro de Riad por un importe de **6.000 millones** de euros.

El **consorcio adjudicatario** lo completan la coreana Samsung, la holandesa Strukton, la también española Typsa, la saudí Freyssinet, la británica Atkins y los franceses Setec y Alstom, firma esta última que se encargará del suministro de los 69 trenes.

New contracts in other countries

3 lines of Riyadh metro, Saudi Arabia

Extension of Doha metro, Qatar

Construction of Lima metro, Peru

New contracts in other countries

Major impact on citizens' quality of life and improvement in city sustainability

FCC: Global leader in the construction of urban transport infrastructure

Financial stabilisation

Bank debt refinancing agreement (March 2014)

€4,512mn

€4,512mn

€1,350mn — Tranche B: Excess debt, PIK

€3,162mn — Tranche A: At market prices (Euribor +3-4%)

Financial stabilisation

Bondholders (May 2014) | €450mn

Extension to 6 years

Same yield (6.5%)

Reduction of the conversion price to €30/share

Servicios Ciudadanos

Phase II:
Improvement in returns on operations

Start of Phase II

FCC Servicios Ciudadanos

New team

Committed to the objectives of the Strategic Plan

Development of an end-to-end control system

Focus on cash flow

Improve profitability of all operations

Environmental Services

Preserve market share and margins

Continue with transformation of FCC Environment

Greater integration of ASA

Restructure the industrial waste business

Profitable international expansion

Improve profitability of all operations

Water

Increase market share in Spain

Profitable international expansion

Improve profitability of all operations

Infrastructure

- Adapt resources in Spain to market size
- Recover profitability in international projects
- Increase margins in bids
- Alliances with partners and financiers to grow concessions

Improve profitability of all operations

Cement

Recover profitability in Spain

Increase production capacity in Harleyville (USA) and Tunisia

Management model characterised by:

Global corporate policies

Each business area has the capacity to manage its resources to obtain results

Flexibility and agility in adapting strategies and resources to market movements

Permanent containment of structural costs

Ongoing debt reduction

Management model characterised by:

Servicios Ciudadanos

Accountability for decision-making
and assessment of impacts

Transparency. Enhance internal communication

Ethics and accountability

Phase III: Return to growth

Earnings forecast (€mn)

	2013	2016e
Revenues	6,726	7,659
EBITDA	720	1,040
Environmental Services	425	480
Water	192	260
Construction	99	175
Cement	50	140
Central Services and adjustments	-46	-15
Net debt	5,975	5,300

2014 Budget

Revenues

+5%

EBITDA

+20%

Contain debt

Complete divestments (€500mn/year)


FCC
Servicios Ciudadanos
Looking to the near future

Looking to the near future

Financial structure in line with business areas' strengths

Leverage

<4x EBITDA

Looking to the near future

Capacity to invest in projects that will expand EBITDA

Management model aimed at achieving results

Global, responsible management team that is committed to results

Emphasis on international growth in Environmental Services and Water